

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5479755

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
DELTA ENERGY & COMMUNICATIONS, INC.	04/12/2019
RECEIVING PARTY DATA	
Name:	JAMES FORD BRETT
Street Address:	2930 SOUTH YALE AVENUE
City:	TULSA
State/Country:	OKLAHOMA
Postal Code:	74114
PROPERTY NUMBERS Total: 9	
Property Type	Number
Application Number:	15160754
Patent Number:	10055869
Patent Number:	10055966
Application Number:	15250119
Patent Number:	9961572
Application Number:	15332151
Application Number:	15442244
Application Number:	15677920
Application Number:	62651580
CORRESPONDENCE DATA	
Fax Number:	(918)584-1718
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	918-587-2000
Email:	mkachigian@hjkwlaw.com
Correspondent Name:	HEAD, JOHNSON, KACHIGIAN & WILKINSON, PC
Address Line 1:	228 WEST 17TH PLACE
Address Line 4:	TULSA, OKLAHOMA 74119
ATTORNEY DOCKET NUMBER:	BRE400-60/19159-MGK
NAME OF SUBMITTER:	MARK G. KACHIGIAN

SIGNATURE:	/markgkachigian/
DATE SIGNED:	04/17/2019
Total Attachments: 9 source=Patent Security Agreement--Delta (2019-04-12) (signed)#page1.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page2.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page3.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page4.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page5.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page6.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page7.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page8.tif source=Patent Security Agreement--Delta (2019-04-12) (signed)#page9.tif	

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement") dated as of April 12, 2019, by and between Delta Energy & Communications, Inc., a Delaware corporation, having its principal place of business at 29975 Technology Drive, Suite 101, Murrieta, CA 92563 (the "Pledgor"), and James Ford Brett, having its principal place of business at 2930 S. Yale Ave., Tulsa, OK 74114 (the "Lender").

WHEREAS, the Pledgor and the Lender are parties to that certain Royalty Agreement of even date herewith (the "Royalty Agreement") and that certain Secured Promissory Note of even date herewith ("Note");

WHEREAS, it is a condition precedent to the Lender making any of loans to the Pledgor under the Note that the Pledgor execute and deliver to the Lender a patent security agreement in substantially the form hereof;

WHEREAS, pursuant to the Royalty Agreement, the Pledgor has granted to the Lender a security interest in the Pledgor's patents and patent applications listed on Schedule A incorporated and attached hereto, to secure the repayment of the loans under the Note, and the payment of royalties arising under the Royalty Agreement; and

WHEREAS, this Agreement is supplemental to the provisions contained in the Note and Royalty Agreement;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

The following terms shall have the meanings set forth in this ARTICLE I or elsewhere in this Agreement referred to below:

"Event of Default" shall mean Pledgor's material breach of the Note or material breach of the Royalty Agreement.

"Patents" shall mean the patents and patent applications listed on Schedule A hereto and any re-issues, continuations, divisionals, continuations-in-part, renewals, reexamined patents or extensions thereof and corresponding international patent filings together with all rights and privileges under applicable law with respect to the use of the foregoing.

"Collateral" shall mean the Patents, associated Trademarks, and any licenses entered into in connection with Patents, and Trademarks.

"PTO" shall mean the United States Patent and Trademark Office.

ARTICLE II GRANT OF SECURITY INTEREST

To secure the Pledgor's obligations arising under the Note and Royalty Agreement, the Pledgor hereby grants to the Lender a security interest in all of the Collateral and all know-how and trade secrets relating thereto.

ARTICLE III REPRESENTATIONS, WARRANTIES AND COVENANTS

The Pledgor represents, warrants and covenants that:

- 3.1.** The Pledgor has the right to enter hereinto;
- 3.2.** This Agreement will create in favor of the Lender a valid and perfected first priority security interest in the Collateral upon making the filings as set forth in Section 3.3; and
- 3.3.** Except for the filing of financing statements with Secretary of State for the State of Delaware under the Uniform Commercial Code and the filing hereof with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either: (i) for the grant by the Pledgor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance hereof by the Pledgor; or (ii) for the perfection of or the exercise by the Lender of any of its rights and remedies hereunder.
- 3.4.** Pledgor is the owner of the entire right, title and interest in the Collateral and there are no liens, security interests, licenses, or other claims against the Collateral.
- 3.5.** Pledgor has the right to perform all the actions required by this agreement.

ARTICLE IV NO TRANSFER OR INCONSISTENT AGREEMENTS

Without the Lender's prior written consent, except to the extent expressly permitted hereunder, the Pledgor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, or alienate any of the Collateral or (ii) enter into any agreement that is inconsistent with the Pledgor's obligations hereunder.

