

# EXHIBIT H

**SETTLEMENT AGREEMENT**

**WHEREAS**, by orders dated January 21, 2009, June 3, 2009, January 19, 2010 and September 23, 2010, the Court in Securities & Exch. Comm'n v. Arthur Nadel, et al., Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "SEC Receivership Action"), appointed Burton W. Wiand as Receiver (the "Receiver") for Scoop Capital, LLC; Scoop Management, Inc.; Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory IRA Fund, LTD; Victory Fund, LTD; Viking IRA Fund, LLC; Viking Fund, LLC; and Viking Management, LLC and all of their subsidiaries, successors, and assigns (collectively, the "Receivership Entities"); and

**WHEREAS**, the Receiver has asserted certain potential claims against Quest Energy Management Group, Inc. ("Quest"); and

**WHEREAS**, the Receiver is the holder of a promissory note from Quest and certain rights under various agreements (attached hereto as Exhibit "A") between Quest on the one hand and Viking Oil & Gas, Neil V. Moody, and/or Christopher D. Moody on the other; and

**WHEREAS**, Quest wishes to satisfy the note and all other outstanding obligations, claims and demands; and

**WHEREAS**, Quest and the Receiver (collectively "the Parties") wish to resolve their pending disputes by entering into this Settlement Agreement (the "Agreement");

**NOW, THEREFORE**, the Parties, intending to be legally bound, and in consideration of the mutual covenants and other good and valuable consideration set forth below, agree as follows:

1. Settlement Payment by Quest. Within 30 days of execution of this Agreement by the Receiver, Quest will pay or cause to be paid, in the form of a wire transfer, the total sum of Two Million, Three Hundred Thousand and No/100 (\$2,300,000.00) Dollars (“Settlement Payment”) into the Wiand Guerra King P.A. escrow account, pursuant to separate written instructions delivered contemporaneously herewith. Said funds shall be disbursed to the Receiver upon approval of this Agreement by the court overseeing this Receivership. In the event the court declines to approve this Agreement, said funds shall be returned to Quest within 20 days of the Court’s order rejecting the Agreement, unless the parties agree, in writing, to do otherwise.

2. Approval of the Settlement. Within 10 days of receipt of the deposit of the Settlement Payment by the Receiver’s counsel, the Receiver shall request approval of this Agreement from the Court overseeing the Receivership.


3. Release by Receiver. The Receiver, on behalf of each of the Receivership Entities, along with any respective representatives, agents, attorneys, predecessors, successors, insurers, administrators, heirs, beneficiaries, executors and assigns, hereby forever releases and discharges Quest, Paul Downey, Jeff Downey, and all of Quest’s past and present agents, representatives, shareholders, principals, affiliated entities, parent corporations, subsidiaries, officers, directors, employees, predecessors, successors, heirs, executors and assigns, and representatives, or any of the foregoing (collectively the “Released Parties”), from any and all legal or equitable claims, whether related to the promissory note or to any other agreements, executed or otherwise entered into, between Quest and Viking Oil & Gas, LLC, Neil V. Moody, and/or Christopher D. Moody, regardless of whether such claims have been or could be brought

directly, derivatively or as part of a class action, counterclaims, actions, demands, set offs, covenants, promises, judgments, causes of action and damages of any kind, both known and unknown, whether now existing or which may hereafter accrue, in any way arising from any act or omission of the Released Parties. **No part of this Agreement, however, shall release or otherwise affect any claims, rights, actions or proceedings the Receiver has or may have against any other persons or entities not parties to this Agreement, including but not limited to Christopher D. Moody, Neil V. Moody, or any other entities with which either have been affiliated and which are not specifically identified herein as Released Parties.**

