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8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 22, 2021**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**001-32508**	**20-2660243**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

15915 Katy Freeway, Suite 450, Houston, Texas, 77094
(Address of principal executive offices)

(281) 404-4387
(Registrant’s telephone number, including area code)

____
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 Par Value Per Share	CEI	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ?

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ?

Item 1.01 Entry into a Material Definitive Agreement.

As previously disclosed in the Current Report on Form 8-K of Camber Energy, Inc. ("Camber" or the "Company") filed on November 19, 2021, on November 18, 2021, Viking Energy Group, Inc. ("**Viking**"), a majority-owned subsidiary of Camber, entered into a Membership Interest Purchase Agreement (the "**MIPA**") with RESC Renewables Holdings, LLC (the "**Seller**") to acquire all of the membership interests (collectively, the "**Acquired Interests**") of New Rise Renewables, LLC ("**New Rise**"). New Rise owns all of membership interests in each of New Rise Renewables Reno, LLC ("**New Rise Reno**") and New Rise Processing Reno, LLC ("**New Rise Processing**" and, together with New Rise and New Rise Reno, the "**Acquired Entities**"). The Acquired Entities are in the process of engineering, developing, constructing and bringing into commercial operations a processing plant located in Reno, Nevada, that is designed to produce renewable diesel (the "**Plant**").

On or about December 22, 2021, Viking and the Seller executed a First Amendment to Membership Interest Purchase Agreement (the "**Amendment**") pursuant to which the parties agreed the aggregate amount to be paid for the Acquired Interests shall be three hundred million dollars ($300,000,000) (the "**Purchase Price**"), subject to adjustments, payable as follows: (i) $25,000,000 on the Closing Date; and (ii) a number of shares equal to balance of the Purchase Price divided by the stated value of the preferred stock of Viking, par value $0.001 per share ("**Viking Preferred Stock**"). If the Plant exceeds a production capacity of 3,000 barrels per day at the Commercial Operations Date as determined by an independent engineering firm, then the Seller shall be entitled to an increase in the Purchase Price by $150,000 for each barrel per day the Plant exceeds a production capacity of 3,000 barrels per day, up to 3,500 barrels per day (or a maximum increase of $75,000,000.00) (such amount, if any, the "**Production Increase**"). Any payment of the Production Increase shall be paid, at Viking's option, in cash or shares of Viking Preferred Stock, or a combination of both. The Purchase Price will also be adjusted downward or upward on a dollar for dollar basis if the actual amount of certain liabilities are higher or lower than the estimated amount of such liabilities.

The Viking Preferred Stock is to have the following terms and conditions: (i) **Voting Entitlements:** non-voting; (ii) **Dividends:** dividend rate of 7.25% per annum, payable semi-annually in cash or in shares of common stock of Viking, or combination of both, in each case at Viking's option, with dividends to start accruing on the first day of the month immediately following the Commercial Operations Date; (iii) **Redemption:** Viking shall have an option to redeem up to $75 million of the Viking Preferred Stock for cash for 105% of the face value within the first eight months following the Closing Date; (iv) **Permanent Equity Characterization:** Redemption and other features to be determined by Viking's accounting consultants such that the Viking Preferred Stock may be characterized as "*permanent equity*" on Viking's financial statements; and (iv) **Conversion Features:** (A) Convertible into shares of common stock of Viking at a fixed conversion price equal to the volume weighted average price of Viking's common stock during the period commencing on the date which the terms of the MIPA were disclosed by Viking through a Current Report on Form 8-K filed with the Securities and Exchange Commission and ending on the date that is the 10th business day following the Closing Date; (B) all conversions shall be subject to a 9.99% beneficial ownership limitation; and (C) the conversion entitlement with respect to 40% of Stock Consideration shall not apply until the Commercial Operations Date.

The Closing Date is to be no later than January 31, 2022, however if New Rise has received additional funds to cover certain obligations due in December 2021 and January 2022, and if New Rise and Viking mutually agree that the closing of the Viking Bond will occur within a reasonable timeframe given the ongoing financial needs of the Plant, the January 31, 2022 deadline will be extended to no later than February 28, 2022.

Viking's obligation to purchase the Acquired Interests is conditioned on certain items set out in the MIPA, including, without limitation: (i) Viking having obtained the Viking Bond, on terms and conditions satisfactory to Viking in its sole discretion; and (ii) Viking having completed its due diligence investigation of the Acquired Entities and the Plant, and, in its sole discretion, being satisfied with the results of such due diligence investigation. There is no guaranty the conditions will be satisfied.

Concurrent with the execution of the Amendment, New Rise Processing executed and delivered in Viking's favor a promissory note in the principal amount of $500,000 (the "**Note**"), and Viking advanced $500,000 to New Rise Processing on December 22, 2021, under the Note. New Rise Processing's obligations under the Note are secured by: (i) a Guaranty executed by the Seller (RESC Renewable Holdings, LLC) in favor of Viking (the "**Guaranty**"), and (ii) a Security Agreement-Pledge executed by RESC, LLC (the owner of the Seller) in favor of Viking, granting Viking a first position and perfected security interest in 20% of the membership interests of the Seller (the "**Pledge Agreement**"). Each of the Note, Guaranty and Pledge Agreement are dated December 22, 2021. The Note bears interest at a rate of 10% per annum, and all principal and accrued interest due thereunder are payable on the earlier of: (i) Viking's acquisition of the Acquired Interests; or (ii) June 30, 2022.

The foregoing descriptions of Amendment, Note, Guaranty, and Pledge Agreement do not purport to be complete and are qualified in their entirety by reference to the form of Amendment, Note, Guaranty, and Pledge Agreement, copies of which are filed as Exhibits 10.1, 10.2, 10.3, and 10.4 to this Current Report on Form 8-K and incorporated in this Item 1.01 by reference in their entirety.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	First Amendment to Membership Interest Purchase Agreement, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated December 22, 2021
10.2	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated December 22, 2021
10.3	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated December 22, 2021
10.4	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated December 22, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAMBER ENERGY, INC.

Date: December 27, 2021

By: */s/ James A. Doris*
Name: James A. Doris
Title: Chief Executive Officer

EX-10.1

EX-10.1 2 cei_ex101.htm FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

EXHIBIT 10.1

FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "**Amendment**") is entered into and effective as of December 21, 2021 (the "**Execution Date**"), by and among RESC Renewables Holdings, LLC, a Nevada limited liability company ("**Seller**"), and Viking Energy Group, Inc., a Nevada corporation ("**Buyer**"). Capitalized terms used herein but not defined shall have the meanings ascribed to them in the MIPA (as defined below).