ARTICLE V REMEDIES

If any Event of Default shall have occurred and be continuing, then upon notice by the Lender to the Pledgor: the Lender shall have, in addition to all other rights and remedies provided hereby, pursuant to the Note or the Royalty Agreement, or those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Delaware, as applicable, and, without limiting the generality of the foregoing, subject to applicable law, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Pledgor, all of which are hereby

expressly waived, and without advertisement, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Collateral, or any interest which the Pledgor may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the Pledgor's obligations arising under the Note and the Royalty Agreement. Notice of any sale, license or other disposition of any of the Collateral shall be given to the Pledgor at least thirty days before the time that any intended public sale or other disposition of such Collateral is to be made or after which any private sale or other disposition of such Collateral may be made, which the Pledgor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Lender may, to the extent permitted under applicable law, purchase or license the whole or any part of the Collateral or interests therein sold, licensed or otherwise disposed of. Pledgor shall provide Lender or Lender's representative, Pledgor's knowledge and expertise, relating to manufacture, sale, and installation of products and services to which the Collateral relate, and Pledgor's customer's list and other records thereto.

ARTICLE VI POWER OF ATTORNEY

If any Event of Default shall have occurred and be continuing, the Pledgor does hereby make, constitute and appoint the Lender (and any officer or agent of the Lender as the Lender may select in its exclusive discretion) as the Pledgor's true and lawful attorney-in-fact, with the power to endorse the Pledgor's name on all applications, documents, papers and instruments necessary for the Lender to use any of the Collateral, to practice, make, use or sell the inventions disclosed or claimed in any of the Patents, or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral or any part thereof or interest therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts which the Pledgor is obligated to execute and do hereunder. This power of attorney shall be irrevocable for the duration of this Agreement.

ARTICLE VII TERMINATION

At such time as all of Pledgor's obligations arising under the Note and the Royalty Agreement have been finally paid and satisfied in full, this Agreement shall terminate and the Lender shall, promptly and in any event within five business days of request from Pledgor, execute and deliver to the Pledgor, at the expense of the Pledgor, all deeds, assignments and other instruments as may be necessary or proper to release, reassign and reconvey to the Pledgor the entire right, title and interest to the Collateral previously granted, assigned, transferred and conveyed to the Lender by the Pledgor pursuant hereto.

ARTICLE VIII MISCELLANEOUS

8.1. Further Assurances. The Pledgor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements,

assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Lender may reasonably request or as may be necessary in order to implement the provisions hereof or to assure and confirm to the Lender the grant, perfection and priority of the Lender's security interest in any of the Patents or other Collateral. The Parties hereto agree to take such steps and sign such documents as may be reasonably necessary to carry out the terms of this Agreement.

8.2. Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses, incurred by the Lender in its capacity as secured party in connection with the perfection of the Lender's interest in the Collateral, shall be borne and paid by the Pledgor.

8.3. Notices. Any notice, demand, offer, request or other communication required or permitted to be given by either the Pledgor or the Lender pursuant to the terms hereof will be in writing and will be deemed effectively given the earlier of: (i) when received; (ii) when delivered personally; (iii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation); (iv) one (1) business day after being deposited with an overnight courier service; or (v) four (4) days after being deposited in the U.S. mail, First Class with postage prepaid, and addressed to the parties as follows:

If to Pledgor:

Scott Foster
Chief Executive Officer
Delta Energy & Communications, Inc.
29975 Technology Drive
Suite 101
Murrieta, CA 92563

If to Lender:

Attn: James Ford Brett
PetroSkills
2930 S. Yale
Tulsa, OK 74114

With a copy to:

Ryan S. Alexander
Lewis Brisbois Bisgaard & Smith LLP
633 W. 5th Street
Suite 4000
Los Angeles, CA 90071

8.4. Entire Agreement; Enforcement of Rights. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment hereto, nor any waiver of any rights hereunder, will be effective unless in writing signed by the parties hereto. The failure by either party to enforce any rights hereunder will not be construed as a waiver of any rights of such party.

8.5. Integration of Terms. For purposes hereof: (i) the singular includes the plural and the plural includes the singular; (ii) words importing any gender include the other genders (unless the context clearly indicates otherwise); (i) the words "and" and "or" are used in the conjunctive or disjunctive as the sense and circumstances may require; (iv) any form of the word "include"

will be deemed to be followed by the words “without limitation;” (v) the words “herein,” “hereof” and “hereunder” and other words of similar import refer hereto as a whole and not to any particular article, paragraph or part hereof; (vi) the phrase “in and to” will be deemed to include “under” and “with respect to” whenever appropriate; (vii) a reference to any law includes any amendment or modification thereto or thereof as well as any replacement therefor; (viii) unless the context requires otherwise, references to agreements and other contractual instruments include all amendments, supplements and other modifications thereto; (ix) references herein to articles, paragraphs, schedules and exhibits without further identification of the document to which reference is made are references to provisions or parts hereof; (x) recitals, schedules and exhibits hereto are an integral part hereof; and (xi) the articles, sections and subsection headings hereof are included for convenience of reference only, and will not affect the construction of any provision hereof.