4. Release by Quest. Quest, along with any respective representatives, agents, attorneys, predecessors, successors, insurers, administrators, heirs, beneficiaries, executors and assigns, hereby forever releases and discharges the Receiver, each of the Receivership Entities, and all of their past and present agents, representatives, shareholders, principals, affiliated entities, parent corporations, subsidiaries, officers, directors, employees, predecessors, successors, heirs, executors and assigns, and representatives, of any of the foregoing, from any and all legal and equitable claims, whether related to the promissory note or to any agreements, executed or otherwise, between Quest and Viking Oil & Gas, LLC, Neil V. Moody, and/or Christopher D. Moody, regardless of whether such claims have been or could be brought directly, derivatively or as part of a class action, counterclaims, actions, demands, set offs, covenants, promises, judgments, causes of action and damages of any kind, both known and unknown, whether now existing or which may hereafter accrue, in any way arising from any act or omission of the Receiver or any of the Receivership Entities.

Page 3 of 7

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5. Enforcement of Agreement. It is expressly agreed and understood by the Parties hereto that no provision of this Agreement is intended to release the Parties from the obligations contained herein, and each Party to this Agreement hereby expressly reserves any claims arising solely out of the obligations created by this Agreement. Any dispute concerning the terms or enforcement of this Agreement shall be determined by the Federal Court in the Middle District of Florida having jurisdiction over the SEC Receivership Action.


6. Full Capacity and Authority: Paul Downey represents and warrants that (i) he has full authority and representative capacity to execute this Agreement on behalf of Quest, and (ii) that this Agreement has been duly executed and delivered and constitutes the valid and binding obligation of the Parties signing such Agreement.

7. Non-Assignment of Claims: The Receiver and Quest represent and warrant that none of the claims released herein or the promissory note, have been assigned, pledged or otherwise conveyed to any person or entity, and that no attorney has any contingent fee interest in any such claims.

8. No Violation: Each Party represents and warrants that it is not bound by any provision of (i) any law, statute, rule, regulation, or judicial or administrative decision, or (ii) any judgment, order, writ, injunction or decree of any court, governmental body, administrative agency or arbitrator, which would prevent or be violated by the execution, delivery or performance of this Agreement. Notwithstanding this provision, the Receiver is nonetheless legally bound to obtain court approval of the subject settlement, absent which the agreement cannot become effective.

Page 4 of 7

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9. Settlement of Disputed Claims. This Agreement constitutes a full, complete, and final settlement (according to the terms stated herein) of all disputed claims and liabilities claimed and denied.

10. Attorneys' Fees, Costs and Expenses. Unless otherwise stated herein, the Parties will bear their own attorneys' fees, costs, and expenses in connection with the negotiation, execution, and performance of this Agreement or matters attendant to it.

11. Integrated Agreement. This Agreement contains the entire agreement and understanding among the Parties regarding the matters set forth herein and supersedes all previous negotiations, discussions and understandings regarding such matters. The Parties acknowledge and represent that they have not relied on any promise, inducement, representation, or other statement made in connection with this Agreement that is not expressly contained herein. The terms of this Agreement are contractual and not a mere recital.


12. No Oral Modification. This Agreement cannot be altered, amended, or modified in any respect, except by a writing duly executed by the Parties.


13. Interpretation of Agreement. This Agreement shall be construed without regard to the Party or Parties responsible for its preparation, and shall be deemed to have been prepared collectively by the Parties. Any ambiguity or uncertainty arising herein shall not be interpreted or construed against any Party hereto on the basis that a Party prepared or drafted a particular provision of this Agreement.

14. Choice of Law. The law of the State of Florida (without regard to its conflict of laws provisions) shall govern the interpretation and enforcement of this Agreement.

Page 5 of 7

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15. Severability of Parts. If any portion, provision, or part of this Agreement is held, determined or adjudicated by any court of competent jurisdiction to be invalid, unenforceable or void for any reason whatsoever, each such portion, provision, or part shall be severed from the remaining portions, provisions or parts of this Agreement, and such determination or adjudication shall not affect the validity or enforceability of the remaining portions, provisions, or parts.

