

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

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SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	SECURITY INTEREST	
CONVEYING PARTY DATA		
	Name	Execution Date
	KINGDOM DOWNHOLE TOOLS, LLC	11/18/2019
RECEIVING PARTY DATA		
Name:	MUNCK WILSON MANDALA, LLP	
Street Address:	600 BANNER PLACE TOWER, 12770 COIT ROAD	
City:	DALLAS	
State/Country:	TEXAS	
Postal Code:	75251	
PROPERTY NUMBERS Total: 1		
	Property Type	Number
	Application Number:	16696832
CORRESPONDENCE DATA		
Fax Number:		
<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:	972-628-3600	
Email:	patents@munckwilson.com	
Correspondent Name:	DOCKET CLERK	
Address Line 1:	P.O. DRAWER 800889	
Address Line 4:	DALLAS, TEXAS 75380	
ATTORNEY DOCKET NUMBER:	KING17-00001	
NAME OF SUBMITTER:	DAVID S. WEIGAND	
SIGNATURE:	/David S. Weigand/	
DATE SIGNED:	11/26/2019	
Total Attachments: 6		
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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT ("Agreement") is made this 18th day of November, 2019 by and between Kingdom Downhole Tools, LLC, a Texas limited liability company having a principal place of business at 3136 Meandering Way, Granbury, Texas 76049, ("Grantor") and Munck Wilson Mandala, LLP ("Secured Party"), a Texas limited liability partnership having its principal office at 600 Banner Place, 12771 Coit Road, Dallas, Texas 75251.

WHEREAS Kingdom Downhole Tools, LLC is the assignee and/or applicant of U.S. Provisional Patent Application No. 62/697,590 filed June 13, 2018 and International Patent Application No. PCT/US2019/037125 entitled ONE RUN SETTING TOOL and filed June 13, 2019 (the "Patent Applications");

WHEREAS Grantor and Secured Party have executed an agreement ("Engagement Agreement") on or about December 21, 2018 for legal representation of Grantor by Secured Party in connection with at least Case 4:18-cv-00902-A, *Diamondback Industries, Inc. v. Kingdom Downhole Tools, LLC, Trea Baker and Justice Baker*, In the United States District Court for the Northern District of Texas;

WHEREAS, the Grantor is herein granting a security interest in the Patent Collateral (as defined below) and agree to execute and deliver this Agreement with respect thereto, for recording with the United States Patent and Trademark Office ("the "PTO").

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

1. **SECURITY INTEREST.** Grantor does hereby grant to Secured Party, to secure the prompt payment and performance of its indebtedness, obligations, liabilities, and undertakings of the Grantor to the Secured Party, when due, a security interest in all of Grantor's rights, title, and interests in, to, and under the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or existing or hereafter arising or acquired:

(i) the Patent Applications, registrations and recordings thereof, including patents claiming priority thereto, patent applications, and recordings filed in the PTO (or any successor office) or any similar office in any state of the United States or any other country, region, or any political subdivision thereof, including all counterpart national or regional patent applications, divisional applications, continuation applications, and corresponding priority applications, including those to which priority is claimed under the International Convention of Paris and/or 35 U.S.C. § 119, all substitutions and renewals thereof, and to all patents that may be granted thereon, and all reissues thereof; and the invention(s) disclosed or claimed therein in all countries, including the right to make, use, and/or sell the inventions disclosed or claimed therein;

(ii) all licenses to and from Grantor with respect to the Patent Collateral, whether registered or unregistered and wherever registered;

(iii) all general intangibles, intellectual, and other intangible or tangible property of the Grantor of any kind or nature, associated with, arising from, pertaining to, or accruing under any of the foregoing, including all rights provided by the law of any applicable jurisdiction in the United States, throughout the world and pursuant to international treaties and conventions and otherwise;

(iv) all Commercial Tort Claims (as such term is defined in the UCC) and other claims and causes of action with respect to any of the foregoing, including all rights to and claims for damages, restitution, and injunctive and other legal and equitable relief for past, present, and future infringement, uncontested use, misappropriation, violation, impairment, misuse, breach, default, and with the right but not the obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any damages or such other relief; and

(v) all products and proceeds of and revenues from the foregoing, including, all royalties, fees, income, and payments now or hereafter due or payable with respect to any of the foregoing, and without limitation, all proceeds of and revenues from any claim brought against third parties for past, present, or future infringement of any patent claiming priority to one or more of the Patent Applications and all proceeds of and revenues from any licensing of the Patent Applications or any patent or patent application claiming priority to one or more of the Patent Applications, all payments under insurance (whether or not the Secured Party is the loss payee thereof) or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing.