8.6. Severability. In the event that any provision(s) hereof or the application of any such provision(s) will be held by a court, arbiter or other tribunal of competent jurisdiction to be unlawful or unenforceable, the remaining provisions hereof will remain in full force and effect and will be construed so as to give the fullest effect to the intent of the parties. In such event, the parties will substitute a valid, lawful and enforceable provision that most nearly reflects the parties’ original intent, or provide an equitable adjustment, if such substitute provision cannot be reached or is not possible under applicable law.

8.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

8.8. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which, taken together, will constitute one single agreement between the parties. A party’s facsimile signature hereto delivered to the other party will be sufficient to bind such party hereto.

8.9. Successors and Assigns. This Agreement and all rights and obligations hereunder shall be binding upon the Pledgor and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns.

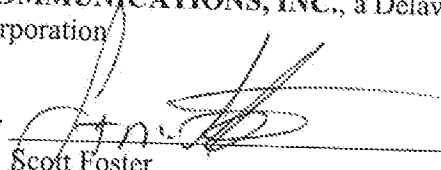
8.10. Indemnification. Pledgor shall indemnify Lender for any and all costs, expenses, damages, and claims including reasonable attorney’s fees and court costs incurred by the Lender in its capacity as secured party with respect to any claim or claims brought by third parties regarding the Pledgor’s ownership or purported ownership of or rights purported rights arising from any of the Collateral or any practice, use or sublicense thereof, or any practice, use or manufacture of any of the inventions disclosed or claimed therein, whether arising out of any past, current, or future event at or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**DELTA ENERGY &
COMMUNICATIONS, INC.**, a Delaware
corporation

James Ford Brett

By 
Scott Foster
Chief Executive Officer

By _____
James Ford Brett
Individual

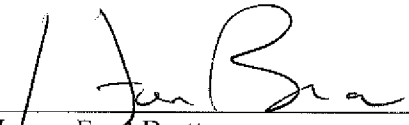
[Signature Page to Security Agreement]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**DELTA ENERGY &
COMMUNICATIONS, INC.**, a Delaware
corporation

By _____
Scott Foster
Chief Executive Officer

James Ford Brett

By  _____
James Ford Brett
Individual

[Signature Page to Security Agreement]

EXHIBIT A PATENTS

Title	Application / Patent Number	File / Issue Date	Status
Transformer Monitor, Communications and Data Collection Device	15/160,754 (Publication No. 2017/0048598) (Based on Provisional Patent Application Serial No. 62/203,101)	5/20/2016	Pending
	PCT/US2016/045233 National Phase in Canada and Philippines		
Enhanced reality system for visualizing, evaluating, diagnosing, optimizing and servicing smart grids and incorporated components	10,055,869 (Based on Provisional Patent Application Serial No. 62/203,719)	8/21/2018	Issued
	PCT/US2016/046509		
System and method for determination and remediation of energy diversion in a smart grid network	10,055,966 (Based on Provisional Patent Application Serial No. 62/213,815)	8/21/2018	Issued
	PCT/US2016/050393		
Supplemental and Alternative digital data delivery and receipt mesh network realized through the placement of enhanced transformer mounted monitoring devices	15/250,119 (Publication No. 2017/0237612) (Based on Provisional Patent Application Serial No. 62/236,420)	8/29/2016	Pending
	PCT/US2016/049245 National Phase in Canada, Philippines and Mexico		
Augmentation, expansion and self-healing of a geographically distributed mesh network using unmanned aerial vehicle (UAV) technology	9,961,572 (Based on Provisional Patent Application Serial No. 62/244,914)	5/1/2018	Issued
	PCT/US2016/058407		

Data Transfer Facilitation Across a Distributed Mesh Network Using Light and Optical Based Technology	15/332,151 (Publication No. 2017/0134092) (Based on Provisional Patent Application Serial No. 62/244,919) PCT/US2016/058383	10/24/2016	Pending
Distributed 802.11s Mesh Network Using Transformer Module Hardware for the Capture and Transmission of Data	15/442,244 (Publication No. 2017/0302511) (Based on Provisional Patent Application Serial No. 62/299,348) PCT/US2017/019434 National Phase in Mexico and Philippines	2/24/2017	Pending
Integrated Solution of Internet of Things, and Smart Grid Network Pertaining to Communication, Data and Asset Serialization, and Modeling	15/677,920 (Publication No. 2018/0132015) (Based on Provisional Patent Application Serial No. 62/375,170) PCT/US2017/046991	8/15/2017	Pending
Data Transfer Facilitation to and Across a Distributed Mesh Networking Using a Hybrid TV White Space, Wi-Fi and Advanced Metering Infrastructure Construct	62/651,580	4/4/2018	Provisional

PATENT

REEL: 049205 FRAME: 0948

RECORDED: 04/17/2019