16. Cooperation of Parties. The Parties agree to cooperate to accomplish the purpose of this Agreement and to execute any and all supplementary documents and to take all additional actions consistent with the terms set forth in this Agreement that are necessary and appropriate to give full force and effect to the terms and intent of this Agreement.

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Page 6 of 7

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17. Advice of Counsel. The Parties have been fully advised by their respective counsel as to the legal and binding effect of the general release and other agreements provided herein and having been so advised, freely and voluntarily sign this Agreement.

IN WITNESS WHEREOF the parties have set their hands as of the dates indicated.

QUEST ENERGY MANAGEMENT  
GROUP, INC.

By:

Paul Downey  
Paul Downey, CEO

Burton W. Wiand  
Burton W. Wiand, as Receiver on Behalf of  
the Receivership Entities

Date:

June 15, 2011

Date:

June 17, 2011

STATE OF FLORIDA

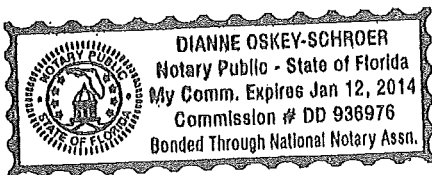
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 15 day of June, 2011, by PAUL DOWNEY, Chief Executive Officer of QUEST ENERGY MANAGEMENT GROUP, INC., who is personally known to me or who has produced \_\_\_\_\_ as identification and who did/did not take an oath.

Dianne Oskey-Schroer  
Notary Public

Print Name Dianne OSKEY-SCHROER

Serial Number (if any) \_\_\_\_\_



Page 7 of 7

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**DATE:** April 4, 2007  
**SUBJECT:** Memorandum of Understanding between Quest Energy Management Group, Inc. and Viking Oil & Gas, LLC

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This document outlines the agreement between Quest Energy Management Group, Inc. (hereinafter referred to as "Quest") and Viking Oil & Gas, LLC (hereinafter referred to as "Viking") regarding the Quest Silverado #1 Production prospect as agreed to January 5, 2006.

- Viking commits to invest \$1,000,000 with Quest on or before April 16, 2007

In exchange for \$1,000,000 Quest will:

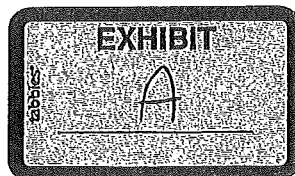
- Increase Viking's interest in Silverado #1 from 40% working interest to 50% working interest
- Repurchase Viking's interest in Silverado #1 upon receipt of initial draw on the interim \$60mm financing, which is expected in Q4-07 or Q1-08
- The repurchase of Viking's Silverado #1 interest shall be for \$4,000,000 plus a 40% equity ownership of Quest Energy Management Group, Inc.

The parties also agree that:

- The business plan for Quest is to grow the company thru the acquisition and development of oil & gas properties with a geographic focus in the Permian Basin of West Texas. When Quest has attained the necessary size and value, the company will become a public company thru an IPO or any other such method as may be appropriate.
- Quest will make no distributions of profits, but will reinvest any profits in the company's core business.
- The successful execution of the business plan is contingent on the company's ability to secure up to \$500,000,000 in funding for additional acquisitions and development.
- In lieu of any additional capital contribution from Viking, Viking and its principals agree to provide any and all assistance to Quest, as may be necessary to secure the funding for the business plan.
- In the event that securing the funding requires the sale or give up of any equity in Quest, the dilution of ownership shall be pro-rata based on the 60%/40% split.

V: 325-762-3281  
64 S. Jacobs St.  
F: 325-762-3284  
Albany, TX 76430

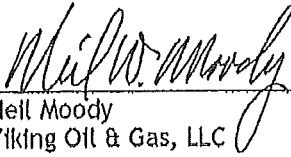
[www.questemg.com](http://www.questemg.com)

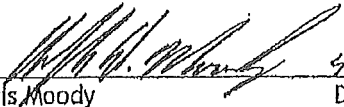


Nadel Receivership  
Quest000004

- Should the funding not be secured, and the business plan is not fully executed, Quest shall have the sole and exclusive right to re-purchase Viking's interest in Quest.