For purposes herein, "UCC" means the Uniform Commercial Code as in effect in the State of Texas; provided however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Secured Party's security interest in any item or portion of the Patent Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Texas, the "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions relating to such perfection or priority and for purposes of definitions relating to such provisions.

2. RECORDATION. The Grantor authorizes the Commissioner for Patents and any other government officials, upon the request of the Secured Party, to record and register this Agreement and any amendments, restatements, supplements, modifications, or replacements thereto with the PTO or any other applicable office.

3. FURTHER ASSURANCES. Upon request of the Secured Party and at the Secured Party's option, to the extent otherwise required by this Agreement, the Grantor shall take any and all other actions as the Secured Party may reasonably determine to be necessary for the attachment, perfection, and first priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in any and all of the Patent Collateral, including: (i) complying with any provision of any statute, regulation, or treaty of the United States and/or any foreign jurisdiction as to any Patent Collateral if compliance with such provision is (or might be) a condition to attachment, perfection, or priority of, or the ability of the Secured Party to enforce the Secured Party's security interest in such Patent Collateral, including executing such instruments or notices as may be necessary or reasonably desirable in order to perfect and preserve the first priority security interests granted or purported to be granted hereby, (ii) using commercially reasonable efforts to obtain

governmental and other third-party waivers, consents, and approvals in form and substance reasonably satisfactory to the Secured Party, including any consent of any licensor or other person obligated on Patent Collateral and any party or parties whose consent is required for the security interest of the Secured Party to attach, (iii) appearing in and defending any action or proceeding that may adversely affect the Grantor's title to or the Secured Party's security interest in the Patent Collateral.

4. TERMINATION AND RELEASE. The foregoing security interest and this Agreement shall terminate upon the later of termination of the Engagement Agreement and full and final payment of the Grantor's obligations thereunder, and all rights to the Patent Collateral shall revert to Grantor. Upon termination of this Agreement, at the sole expense of the Grantor and at the request of Grantor, Secured Party shall take such actions as may reasonably be necessary to release the Secured Party's security interest in the Patent Collateral. Any execution and delivery of documents pursuant to this Section 4 will be without recourse to or warranty by the Secured Party.

5. COMMERCIAL TORT CLAIMS. If the Grantor at any time holds or acquires a Commercial Tort Claim, the Grantor shall promptly, following acquisition thereof, notify the Secured Party in a writing signed by the Grantor of the particulars thereof and grant the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Secured Party.

6. REPRESENTATIONS AND WARRANTIES CONCERNING PATENT COLLATERAL. The Grantor represents and warrants to the Secured Party that Grantor is the owner of the Patent Collateral, free from any right or claim of any person or any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement, and the Grantor holds no Commercial Tort Claims.

7. GRANTOR'S COVENANTS CONCERNING LEGAL STATUS AND PATENT COLLATERAL. The Grantor covenants that it shall provide notice to the Secured Party at least five days prior to any change to its name and any changes to the Grantor's type of organization, jurisdiction of organization or other legal structure. Grantor further covenants with the Secured Party that, except for the security interest herein granted, the Grantor shall be the owner of the Patent Collateral free from any right or claim of any other person or any lien, security interest, or other encumbrance. The Grantor shall defend the Patent Collateral against all claims and demands of all persons at any time claiming the Patent Collateral or any interests therein materially adverse to the Secured Party, and Grantor agrees not to sell, license, exchange, assign, or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Patent Collateral.

8. INDEMNITY. The Grantor agrees to indemnify and hold harmless the Secured Party and each of its directors, officers, employees, agents, and affiliates (collectively the "Indemnified Parties") from and against any and all claims, damages, demands, losses, obligations, judgments, and liabilities (including reasonable and documented out-of-pocket attorneys' fees and expenses) in any way arising out of or in connection with this Agreement or the Patent Collateral,

except to the extent the same shall arise as a result of the gross negligence or willful misconduct of any of the Indemnified Parties.

9. REMEDIES. After an event of default under the Engagement Agreement or this Agreement, as the case may be, which remains uncured for a period of 30 days after Secured Party has provided written notice of such default, the Secured Party shall, without any other notice to or demand upon the Grantor, thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC or any other relevant jurisdiction and any additional rights and remedies as may be provided by applicable law.