R E C I T A L S:

WHEREAS, Buyer and Seller entered into that certain Membership Interest Purchase Agreement dated as of November 18, 2021, relating to the purchase by the Buyer, and the sale by the Seller, of all of the Acquired Interests in New Rise (the "**MIPA**");

WHEREAS, Buyer and Seller desire to amend the MIPA and make certain changes to the MIPA as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Amendments.

a. Section 2.02. Section 2.02 is hereby amended and restated to read in its entirety as following:

"Section 2.02 Consideration. The aggregate amount to be paid for the Acquired Interests shall be three hundred million dollars ($300,000,000) plus any Production Increase (the "**Purchase Price**"), subject to any adjustments set out herein. At the Closing, Buyer shall pay the Purchase Price as follows:

(a) TWENTY FIVE MILLION UNITED STATES DOLLARS AND NO/100 CENTS ($25,000,000.00) (the "**Seller Closing Date Payment**"), by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer no later than two (2) Business Days prior to the Closing Date; and

(b) a number of shares (such amount so payable is hereinafter referred to as the "**Stock Consideration**") equal to balance of the Purchase Price divided by the stated value of the preferred stock of Viking, par value $0.001 per share ("**Viking Preferred Stock**"), with the Viking Preferred Stock having the following terms and conditions:

(i) **Voting Rights:** non-voting;

(ii) **Dividends:** dividend rate of 7.25% per annum, payable semi- annually in cash or in shares of common stock of Viking, or combination of both, in each case at Viking's option, with dividends to start accruing on the first day of the month immediately following the Commercial Operations Date;

(iii) **Conversion Features:**

(A) Convertible into shares of common stock of Viking at a fixed conversion price equal to the volume weighted average price of Viking's common stock during the period commencing on the date which the terms of the MIPA were disclosed by Viking through a Current Report on Form 8-K filed with the Securities and Exchange Commission and ending on the date that is the 10th business day following the Closing Date.

(B) All conversions shall be subject to a 9.99% beneficial ownership limitation.

(C) The conversion entitlement with respect to 40% of Stock Consideration shall not apply until the Commercial Operations Date.

(iv) **Redemption:** Viking shall have an option to redeem up to $75 million of the Viking Preferred Stock for cash for 105% of the face value within the first eight months following the Closing Date.

(v) **Permanent Equity Characterization:** Redemption and other features to be determined by Viking's accounting consultants such that the Viking Preferred Stock may be characterized as "*permanent equity*" on Viking's financial statements.

b. Section 2.03. Section 2.03 is hereby added following Section 2.02 as follows:

"Section 2.03 Post-Closing Purchase Price Adjustment.

(a) Closing Date Liabilities Adjustment.

(i) The Purchase Price shall be adjusted downward or upward on a dollar for dollar basis if the actual New Rise Liabilities are higher or lower than the estimated New Rise Liabilities, as provided to Viking by the Seller. Prior to the Closing Date, the Parties shall agree: (i) to the procedures associated with determining the actual New Rise Liabilities and adjustment process (the "**Purchase Price Adjustment Mechanism**"); and (ii) the New Rise Liabilities to be paid on the Closing Date from the proceeds of the Viking Bond (the "**Closing Date Liability Payments**"). For the avoidance of doubt, the Closing Date Liability Payments shall include the amount owing under the Promissory Note, any Bridge Financing, and any amount due to any other Third Party determined by Buyer to be reasonable or necessary to release any Encumbrances, Actions or other claims against the Plant or Acquired Entities.

(b) Production Increase.

(i) If the Plant exceeds a production capacity of 3,000 barrels per day at the Commercial Operations Date as determined by the Hargrove Production Report, then the Seller shall be entitled to an increase in the Purchase Price by ONE HUNDRED AND FIFTY THOUSAND US DOLLARS ($150,000.00) for each barrel per day the Plant exceeds a production capacity of 3,000 barrels per day, up to 3,500 barrels per day (or a maximum increase of $75,000,000.00) (such amount, if any, the "**Production Increase**").

(ii) The amount of any Production Increase shall be based upon the Hargrove Production Report and shall be rounded down to the nearest whole barrel. Within five Business Days (5) days after the Commercial Operations Date, Buyer shall request that Hargrove Engineers prepare a written analysis of the production capacity of the Plant for purposes of determining any Production Increase (the "**Hargrove Production Report**").

(iii) After receipt of the Hargrove Production Report, Seller and Buyer shall have a Review Period of five (5) Business Days. During the Review Period, Seller and Buyer shall mutually cooperate in good faith to determine if any adjustments to Hargrove Production Report are necessary to accurately reflect any revisions to the Plant's production capacity as provided in the Hargrove Production Report. In the event that the Parties determine that an adjustment is necessary, the Parties shall request that Hargrove Engineers make a revision to the report and any necessary recalculation of the Plant's production capacity.

(iv) Any payment of the Production Increase shall be paid, at Buyer's option, in cash or shares of Viking Preferred Stock, or a combination of both. Any payment in shares of Viking Preferred Stock shall be paid within thirty (30) days from the final Hargrove Production Report and any payment in cash shall be due within one hundred and twenty (120) days from the final Hargrove Production Report, provided, however, that the Buyer shall be entitled to offset and deduct from the Production Increase any amount owed by Seller to Buyer pursuant to Section 2.03 or Article VIII of the MIPA.

(v) Any payments made pursuant to Section 2.03(b) shall be treated as an adjustment to the Purchase Price by the Parties for Tax purposes, unless otherwise required by Law.

c. Section 5.03. The last sentence of Section 5.03(a) is hereby amended and restated in its entirety to read as follows:

"For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization or other business combination transaction involving any Acquired Company; (ii) the issuance or acquisition of Membership Interests in any Acquired Company; or (iii) the sale, lease, exchange or other disposition of any significant portion of any Acquired Company's properties or assets, but shall exclude the Ground Lease (the parties agree the Ground Lease shall not be considered an Acquisition Proposal).

d. Section 5.15. A new Section 5.15 is inserted after Section 5.14 and reads as follows:

"**Section 5.15 Registration Rights**. Viking shall use its best efforts to register for resale on behalf of the Seller up to $75.0 million of the Viking Preferred Stock, subject to applicable securities laws and any requirements from any financing sources. Buyer shall pay the costs of registration fees, but any costs of counsel for Seller shall be the exclusive responsibility of Seller.

e. Section 5.16. A new Section 5.16 is inserted after Section 5.15 and reads as follows:

"**Section 5.16 Ground Lease**. New Rise shall not close on the Ground Lease financing transaction on or before January 31, 2022, provided that New Rise has received sufficient cash from other sources pursuant to certain Bridge Financing for the December 2021 and January 2022 cash requirements (up to $16,500,000) of the Plant. In the event New Rise has received such additional sufficient cash for the December 2021 and January 2022 cash requirements and New Rise and Viking mutually agree that the closing of the Viking Bond will occur within a reasonable timeframe given the ongoing financial needs of the Plant, the January 31, 2022 deadline will be extended to but no later than February 28, 2022."

f. Section 7.01. Section 7.01 is hereby amended to add the following language to the end of Section 7.01 as follows:

", provided, however, the Closing Date shall be no later than January 31, 2022, subject to Section 5.16."

g. Section 7.03. A new Section 7.03(s) is inserted after Section 7.03(r) and reads as follows:

"(s) Stancil & Co. or another firm mutually selected by the Parties shall have determined the Appraised Value of the Acquired Interest or, alternatively, that the enterprise value of the Acquired Entities, is at least $560 million, and such report shall be provided to New Rise and Viking."

h. Schedule A.

i. The following definitions are hereby added to <u>**Schedule A**</u>, to appear in alphabetical order.

"**Closing Date Liabilities**" shall mean any and all current and non-current Liabilities and Indebtedness of the Acquired Entities or otherwise related to the Plant as of the Closing Date.

"**Commercial Operations Date**" shall mean the date that the Plant is capable of commencing commercial operations after having received all Permits and required Governmental approvals.

"**First Amendment**" shall mean that certain First Amendment to the Membership Interest Purchase Agreement, dated as of December [•], 2021, by and between the Buyer and the Seller.

"**Ground Lease**" shall mean that potential ground lease by and between [New Rise] and the third party identified in the proposal submitted by New Rise to Viking on or about December 14, 2021, which contemplates such third party providing funding for the continued construction and development of the Plant; and any and all amounts associated with the Ground Lease, including any break-fee, will be included in the Closing Date Liabilities.

"**Hargrove Production Report**" shall have the meaning given in the First Amendment.

"**Production Increase**" shall have the meaning given in the First Amendment.

5. Miscellaneous.

a. **Continuation**. The MIPA, as modified and amended hereby, shall continue in full force and effect, and Buyer and Seller hereby ratify and confirm the MIPA as amended hereby.

b. **Amendments; No Waiver**. This Amendment may not be amended except by an instrument in writing signed by all parties hereto. This Amendment shall not operate as a waiver of any covenant or provision of the Agreement.

c. **Counterparts/Facsimile Signatures**. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original instrument, and all of which together shall constitute but one and the same instrument. Facsimile and electronic signatures are considered binding.

d. **Entire Agreement**. The MIPA, as amended by this Amendment, shall constitute the entire understanding among the respective parties thereto with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter.

e. **Binding Effect**. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

f. **No Third-Party Beneficiaries**. This Amendment is intended to benefit only the parties hereto and their respective permitted successors and assigns and this Amendment shall never be construed to benefit or create any rights in any person or entity not a party hereto.

[*Signature pages follow.*]

IN WITNESS WHEREOF, this Amendment is executed by the parties hereto on the Execution Date.

SELLER:

RESC RENEWABLES HOLDINGS, LLC

By: */s/ Randall Soulé*
Name: Randall Soulé
Title: Manager

BUYER:

VIKING ENERGY GROUP, INC.

By: */s/ James A. Doris*

Name:James A. Doris
Title: President and CEO

EX-10.2

EX-10.2 3 cei_ex102.htm PROMISSORY NOTE

EXHIBIT 10.2

PROMISSORY NOTE

$500,000.00 Houston, Texas December 22, 2021

FOR VALUE RECEIVED, after the date, without grace, in the manner, on the dates, and in the amounts so herein stipulated, the undersigned, **NEW RISE PROCESSING RENO, LLC**, a Nevada limited liability company with offices located at 14830 Kivett Ln, Reno, NV 89521 ("**Maker**"), promises to pay to the order of **VIKING ENERGY GROUP, INC.,** a Nevada corporation (the "**Payee**"), at such place as designated by the Payee, the sum of FIVE HUNDRED THOUSAND and No/100 Dollars ($500,000) in lawful money of the United States of America, which shall be legal tender, in payment of all debts and dues, public and private, at the time of payment, payable as stipulated herein. This Note shall bear interest to accrue at the rate of ten percent (10%) per annum.

Note Terms.

a. This Note shall be paid as follows:

   i. All principal and accrued interest on this Note shall be paid on the earlier of (the "**Maturity Date**"): (i) the Payee's acquisition of all of the membership interests of New Rise Renewables, LLC; or (ii) June 30, 2022.

   ii. If not paid on the Maturity Date, this Note shall bear interest at the Maximum Nonusurious Rate of interest from and after the Maturity Date until paid in full.

Upon the occurrence of any default hereunder (herein, an "**Event of Default**"), which will be deemed to occur in the event any of the following occur: (a) Maker has not paid any amount of principal or accrued interest within ten (10) business days following the Maturity Date, (b) Maker admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of creditors; (c) Maker commences any case or other proceeding seeking reorganization, arrangement, adjustment, liquidation or dissolution under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any part of its property, or shall take any action to authorize any of the foregoing; (d) any case or proceeding is commenced against Maker to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking other similar official relief for it or any part of its property, and such case or proceeding (x) results in the entry of an order for relief against it which is not fully stayed within fifteen (15) business days after the entry thereof or (y) is not dismissed within sixty (60) days of commencement; (e) default in the performance of any of the terms, covenants, or conditions contained in any other agreement delivered by Maker to Payee; (f) default in the performance of any of the terms, covenants, or conditions contained in any of the Security Instruments (as hereinafter defined) and such default continues for a period of more than ten (10) business days following written notice from Payee other than as expressly otherwise provided in any of the Security Instruments, or in any instrument or instruments given contemporaneously herewith, heretofore or hereafter as security for or guaranteeing the payment of this Note, or (g) or any condition existing which authorizes the acceleration of the maturity hereof under any other agreement made by the Maker, then Payee shall have the right to exercise the default remedies specified herein.