Signatures below indicate agreement and acceptance of the terms outlined above.

 4/4/07  
\_\_\_\_\_  
Neil Moody DATE  
Viking Oil & Gas, LLC

 4/4/07  
\_\_\_\_\_  
Chris Moody DATE  
Viking Oil & Gas, LLC

 4/10/07  
\_\_\_\_\_  
Paul Downey, CEO DATE  
Quest Energy Management Group, Inc.





**\$600,000 Bridge Loan**

Quest Energy Management Group, Inc.  
64 S. Jacobs St.  
Albany TX 76430

WIRE FUNDS TO: First National Bank of Albany  
CREDIT TO: Quest Energy Management Group, Inc.  
ABA#: 1306198  
ACCOUNT#: 100456632

LENDER NAME(S) Valhalla Investment Partners LP  
 ADDRESS 1618 Main St  
 CITY Sarasota STATE FL ZIP 34236  
 TAX OR SOCIAL SECURITY# 65-0907461  
 INDIVIDUAL  TRUST ACCT.  J.T.W.R.O.S.  CORP.  OTHER  LP

AGGREGATE DOLLAR AMOUNT: \$600,000.00

*Michael W. Mroczka*  
 Lender's Signature

Acceptance by the Company  
Quest Energy Management Group, Inc.

11/30/07  
 Date Accepted

*Paul Downey*  
 Paul Downey President & CEO

**Non-Negotiable Promissory Note**

\$ 600,000.00

Execution Date: November 30, 2007

Due Date: May 31, 2008

For value received, Quest Energy Management Group, Inc. a Delaware Corporation, and Paul Downey & Jeff Downey Individually (the "Debtors"), promises to pay to Vahalla Investment Partners LP (the "Payee"), the aggregate principal amount of \$600,000.00 With interest on any part thereof at any time outstanding and unpaid at the "Applicable Rate" (as defined below), payable in lawful money of the United States of America. Indebtedness and all interest thereon shall be payable on the Maturity Date unless sooner repaid as set forth below.

The Applicable Rate shall be equal to ten percent (10%) per annum paid monthly. Notwithstanding the foregoing, during any Period of Default, the Applicable Rate shall be equal to the highest rate permitted by law.

Any and all payments of principal and/or interest shall be paid by

Debtors to Payee, at 1618 Main St  
Sarasota FL 34236  
(or to such other address as Payee shall indicate writing).

Debtors (and any person at any time liable for payment of all or any portion of this Note), waives presentment for payment, protest, demand and notice of nonpayment or dishonor of this Note; unless and except to the extent otherwise specifically stated in this Note.

Debtors agrees that Payee, in its discretion, may extend the time for payment of the debt evidenced hereby, in whole or in part, at any time, voluntarily and/or at the request of the Debtor, without in any way otherwise affecting the liability of the Debtor.

Collateral - debtors hereby grant to payees a preferred, first and only lien on 100% of all their issued shares of stock in Quest Energy Management Group, Inc. See Exhibit A for list of underlying assets of Quest Energy Management Group, Inc. and their value.

The occurrence of any one or more of the following events shall constitute a default under this note (an "Event of Default"):

Event of Default 1: the failure of Debtors to make payment, a Petition of Bankruptcy is filed by Debtors or Debtors make an assignment for the benefit of Creditors of principal and/or interest when due (whether on demand or otherwise) and such failure continues for a period of thirty (30) days after written notice from Payee, and/or



Event of Default 2: any application is filed or any proceeding commenced against Debtors or any order entered appointing a trustee or receiver adjudicating Debtors bankrupt, insolvency or approving the petition in any such proceeding, which application or order is not dismissed within thirty (30) days of the date of entry.

The term "Period of Default" refers to that period of time commencing upon the occurrence of an Event of Default through and including either:

- (a) the date on which the Event of Default shall be cured, or
- (b) if the Event of Default is not cured, the date on which the entire indebtedness (including principal and interest) is paid in full.