10. PROCEEDS OF DISPOSITIONS; EXPENSES. The Grantor shall pay to the Secured Party, on demand, amounts equal to any and all expenses, including, without limitation, reasonable and documented out-of-pocket attorneys' fees and expenses, incurred or paid by the Secured Party in protecting, preserving, or enforcing the Secured Party's rights under or in respect of any of the Patent Collateral. After deducting all said expenses, the residue of any proceeds of collection or sale of the Patent Collateral shall, to the extent actually received in cash, be applied to the payment of any outstanding obligations under the Engagement Agreement, in such order or preference as the Secured Party may determine. Upon the final payment and satisfaction in full of all of the obligations under the Engagement Agreement and after making any payments as may be required pursuant to the UCC, any excess shall be returned to the Grantor, and the Grantor shall remain liable for any deficiency in the payment of the obligations under the Engagement Agreement.

11. NO WAIVER BY SECURED PARTY, ETC. The Secured Party shall not be deemed to have waived any of its rights upon or under the Patent Collateral unless such waiver shall be in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Secured Party with respect to the Patent Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively, or concurrently at such time or at such times as the Secured Party deems expedient.

12. GRANTOR REMAINS LIABLE. Notwithstanding anything herein to the contrary, the Grantor will remain obligated and liable for the Patent Collateral and assume full and complete responsibility for, among other things, (1) any license, contract, or other agreement with respect to the Patent Collateral and (ii) the prosecution, defense, enforcement, and any other necessary or desirable action required in connection with the Patent Collateral. The Secured Party does not and will not have any obligation or liability under or pursuant to any Patent Collateral by reason of or arising out of this Agreement or the receipt by the Secured Party of any payment relating to any of the Patent Collateral, nor will the Secured Party be obligated in any manner to perform any of the Grantor's obligations under or pursuant to any such license, contract, or agreement; to make inquiry as to the nature or sufficiency of any payment received by the Secured Party in respect of the Patent Collateral or as the sufficiency of any performance by any party under any such license,

contract, or agreement; to present or file any claim, to take any action to enforce any performance, or to collect the payment of any amounts that may have been assigned to the Secured Party; or to which the Secured Party may be entitled at any time.

13. NOTICES. Any notice, payment, demand, or communication required or permitted to be delivered or given by the provisions of this Agreement shall be deemed to have been effectively delivered or given and received on the date personally delivered to the respective party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the parties at the addresses identified as each party's principal place of business set forth above in the introductory paragraph, or to such other address as a party may designate by written notice to the other parties.

14. GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS. The Grantor agrees that any suit for the enforcement of this Agreement may be brought in the courts of Dallas County in the State of Texas or any federal court sitting therein, and Grantor consents to the nonexclusive jurisdiction of such court and to service of process in any such suit being made upon the Grantor by mail pursuant to Section 13 above. The Grantor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

15. SEVERABILITY. If any term of this Agreement is held to be invalid, illegal, or unenforceable in any jurisdiction, this Agreement shall be construed and be enforceable in such jurisdiction as if such invalid, illegal, or unenforceable term had not been included herein, and the validity, legality, and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

16. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart.

17. POWER OF ATTORNEY. The Grantor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the Grantor, from time to time, in the Secured Party's discretion, so long as any default of the Engagement Agreement or this Agreement shall have occurred and remain uncured for a period of 30 days after Secured Party provides written notice of such default, to take with respect to the Patent Collateral any and all appropriate action which Grantor might take with respect to the Patent Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Agreement and to accomplish the purposes hereof.

18. IN EXECUTING THIS AGREEMENT, THE UNDERSIGNED, ON BEHALF OF GRANTOR, ACKNOWLEDGES HE HAS HAD THE OPPORTUNITY TO SEEK AND

OBTAIN THE ADVICE OF INDEPENDENT LEGAL COUNSEL BEFORE ENTERING INTO THIS AGREEMENT AND GRANTOR HAS DONE SO TO THE EXTENT DESIRED, AND HAS FULLY READ THE AGREEMENT AND UNDERSTANDS THE MEANING AND IMPORT OF ALL THE TERMS HEREOF. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

IN WITNESS WHEREOF, intending to be legally bound, the Grantor and the Secured Party have caused this Agreement to be duly executed as of the date first above written.

SECURED PARTY

MUNCK WILSON MANDALA, LLP
A Texas limited liability partnership

By: 
Name: Michael A. McCabe
Title: Partner, Executive Committee Member

Grantor

KINGDOM DOWNHOLE TOOLS, LLC
A Texas limited liability company

By: 
Name: Dea Baker
Title: Partner