The undersigned expressly agrees that if an Event of Default occurs and is continuing under this Note or any of the Security Instruments, as defined below, the Payee may, at Payee's option, without demand, notice or presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker or to any other entity, declare the principal and any and all interest then accrued thereon, at once due and payable. Upon the occurrence and continuation of any Event of Default the Payee, or any other holder of this Note, shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose any and all liens and security interests securing the indebtedness evidenced hereby. Failure to exercise any option to accelerate described in this paragraph shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

In the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through any judicial proceeding whatsoever, or if any action or foreclosure be had hereon, then the Maker agrees and promises to pay an additional amount as reasonable, calculated and foreseeable attorneys' and collection fees incurred by Payee in connection with enforcing Payee's rights herein contemplated, all of which amounts shall become part of the principal hereof.

This Note shall be a non-revolving note. Amounts repaid may not be re-borrowed.

All makers, endorsers, sureties and guarantors hereof, if any, as well as any person to become liable on this Note, hereby waive demand or presentment for payment of this Note, notice of nonpayment, protest, notice of protest, suit, notice of acceleration, or notice of intention to accelerate, diligence or any notice of or defense on account of the extension of time of payments or change in the method of payments, and consent to any and all renewals and extensions in the time of payment hereof, and to any substitution, exchange or release of any security herefor or the release of any party primarily or secondarily liable hereon.

It is expressly provided and stipulated that notwithstanding any provision of this Note or any other instrument evidencing or securing the indebtedness evidenced hereby, in no event shall the aggregate of all interest paid by the Maker to the Payee hereunder ever exceed the Maximum Nonusurious Rate of interest which may lawfully be charged Maker under the laws of the State of Texas or United States Federal Government, as applicable, on the principal balance of this Note remaining unpaid. It is expressly stipulated and agreed by the Maker that it is the intent of the Payee and the Maker in the execution and delivery of this Note to contract in furtherance of such laws, and that none of the terms of this Note, or said other instruments, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, at any interest rate in excess of the Maximum Nonusurious Rate of interest permitted to be charged the Maker under the laws of the State of Texas or United States Federal Government, as applicable. The Maker or any guarantors, endorsers or other parties now or hereafter becoming liable for payment of the Note shall never be liable for interest in excess of the Maximum Nonusurious Rate of interest that may lawfully be charged under the laws of the State of Texas or United States Federal Government, as applicable, and the provisions of this paragraph and the immediately succeeding paragraph shall govern over all other provisions of this Note, and all other instruments evidencing or securing the indebtedness evidenced hereby, should any such provisions be in apparent conflict herewith.

Specifically and without limiting the generality of the foregoing paragraph, it is expressly provided that:

(i) In the event of prepayment of the principal of this Note, in whole or in part, which shall be permitted hereunder, or the payment of the principal of this Note prior to the stated maturity date hereof, whether resulting from acceleration of the maturity of this Note or otherwise, if the aggregate amounts of interest accruing hereon prior to such payment plus the amount of any interest accruing after maturity and plus any other amount paid or accrued in connection with the indebtedness evidenced hereby which by law are deemed interest on the indebtedness evidenced by the Note and which aggregate amounts paid or accrued (if calculated in accordance with the provisions of this Note other than this paragraph) would exceed the Maximum Nonusurious Rate of interest which could lawfully be charged as above mentioned on the unpaid principal balance of the indebtedness evidenced by this Note from time to time advanced (less any discount) and remaining unpaid from the date advanced to the date of final payment thereof, then in such event the amount of such excess shall be credited, as of the date paid, toward the payment of the principal of this Note so as to reduce the amount of the final payment of principal due on this Note.

(ii) If, under any circumstances, the aggregate amount paid on the indebtedness evidenced by this Note prior to and incident to the final payment hereof include amounts which by law are deemed interest and which would exceed the Maximum Nonusurious Rate of interest which could lawfully have been charged or collected on this Note, as above mentioned, Maker stipulates that (a) any non-principal payment shall be characterized as an expense, fee, or premium rather than as interest and any excess shall be credited hereon by the holder hereof (or, if this Note shall have been paid in full, refunded to the Maker); and (b) determination of the rate of interest for determining whether the indebtedness evidenced hereby is usurious shall be made by amortizing, prorating, allocating, and spreading, in equal parts during the full stated term hereof, all interest at any time contracted for, charged, or received from the Maker in connection herewith, and any excess shall be canceled, credited, or refunded as set forth in (a) herein. Time shall be of the essence in performing all actions.

This Note has been executed and delivered and shall be construed in accordance with and governed by the laws of the State of Texas and of the United States of America.

The "Maximum Nonusurious Rate of Interest" which may be charged as herein contemplated shall be the indicated rate ceiling from time to time in effect pursuant to the applicable provisions of the Texas Finance Code, as amended, provided that Payee may also rely on any alternative Maximum Nonusurious Rate of interest provided by other applicable laws if such alternative rate is higher than that allowed by said Code, as amended.

The Maker of this Note agrees that this Note shall be freely assignable to any assignee of Payee, subject to compliance with applicable securities laws.

The Maker shall have the privilege to prepay at any time, and from time to time, all or any part of the principal amount of this Note, without notice, penalty or fee, provided that all accrued and unpaid interest through the date of the prepayment is also paid, such prepayments to be applied first to accrued and unpaid interest on the principal amount and the balance, if any, to the reduction of principal. Maker's right to prepay this Note shall not be deemed as a right to receive a release of any of the liens or security interests covering the collateral securing payment of this Note.

The Maker represents and warrants that the extension of credit represented by this Note is for business, commercial, investment or other similar purposes, and not primarily for personal, family, household or agricultural use.

No failure to exercise and no delay on the part of Payee in exercising any power or right in connection herewith or under any of the Security Instruments or any other instrument evidencing, securing, or guaranteeing this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No course of dealing between Maker and Payee shall operate as a waiver of any right of Payee. No modification or waiver of any provision of this Note or any other instrument evidencing, securing, or guaranteeing this Note nor any consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement thereof is to be sought, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Any check, draft, money order, or other instrument given in payment of all or any portion of this Note may be accepted by Payee and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of Payee except to the extent that actual cash proceeds of such instruments are unconditionally received by Payee.

THIS NOTE, THE SECURITY INSTRUMENTS, AND ALL DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH, REPRESENT THE FINAL AGREEMENT BETWEEN THE MAKER AND PAYEE AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE MAKER AND THE PAYEE.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE MAKER AND PAYEE.

All renewals, extensions, modifications and rearrangements of the Note, if any shall be subject to the terms and provisions hereof. Maker shall be deemed to have ratified as of the date of each such renewal, extension, modification and rearrangement, all of the representations, covenants and agreements set forth herein.