Upon the occurrence of an Event of Default, Payee may (within its discretion) declare the entire outstanding Indebtedness (including any accrued and unpaid interest) due and payable with thirty (30) days' prior written notice to Debtors except as to Event of Default 1, as to which no additional notice is required (the "Notice Period"). The entire outstanding Indebtedness shall be due and payable on the last day of the Notice Period, without further notice, presentment, and/or demand. In the event that the Event of Default occurs within the thirty (30) day period immediately preceding the Due Date, the Notice Period shall be deemed to be equal to the number of days then remaining prior to the Due Date.

If the Indebtedness is not fully paid in accordance with the terms of this Note, Debtors shall pay Payee all reasonable costs, expenses, and fees incurred by Payee to collect the Indebtedness, including (but not limited to) reasonable attorneys' fees; such costs, expenses, and fees shall be added to, and be a part of the Indebtedness. All of the foregoing costs, expenses, and fees are collectively referred to as "Damages".

No delay or failure of Payee in exercising any right, remedy, power, or privilege under this Note shall affect such right, remedy, power, or privilege, nor shall any single or partial delay or failure of Payee at any time to demand strict adherence to the terms of this Note shall be deemed to constitute a course of conduct inconsistent with the Payee's right at anytime, before or after any Event of Default, to demand strict adherence to the terms of this Note. Neither the failure by Payee to enforce any rights under this Note, nor the waiver by Payee of any breach or violation of the terms of the Note by Debtor, nor the extension or indulgence by Payee of any obligations of Debtor, shall be construed so as to (a) permit any further waiver, breach, extension, or indulgence, or (b) in any way abrogate or affect Payee's rights and Debtor's obligations under this Note.

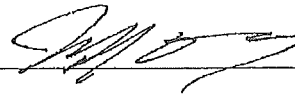
This Note shall be construed and enforced in accordance with, and governed by, the laws of the State of Texas.

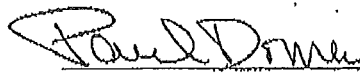
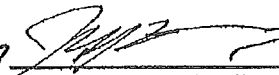
Notwithstanding anything to the contrary contained herein, the effective rate of interest on the obligation evidenced by this Note shall not exceed the lawful maximum rate of interest to be paid. Without limiting the generality of the foregoing, in the event the interest charged hereunder results in an effective rate of interest higher than that lawfully permitted to be paid, then such charges shall be reduced by the sum sufficient to result in an effective rate of interest

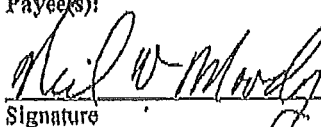


no greater than the maximum effective rate of interest permitted, and any amount which would exceed the highest lawful rate already received and held by the Payee shall be applied to a reduction of principal and not to the payment of interest.

**Debtor:**  
Quest Energy Management Group, Inc,  
A Delaware Corporation

 By: Jeff Downey

 11/30/07  11/30/07  
Paul Downey, Individually      Date      Jeff Downey, Individually      Date

**Payee(s):**  
 11/30/07  
Signature      Date

Neil V. Moody      Valhalla Investment Partners  
Print Name      Entity Name



**Exhibit A**

The Callahan Energy Partners (CEP) Project consists of 4 leases totaling 640 acres comprised of the east half of Sec. 138 and the west half of Sec. 143, Callahan County, Texas.

The Kilgore Ranch consists of 23 leases totaling approximately 1,780 acres in Brown County, Texas.

The Musselman Caddo Unit (MCU) consists of approximately 3,385 acres in a single lease located in Shackelford County, Texas.

The KPC Production Project consists of 21 leases covering approximately 1,200 acres in Caldwell and Guadalupe Counties, Texas.