The Maturity Date may be extended by written agreement of the Parties. However, any such extensions shall be subject to Lender's written approval with a signed amendment to this Note.

It is agreed that time is of the essence of this Note, and the Maker expressly agrees that upon an occurrence of an Event of Default in the payment of any principal or interest when due, the Payee may, without demand, notice of presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker, all of which are hereby waived by Maker, declare the entirety of this Note immediately due and payable. Upon the occurrence of any default hereunder, the Payee shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose upon any and all liens and security interests, if any, securing the indebtedness evidenced hereby. Failure to exercise said option shall not constitute a waiver on the part of the Payee of the right to exercise the same at any other time.

Payment of the Note and performance of the obligations described herein shall be secured by a perfected security interest in the collateral as more fully set forth in that certain Security & Pledge Agreement executed as of even date herewith (collectively, the "**Security Agreement**"). In addition, payment of this Note and performance of the obligations shall be secured by a Guaranty of even date herewith by RESC Renewables Holdings, LLC (the "**Guaranty**", together with the Security Agreement (the "**Security Instruments**").

This Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event of a Change of Control (as hereinafter defined). In the event of a Change of Control, in addition to becoming due immediately, the undersigned Maker shall ensure that any funds because of the Change of Control are given highest priority to satisfy the terms of this Note. "Change of Control" of the Maker shall mean any of the following events:

(i) any person or persons acting together (other than those persons in control of the Maker as of the date hereof, or an entity owned directly or indirectly by the members of the Maker in substantially the same proportions as their ownership of membership interests of the Maker) becomes the beneficial owner, directly or indirectly, of securities of the Maker representing more than fifty percent (50%) of the combined voting power of the Maker's then outstanding securities in any one transaction; or

(ii) the undersigned persons representing Maker approve (1) a plan of complete liquidation of the Maker and its subsidiaries (if any), (2) an agreement for the sale or disposition of all or substantially all Maker's assets other than to a person controlled by the Maker or by the members of Maker, or (C) a merger (other than a merger for purposes of redomiciling Maker), consolidation, or reorganization of Maker with or involving any other entity, other than a merger, consolidation, or reorganization that would result in the voting securities of Maker outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the securities of Maker (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization.

Maker has full power and authority to enter into, execute, and deliver this Note and to perform its obligations hereunder. No consent, approval, filing or registration with any governmental authority is required as a condition to the validity of the Note or the performance by Maker of its obligations thereunder.

The Note, when issued and delivered pursuant hereto for value received, will constitute, the valid and legally binding obligations of Maker, enforceable against Maker in accordance with its terms.

Any notice or other communication required or permitted hereunder shall be in writing and personally delivered, mailed by registered or certified mail (return receipt requested and postage prepaid), sent by personal delivery or sent by prepaid overnight courier service, and addressed to the relevant party at such address as such party may, by written notice, designate as its address for purposes of notice hereunder and email notice to Maker.

All rights and remedies available to Payee under this Note shall be cumulative of and in addition to all other rights and remedies granted to Payee at law or in equity.

Maker hereby agrees to pay all expenses incurred, including any reasonable attorneys' fees, all of which shall become a part of the principal hereof, if this Note is in default and placed in the hands of an attorney for collection, or if collected by suit or through any probate, bankruptcy, or any other legal proceedings.

Maker, together with each surety and endorser, waives demand, grace, notice, presentment for payment, and protest and agrees and consents that this Note and the liens securing its payment, if any, may be renewed, and the time of payment extended without notice, and without releasing any of the parties.

This Note is to be governed by and construed in accordance with the laws of the State of Texas. The courts within Harris County, Texas shall have jurisdiction over any dispute regarding this Note.

The parties hereto acknowledge that a remedy at law for any breach or threatened breach of this Note may be inadequate and that the parties shall be entitled to seek specific performance, injunctive relief, and any other remedies available to it for such breach or threatened breach.

If any one or more of the provisions contained in the Note shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and therein shall not be affected in any way thereby.

Each party hereto acknowledges that it was actively involved in the negotiation and drafting of this Note and that no law or rule of construction shall be raised or used in which the provisions of this Note shall be construed in favor or against any party hereto because one is deemed to be the author thereof.

If any legal action or other proceeding is brought for the enforcement of this Note or any document executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Note or any document, instrument or agreement executed in connection herewith, the successful prevailing party shall be entitled to recover reasonable attorney’s fees, court costs and all other costs and expenses incurred in that action or proceeding.

EACH PARTY ACKNOWLEDGES THAT IT IS EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT IT HAS BEEN ADVISED OF ITS RIGHT TO RETAIN LEGAL COUNSEL, AND THAT IT HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO HIS, HER OR ITS EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

MAKER:

NEW RISE PROCESSING RENO, LLC,
a Nevada limited liability company

By: *Is/ Randy Soule*
Randy Soule, Manager

PAYEE:

VIKING ENERGY GROUP, INC.

By: */s/ James A. Doris*
Name: James A. Doris
Title: President & CEO

EX-10.3

EX-10.3 4 cei_ex103.htm GUARANTY

EXHIBIT 10.3

GUARANTY

December 22, 2021

1. Guaranty. For value received, and as an inducement to the extension of credit to **NEW RISE PROCESSING RENO, LLC** , a Nevada limited liability company (the "Borrower"), located at 14830 Kivett Ln, Reno, NV 89521, **RESC RENEWABLE HOLDINGS, LLC**, a Nevada limited liability company ("Guarantor") located at 14830 Kivett Ln, Reno, NV 89521, hereby absolutely, irrevocably and unconditionally, jointly and severally, guarantees to **VIKING ENERGY GROUP, INC.,** a Nevada corporation ("Lender"), the full and punctual payment when due (whether by acceleration or otherwise), of the indebtedness of Borrower to Lender evidenced by that certain Promissory Note dated December 22, 2021, and payable to Lender in the original principal amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($500,000.00) (the "**Note**"). This Guaranty shall not fail or be ineffective or invalid or be considered too indefinite or contingent because the amount of the Guaranteed Debt may fluctuate from time to time or for any other reason.

2. Definitions. As used herein, the following terms shall have the meanings set forth below:

(a) The term "Guaranteed Debt" shall mean the debt evidenced by the Note.

(d) The term "Obligations" shall mean all obligations and indebtedness of Borrower above guaranteed by Guarantors, and shall include (i) interest and other obligations accruing or arising after (a) commencement of any case under any bankruptcy or similar laws by or against Borrower or (b) the obligations and indebtedness of Borrower above guaranteed shall cease to exist by operation of law or for any other reason, and (ii) reasonable attorneys' fees and expenses and other reasonable fees and expenses incurred by Lender in enforcing the terms of the Note or any documents, instruments or agreements securing payment thereof, or collecting any of the Obligations.

3. Term. The obligations of the Guarantors as to the Obligations shall continue in full force and effect against each Guarantor for the unpaid balance guaranteed hereby until same is fully and finally paid; whereupon, subject to the provisions of Section 11 hereof which shall expressly survive termination of this Guaranty, this Guaranty shall terminate automatically without further action.

4. Primary Liability of Guarantors. This is a guaranty of payment, not of collection, and each Guarantor acknowledges that Lender is not required, as a condition to establishing Guarantor's liability hereunder, to proceed against any person or entity (including Borrower) or against any security or collateral to which Lender is entitled to look for payment or performance of the Obligations. Each Guarantor agrees that neither bankruptcy, insolvency, insanity, death, minority, other disability, cessation of existence or dissolution of Borrower, any party acting for or on behalf of Borrower in connection with the Obligations or any other guarantor now or hereafter existing or occurring; nor any allegation of usury, failure of consideration, or forgery, whether or not known to Lender (even though rendering all or any part of the Obligations void or unenforceable or uncollectible as against Borrower or any other guarantor) shall in any manner impair, affect, or release the liability of Guarantor hereunder, and Guarantor shall be and remain fully liable hereunder.

5. Waiver of Subrogation. Until such time as the Obligations are paid in full, Guarantor hereby irrevocably waives any claim or other rights which it may acquire against Borrower that arise from Guarantor's obligations under this Guaranty or any other document, instrument or agreement executed in connection herewith.

6. Waiver of Suretyship Rights. By signing this Guaranty, Guarantor **WAIVES** each and every right to which it may be entitled by virtue of any suretyship law, including any rights it may have pursuant to Rule 31 of the Texas Rules of Civil Procedure, §17.001 of the Texas Civil Practice and Remedies Code, as same may be amended from time to time.

7. Additional Waivers. Guarantor hereby waives (a) notice of acceptance hereof; (b) grace, demand, presentment, and protest with respect to the Obligations or to any instrument, agreement or document evidencing or creating same; (c) notice of or as to grace, demand, presentment and protest; (d) notice of any right to consent or object to the assignment of any interest in the Obligations, the

creation, advancement, accrual, renewal, increase, extension or rearrangement of the Obligations and the amendment and/or modification of any of the instruments, agreements and documents executed in connection with the Obligations; (e) notice of intent to accelerate, and/or notice of acceleration of, the Obligations; (f) filing of suit and diligence in collection or enforcement of the Obligations; and (g) any other notice regarding the Obligations.

8. Release of Collateral, Parties Liable, etc. Guarantor agrees that Lender may at any time, and from time to time, at Lender's discretion and with or without notice or consideration to or consent from any party: (a) allow substitution or withdrawal of any collateral or other security for the Obligations; (b) sell, exchange, release, subordinate its lien on, surrender, realize upon or otherwise deal with in any manner and in any order any property at any time pledged or mortgaged to secure or securing the Obligations or any liabilities incurred directly or indirectly hereunder or any offset against any of said liabilities; (c) release any party liable on the Obligations including Borrower or any guarantor; (d) extend, renew or rearrange all or any part of the Obligations at any time and from time to time, whether or not for a term or terms in excess of the original term thereof; (e) modify or amend any of the instruments, agreements, or documents executed in connection with the Obligations; or (f) exercise or refrain from exercising any rights against Borrower or others, or otherwise act or refrain from acting. Any of such actions may be taken without impairing or diminishing the obligations of Guarantor hereunder. The liability of Guarantor shall not be impaired or reduced by any failure, refusal, or neglect to collect the Obligations, or by loss or subordination of any other collateral or guaranty, or by the existence of any indebtedness of Borrower to Lender other than the Obligations. In addition, the liability of Guarantor shall not be impaired or reduced by the taking of any other security or guaranty for the Obligations in addition to the security or guaranties presently existing.

9. Limit of Liability. Notwithstanding any provision hereof to the contrary, the Guarantors shall be liable under the Guaranty only for amounts aggregating up to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any state law.

10. Solvency; No Fraudulent Transfer; Availability of Information to Guarantor. As of the date of this Guaranty, each Guarantor (i) is solvent with assets of a value that exceeds the amounts of his or its liabilities, (ii) is able to meet his or its debts as they mature, and (iii) in his or its reasonable opinion, has adequate capital to conduct the businesses in which he or it is engaged. The value of the consideration received and to be received by Guarantor in connection with the Obligations is reasonably worth at least as much as the liabilities and obligations of Guarantor incurred or arising under this Guaranty and all related papers and arrangements. Guarantor (a) has had full and complete access to the underlying documents and instruments relating to the Obligations and all other documents and instruments executed by Borrower or any other person in connection therewith, (b) has reviewed them and is fully aware of the meaning and effect of their contents, (c) is fully informed of all circumstances which bear upon the risks of executing this Guaranty and which a diligent inquiry would reveal, and (d) has determined that his or its liabilities and obligations hereunder may reasonably be expected to substantially benefit Guarantor directly or indirectly. Guarantor has adequate means to obtain from Borrower on a continuing basis information concerning Borrower's financial condition, and is not depending on Lender to provide such information, now or in the future. Guarantor agrees that Lender shall not have any obligation to advise or notify Guarantor or to provide Guarantor with any data or information.

11. Application of Payments; Reinstatement of Guaranty. Lender may apply any payments received from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as Lender may deem appropriate. Guarantor agrees that, if at any time all or any part of any payment previously applied by a Lender to the Obligations is or must be returned by any Lender or is recovered from any Lender for any reason (including the order of any bankruptcy court), this Guaranty shall automatically be reinstated to the same effect as if the prior application had not been made. Guarantor hereby agrees to indemnify Lender and its respective agents against, and to save and hold them harmless from, any required return by any of them, or recovery from any of them, of any such payment because of its being deemed preferential under applicable bankruptcy, receivership or insolvency laws, or for any other reason. The provisions of this Section 11 shall survive any termination or release of this Guaranty.

12. Venue; Attorneys' Fees. If it becomes necessary to enforce this Guaranty by legal action, each Guarantor hereby WAIVES the right to be sued in the county or state of Guarantor's principal place of business or chief executive office or in the state of its domicile, and agrees to submit to the jurisdiction and venue of the appropriate federal, state or other governmental court in Houston, Harris County, Texas. Each Guarantor unconditionally agrees to pay all reasonable collection expenses including court costs and reasonable attorneys' fees if enforcement hereof is placed in the hands of an attorney, including, but expressly not limited to, enforcement by suit or through bankruptcy or any judicial proceedings.