	CEP	KPC	Kilgore Ranch	Musselman Caddo Unit	TOTAL
Leases	4	21	23	1	49
Acreage	640	1,200	1,780	3,385	7,005
Total Proved Reserves - Recoverable BBL	600,000	2,228,000	3,100,000	3,000,000	8,928,000
Total Proved Reserves - Recoverable MCF	0	0	0	884,000	884,000

**NET WORTH OF PETROLEUM RESERVES**

TOTAL RECOVERABLE RESERVES	OIL IN BBL	8,928,000
	GAS IN BCF	0.8
NPV OF RESERVES		\$124,804,902.68

\*Reserves calculated by Quest management based on original oil in place less cumulative primary production, log analysis, volumetric calculations and then secondary recovery estimates based on water floods analogous to these projects  
 \*NPV calculated using 7 year projected production based on development plans, \$80mm in acquisition and capital costs, \$11.11/BOE lifting costs, \$52.50 Crude Oil Price and a 10% discount rate



### Amended and New Non-Negotiable Promissory Note

Original Amount:	\$600,000.00	Effective November 30 <sup>th</sup> 2007
Additional Amount:	\$500,000.00	Effective July 29 <sup>th</sup> 2008
Total Amount of Note:	\$1,100,000.00	Effective July 29 <sup>th</sup> 2008

Due Date: January 29<sup>th</sup> 2009

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For value received, Quest Energy Management Group, Inc. a Delaware Corporation, and Paul Downey & Jeff Downey Individually (the "Debtors"), promise to pay to Valhalla Investment Partners, LP (the "Payee"), the aggregate principal amount of \$1,100,000.00 With interest on any part thereof at any time outstanding and unpaid at the "Applicable Rate" (as defined below), payable in lawful money of the United States of America. Indebtedness and all interest thereon shall be payable on the Maturity Date Unless sooner repaid as set forth below.

The Applicable Rate shall be equal to ten percent (10%) per annum paid monthly. Notwithstanding the foregoing, during any Period of Default, the Applicable Rate shall be equal to the highest rate permitted by law.

Any and all payments of principal and/or interest shall be paid by Debtors to Payee, at 1618 Main Street, Sarasota, FL 34236 (or to such other address as Payee shall indicate in writing).

Debtors (and any person at any time liable for payment of all or any portion of this Note), waives presentment for payment, protest, demand and notice of nonpayment or dishonor of this Note; unless and except to the extent otherwise specifically stated in this note.

The Note is due in full upon the "Due Date" which is January 29<sup>th</sup> 2009.

Debtors agrees that Payee, in its sole discretion, may extend the time for payment of the debt evidenced hereby, in whole or in part, at any time voluntarily and/or at the request of the Debtor, without in any way otherwise affecting the liability of the Debtor.

Collateral - Debtors hereby grant to Payees a preferred, first and only lien on 100% of all their issued shares of stock in Quest Energy Management Group, Inc. See Exhibit A for list of underlying assets of Quest Energy Management Group, Inc. and their value.

The occurrence of any one or more of the following events shall constitute a default under this note (an "Event of Default"):

Event of Default 1: the failure of Debtors to make payment, a Petition of Bankruptcy is filed by Debtors or Debtors make an assignment for the benefit of Creditors of principal

*[Handwritten Signature]*  
July 29-08

Nadel Receivership  
Quest000011



and/or interest when due (whether on demand or otherwise) and such failure continues for a period of thirty (30) day after written notice from Payee, and/or

Event of Default 2: any application is filed or any proceeding commenced against Debtors of any order entered appointing a trustee or receiver adjudicating Debtors bankrupt, insolvency or approving the petition in any such proceeding, which application or order is not dismissed within thirty (30) days of the date of entry.

The term "Period of Default" refers to that period of time commencing upon the occurrence of an Event of Default through and including either:

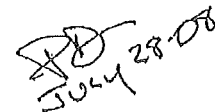
- (a) the date on which the Event of Default shall be cured, or
- (b) if the Event of Default is not cured, the date on which the entire indebtedness (including principal and interest) is paid in full.