13. Cumulative Rights. All rights of Lender hereunder or otherwise arising under any documents executed in connection with or as security for the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of Lender and without affecting or impairing the liability of Guarantor.

14. Applicable Law. This Guaranty shall be governed by and construed in accordance with the laws of the United States of America and the State of Texas, and is intended to be performed in accordance with and as permitted by such laws. Wherever possible each provision of this Guaranty shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Guaranty or application thereof shall be prohibited by or be invalid under such law, such provision or application as the case may be shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or other applications or the remaining provisions of this Guaranty.

15. Assigns. This Guaranty is intended for and shall inure to the benefit of Lender and its respective successors and assigns.

(a) Notices. Any notice or demand to Guarantor in connection herewith may be given and shall conclusively be deemed to have been given and received three (3) days after deposit thereof in writing, in the U.S. mail, postage prepaid, certified mail, return receipt requested, and addressed to Guarantor at the address of Guarantor then appearing on the records of Lender; but actual notice or demand, however given or received, shall always be effective and email notice to Guarantor.

16. No Waiver of Right of Remedies. No failure or delay by Lender in exercising any right, power, or privilege given by any provision of this Agreement shall operate as a waiver of the provision. Additionally, no single or partial exercise of any right, power, or privilege shall preclude any other or further exercise of that or any other right, power, or privilege.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, THIS GUARANTY HAS BEEN EXECUTED effective as of December 22, 2021.

GUARANTOR:

RESC RENEWABLES HOLDINGS, LLC,
a Nevada limited liability company

By: */s/ Randy Soule*
Randy Soule, Manager

EXHIBIT 10.4

SECURITY AGREEMENT-PLEDGE

ARTICLE I
GENERAL RECITALS

Identification of Parties

This is a Security Agreement-Pledge (the "Agreement") dated as of December 22, 2021 (the "Effective Date") between **RESC, LLC,** a Nevada limited liability company whose principal address is 14830 Kivett Ln, Reno, NV 89521, referred to in this Agreement as (" Pledgor"), and **VIKING ENERGY GROUP, INC.,** a Nevada corporation whose principal address is 15915 Katy Freeway, Suite 450, Houston, Texas 77094, referred to in this Agreement as ("Secured Party"). Pledgor and Secured Party are sometimes hereinafter referred to together as the "Parties" and individually as a "Party".

Debt

1.01. New Rise Processing Reno, LLC is indebted to Secured Party, as evidenced by that certain promissory note dated, November 18, 2021, in the principal sum of One Million Five Hundred Thousand and No/100 ($1,500,000.00), the (**"First Promissory Note**"). New Rise Processing Reno, LLC is indebted to Secured Party, as evidenced by that certain promissory note dated December 22, 2021, in the principal sum of Five Hundred Thousand and No/100 ($500,000.00), the (**"Promissory Note**").

1.02. RESC Renewable Holdings, LLC has guaranteed New Rise Processing Reno, LLC's payment obligations under the First Promissory Note and this Promissory Note pursuant to that certain Guaranty dated, November 18, 2021 and the Guaranty dated, December 22, 2021 (collectively the "**Guaranty**").

Nature of Agreement

1.03. Pledgor and Secured Party desire that, as an accommodation in connection with the loan made by Secured Party to Pledgor, Pledgor grants to the Secured Party a security interest in the Collateral described in Paragraph 2.02 of this Agreement as collateral for Pledgor's performance of the terms and conditions of the Promissory Note and other obligations set forth in this Agreement.

THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the Pledgor and Secured Party agree as follows:

ARTICLE 2
PLEDGE

Security Interest

2.01. Pledgor creates and grants to the Secured Party a security interest in the Collateral described in Paragraph 2.02 of this Agreement to secure the payment and performance of the obligations of New Rise Processing Reno, LLC and RESC Renewable Holdings, LLC to the Secured Party set forth in Paragraph 2.03 of this Agreement.

Description of Collateral

2.02.

(a) The Security Agreement - Pledge dated, November 18, 2021 (the "Original Security Agreement") and this Agreement creates a first lien, perfected security interest in favor of Secured Party in twenty percent (20%) of the membership interests of RESC Renewable Holdings, LLC, a Nevada limited liability company owned by Pledgor (the "Equity"); and

(b) All right, title and interest of Pledgor, whether now owned or hereafter acquired, in and to Pledgor's right to receive profits, income, proceeds, monies and distributions, arising, directly or indirectly out of Pledgor's interest in the Equity (together with the Equity, collectively referred to as the "Collateral").

Obligations Secured

2.03. The security interest created by this Agreement secures the following:

(a) Payment of the indebtedness evidenced by, and performance and discharge of every covenant, condition, and agreement contained in the Promissory Note, and any and all modifications, extensions, or renewals of the Promissory Note (the " Obligations") by New Rise Processing Reno, LLC pursuant to the Promissory Note, and by RESC Renewable Holdings, LLC pursuant to the Guaranty.

(b) Performance and discharge of every obligation, covenant, and agreement of Pledgor contained in this Agreement or in any of the Security Instruments, as defined in the Promissory Note (if any) (collectively, the "Ancillary Agreements").

Representations and Warranties of Debtor

2.04.

(a) Pledgor warrants and represents that the Collateral represents 20% of the membership interests of RESC Renewable Holdings, LLC owned by Pledgor; that the Collateral is free and clear of any security interests, liens, restrictions, or encumbrances, and the security interest created by this Agreement, and that Pledgor has full right and power to transfer or pledge the Collateral to the Secured Party free and clear of any interests described in this paragraph, and to enter into and carry out this Agreement.

(b) Pledgor has not heretofore signed any financing statement, and no financing statement is now on file in any public office covering the Collateral. Pledgor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a financing statement signed only by Secured Party covering the Collateral; and at the request of Secured Party, Pledgor will join Secured Party in executing one or more financing statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party.

(c) Pledgor will not sell, transfer or dispose of any portion of the Collateral, except to Maker, unless Secured Party consents to such sale, transfer or disposition in writing, in advance.

(d) Pledgor shall, at its own expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time reasonably request to protect, assure or enforce its interests, rights and remedies created by, provided in, or emanating from, this Security Agreement.

(e) Pledgor shall keep the Collateral, including any proceeds therefrom, free from unpaid charges, including taxes, and from liens, encumbrances and security interests other than that of Secured Party.

ARTICLE 3
DEFAULT; RIGHTS OF SECURED PARTY

Event of Default

3.01. As used in this Agreement, "Event of Default" shall have the meaning subscribed to such term in the Promissory Note.

Secured Party's Rights and Remedies

3.02. Secured Party shall have all of the following rights regardless of the existence of any Event of Default.

(a) This Agreement, Secured Party's rights hereunder, or the indebtedness hereby secured may be assigned from time to time.

(b) Secured Party may execute, sign, endorse, transfer or deliver in the name of Pledgor any documents, necessary to evidence, perfect or realize upon the security interest and obligations created by this Agreement.

(c) Secured Party shall have no liability with respect to the Collateral, including, without limitation, any obligation for cash calls.

3.03. Upon an Event of Default, the Secured Party may foreclose the security interest in either of the following ways:

(a) Provided that the Secured Party gives notice to the Pledgor, and the Pledgor fails to object within twenty-one (21) days of receipt of such notice, the Secured Party may retain in satisfaction of Pledgor's obligation all of the Collateral.

(b) Secured Party may declare all Obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, at public or private sale or sales, or otherwise dispose of or utilize the collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, at such prices and on such terms as Secured Party may deem reasonable under the circumstances upon notice to Pledgor after an Event of Default. Secured Party will send Pledgor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made in accordance with the applicable provisions of the Uniform Commercial Code. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Pledgor at the address designated on the first page of this Security Agreement (or at such other address as Pledgor shall have designated as its address for receipt of notices hereunder in a writing duly received by Secured Party) at least fifteen (15) days before the time of the sale or disposition and email notice to Pledgor. Expenses of retaking, holding, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses, and Pledgor agrees to pay such expenses, plus interest thereon at the maximum rate permitted by applicable law from the date such expenses are incurred until repaid. Pledgor shall remain liable for any deficiency.

(c) No delays or omission on the part of Secured Party in exercising any right hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar or waiver of any right or remedy on any future occasion. The remedies of Secured Party hereunder are cumulative, and the right exercise of any one or more of the remedies provided for herein shall not be construed as an election or as a waiver of any of the other remedies of Secured Party provided for herein or existing by law or otherwise.

Additional Agreements

3.04.

(a) The execution and delivery of this Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the payment of the Obligations and no security taken hereafter as security for payment of the Obligations shall impair in any manner or affect this Agreement, all such present and future additional security to be considered as cumulative security. Any of the Collateral may be released from this Agreement without altering, varying or diminishing in any way the force, effect, lien, security interest, or charge of this Agreement as to the Collateral not expressly released, and this Agreement shall continue as a first and prior lien, security interest and charge on all of the Collateral not expressly released, until all the Obligations secured hereby have been paid in full. Any future assignment or attempted assignment of the interest of Pledgor in and to any of the Collateral shall not deprive Secured Party of the right to see or otherwise dispose of or utilize all of the Collateral as above provided or necessitate the sale or disposition thereof in parcels or in severalty.

(b) This Agreement shall not be construed as relieving Pledgor from full personal liability on the Obligations secured hereby and for any deficiency thereon.

ARTICLE 4
VOTING; DISTRIBUTIONS

Voting

4.01 For as long as the Collateral is held by Secured Party, and until the date of an Event of Default, if any, the Pledgor shall have the right to vote the Equity for all purposes. If requested by the Pledgor, the Secured Party shall execute and deliver to the Pledgor any proxies and authorizations reasonably required to confirm the voting rights of the Pledgor during this period.

Distributions

4.02 For as long as the Collateral is held by the Secured Party, and until the date of an Event of Default, if any, all distributions paid upon the Equity shall belong to the Pledgor.

ARTICLE 5
RELEASE OF COLLATERAL

Release of Collateral

5.01. Upon payment in full of the Promissory Note, the Collateral is released of any obligation hereunder.

ARTICLE 6
MISCELLANEOUS

No Waiver of Right of Remedies

6.01. No failure or delay by Secured Party in exercising any right, power, or privilege given by any provision of this Agreement shall operate as a waiver of the provision. Additionally, no single or partial exercise of any right, power, or privilege shall preclude any other or further exercise of that or any other right, power, or privilege.

Severability

6.02. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable, all other provisions of this agreement shall be valid, binding, and effective as if the illegal or unenforceable provisions had never been included in this Agreement.

Notices

6.03. Any notices of other communications required or permitted by this Agreement shall be delivered personally or sent by registered or certified mail, postage prepaid the addresses set forth in the introductory paragraph hereof, or at any other address furnished in writing by either Party to the other, and shall be deemed to have been given as of the date the notice is personally delivered or three business days after deposited in the United States mail and email notice to Pledgor.

Assignment

6.04. This Agreement and the Security Interest created by this Agreement shall be assignable by the Secured Party, and shall inure to the benefit of Secured Party's legal representatives, successors and assigns. Pledgor may not assign its obligations hereunder.

Choice of Law; Venue

6.05. It is the intention of the parties that the laws of Texas should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties. **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND THE PROMISSORY NOTE MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES LOCATED IN HARRIS COUNTY, TEXAS AND, BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, THE PLEDGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF THE COMPANY'S PROPERTY, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE PLEDGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PLEDGOR, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE PLEDGOR IN ANY OTHER JURISDICTION.**

THE PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH THE PLEDGOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS SECURITY AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN THIS SECTION 6.05 AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Paragraph Headings

6.06. Paragraph and other headings contained in this Agreement are for purposes of reference and convenience only and shall not affect in any way the meaning of this Agreement or its interpretation.

Prevailing Party

6.07. If any legal action or other proceeding is brought for the enforcement of this Agreement executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement or any document, instrument or agreement executed in connection herewith, the successful prevailing Party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

Drafting

6.08. Each of the Parties hereto acknowledges that each Party was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor or against any Party hereto because one is deemed to be the author thereof.

Counsel

6.09. COUNSEL. EACH PARTY ACKNOWLEDGES THAT THE PARTIES ARE EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT EACH PARTY HAS BEEN ADVISED OF THEIR RIGHT TO RETAIN LEGAL COUNSEL, AND THAT EACH PARTY HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO THEIR

EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PLEDGOR:

RESC, LLC, a Nevada limited liability company

By: */s/ Randall Soulé*
Randall Soulé, Manager

SECURED PARTY:

VIKING ENERGY GROUP, INC.

By: */s/ James A. Doris*
Name: James A. Doris
Title: President and CEO