Upon the occurrence of an Event of Default, Payee may (within its discretion) declare the entire outstanding Indebtedness (including any accrued and unpaid interest) due and payable with thirty (30) days' prior written notice to Debtors except as to Event of Default 1, as to which no additional notice is required (the "Notice Period"). The entire outstanding Indebtedness shall be due and payable on the last day of the Notice Period, without further notice, presentment and/or demand. In the event that the Event of Default occurs within the thirty (30) day period immediately preceding the Due Date, the Notice Period shall be deemed to be equal to the number of days then remaining prior to the Due Date.

If the Indebtedness is not fully paid in accordance with the terms of this Note, Debtors shall pay Payee all reasonable costs, expenses, and fees incurred by Payee to collect the Indebtedness, including (but not limited to) reasonable attorneys' fees; such costs, expenses, and fees shall be added to, and be a part of the Indebtedness. All of the forgoing costs, expenses, and fees are collectively referred to as "Damages".


No Delay or failure of Payee in exercising any right, remedy, power, or privilege under this Note shall affect such right, remedy, power, or privilege, nor shall any single or partial delay or failure of Payee at any time to demand strict adherence to the terms of this Note shall be deemed to constitute a course of conduct inconsistent with the Payee's right at anytime, before or after any Event of Default, to demand strict adherence to the terms of this Note. Neither the failure by Payee to enforce any rights under this Note, nor the waiver by Payee of any breach or violation of the terms of the Note by Debtor, nor the extension or indulgence by Payee of any obligations of Debtor, shall be construed so as to (a) permit any further waiver, breach, extension, or indulgence, or (b) in any way abrogate or affect Payee's rights and Debtor's obligations under this Note.

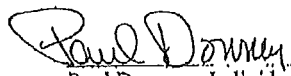
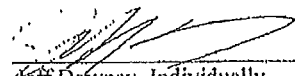
This Note shall be construed and enforced in accordance with, and governed by, the laws of the State of Texas.

A handwritten signature in black ink, followed by the date "JULY 28 2008" written in a similar style.

Notwithstanding anything to the contrary contained herein, the effective rate of interest on the obligation evidenced by this Note shall not exceed the lawful maximum rate of interest to be paid. Without limiting the generality of the foregoing, in the event the interest charged hereunder results in an effective rate of interest higher than that lawfully permitted to be paid, then such charges shall be reduced by the sum sufficient to result in an effective rate of interest no greater than the maximum effective rate of interest permitted, and any amount which would exceed the highest lawful rate already received and held by the Payee shall be applied to a reduction of principal and not to the payment of interest.

**Debtor:**  
Quest Energy Management Group, Inc.  
A Delaware Corporation

 \_\_\_\_\_ By: CFO - QUEST E/28/08 \_\_\_\_\_  
Signature Date

 7/28/08 \_\_\_\_\_  7/28/08 \_\_\_\_\_  
Paul Downey, Individually Date Jeff Downey, Individually Date

**Payee(s):**

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Entity Name

Notwithstanding anything to the contrary contained herein, the effective rate of interest on the obligation evidenced by this Note shall not exceed the lawful maximum rate of interest to be paid. Without limiting the generality of the foregoing, in the event the interest charged hereunder results in an effective rate of interest higher than that lawfully permitted to be paid, then such charges shall be reduced by the sum sufficient to result in an effective rate of interest no greater than the maximum effective rate of interest permitted, and any amount which would exceed the highest lawful rate already received and held by the Payee shall be applied to a reduction of principal and not to the payment of interest.

**Debtor:**  
Quest Energy Management Group, Inc.  
A Delaware Corporation

Paul Downey Signature By: CEO - Quest Energy Date 7/28/08

Paul Downey Paul Downey, Individually Date 7/28/08  
Paul Downey Paul Downey, Individually Date 7/28/08

**Payee(s):**

[Signature] Signature Date 7/29/08

Christopher D. Mowley Print Name VP & Treasurer Entity Name Vallarta Investment Partners LP