

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM416535

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
HORIZON MUD HOLDINGS CORPORATION		01/23/2017	Corporation: TEXAS
HORIZON MUD CO., INC.		01/23/2017	Corporation: TEXAS
MUD MASTERS GROUP, INC.		01/23/2017	Corporation: TEXAS
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	GIBRALTAR BUSINESS CAPITAL, LLC		
<b>Street Address:</b>	400 SKOKIE BOULEVARD, SUITE 375		
<b>City:</b>	NORTHBROOK		
<b>State/Country:</b>	ILLINOIS		
<b>Postal Code:</b>	60062		
<b>Entity Type:</b>	Limited Liability Company: DELAWARE		
<b>PROPERTY NUMBERS Total: 25</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	4723069	ZERO CONFLICT	
<b>Registration Number:</b>	4723836	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4723837	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4723838	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4723839	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4723840	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4723841	HORIZON MUD COMPANY	
<b>Registration Number:</b>	4374541	CLEARLY GREEN AND CLEAN AND CLEAR SOLUTI	
<b>Registration Number:</b>	4105267	MASTER CLEAR SEAL-5	
<b>Registration Number:</b>	4105090	MASTER FIBER SEAL	
<b>Registration Number:</b>	4066635	MASTER CLEAR MISTING SYSTEM	
<b>Registration Number:</b>	3642373	MASTER CLEAR FLUID	
<b>Registration Number:</b>	3797893	NON-DAMAGING RESERVOIR TECHNOLOGY	
<b>Registration Number:</b>	3798376	NDRT NON-DAMAGING RESERVOIR TECHNOLOGY	
<b>Registration Number:</b>	3798375	NDRT	
<b>Registration Number:</b>	3625438	MASTER COARSE BEADS	

TRADEMARK

Property Type	Number	Word Mark
Registration Number:	3621607	MASTER BLACK SACK
Registration Number:	3625437	MASTER FINE BEADS
Registration Number:	3542823	MASTER LUBE COAT
Registration Number:	3533417	MASTER BLACK BLEND
Registration Number:	3609536	MASTER SLIDE DRIL
Registration Number:	3541316	MASTER QUICK SPOT
Registration Number:	3480543	PROVEN PROFESSIONALS - PROVEN PRODUCTS -
Registration Number:	3394584	THE MUD MASTERS GROUP
Registration Number:	3656248	MUD MASTER

**CORRESPONDENCE DATA**

**Fax Number:** 3127826690

*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.*

**Phone:** 3127829000

**Email:** NKONDZIOLKA@RSPLAW.COM

**Correspondent Name:** ANDREW M. SACHS, ESQ.

**Address Line 1:** 180 N. LA SALLE ST. SUITE 3300

**Address Line 4:** CHICAGO, ILLINOIS 60601

<b>NAME OF SUBMITTER:</b>	ANDREW M. SACHS
<b>SIGNATURE:</b>	/ANDREW M. SACHS/
<b>DATE SIGNED:</b>	02/17/2017

**Total Attachments: 11**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement"), dated as of January 23, 2017, is executed by and between HORIZON MUD HOLDINGS CORPORATION, a Texas corporation ("Holdings"), HORIZON MUD CO., INC., a Texas corporation ("HMC") and MUD MASTERS GROUP, INC., a Texas corporation ("MMG") (Horizon, HMC and MMG are hereinafter each individually and collectively, on a joint and several basis, referred to as, the "Debtor"), having a business location at the address set forth below under its signature and GIBRALTAR BUSINESS CAPITAL, LLC, a Delaware limited liability company ("Secured Party"), having a business location at the address set forth below under its signature.

### RECITALS:

The Debtor and the Secured Party are parties to a Loan and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Loan Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtor.

As a condition to continuing to extend credit to or for the account of the Debtor, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. **Definitions.** All terms defined in the Recitals hereto or in the Loan Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Copyrights" means the copyright registrations, applications and exclusive copyright licenses set forth in Exhibit A.

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit B.

"Security Interest" has the meaning given in **Section 2**.

"Trademarks" means all of the Debtor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each; (ii) licenses, fees or royalties with respect to each; (iii) the right to sue for past, present and future infringement, dilution and damages therefor; (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit C, but, excluding, "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed).

2. **Security Interest.** As security for the payment of the Obligations, the Debtor hereby pledges and collaterally assigns to, and grants the Secured Party a security interest (the "Security Interest"), in the Patents, Trademarks and Copyrights (other than Excluded Collateral) to secure payment of the Obligations.

3. **Representations, Warranties and Agreements.** Debtor represents, warrants and agrees as follows:

(a) **Authority.** This Agreement has been duly and validly authorized by all necessary action on the part of the Debtor.

(b) **Copyrights.** Exhibit A accurately lists all registered Copyrights owned or controlled by the Debtor as of the date hereof and accurately reflects in all material respects the existence and status of Copyrights and all applications and registrations pertaining thereto as of the date hereof. If after the date hereof, the Debtor owns or controls any registered Copyrights not listed on Exhibit A or if Exhibit A ceases to accurately reflect, in all material respects, the existence and status of applications and registrations pertaining to the Copyrights, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Patents.** Exhibit B accurately lists all registered Patents owned or controlled by the Debtor as of the date hereof, or to which Debtor has a right as of the date hereof to have it assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit B, or if Exhibit B ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) **Trademarks.** Exhibit C accurately lists all registered Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof. If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit C or if Exhibit C ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit C, which upon acceptance by the Secured Party shall become part of this Agreement.

(e) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents, material Trademarks or Copyrights. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Debtor; or (ii) notify the Secured Party of such item(s) that are registered and

cause such Affiliate to execute and deliver to the Secured Party an intellectual property security agreement substantially in the form of this Agreement.

(f) **Title.** Debtor has absolute title to each Patent, Trademark and Copyright, (except exclusive copyright licenses) listed on Exhibits A, B and C, free and clear of all liens except Permitted Liens. Debtor: (i) will have, at the time Debtor acquires any rights in Patents, Trademarks or Copyrights hereafter arising (except licenses thereunder), absolute title to each such Patent, Trademark or Copyright free and clear of all liens except Permitted Liens; and (ii) will keep all Patents, Trademarks and Copyrights free and clear of all liens except Permitted Liens.

(g) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents, Trademarks and Copyrights (except licenses thereunder) against all claims or demands of all Persons.

(h) **Maintenance.** Debtor will at its own expense maintain the Patents, Trademarks and Copyrights to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Except to the extent reasonably advisable in its business, Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, Trademark or Copyright, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents, Trademarks or Copyrights, or to file any affidavit or renewal with respect thereto; and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable. For the avoidance of doubt, the terms and conditions set forth in this Section 3(h) shall not apply to any licenses of Patents, Trademarks and Copyrights.

(i) **Secured Party's Right to Take Action.** If Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of thirty (30) days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or, if Debtor notifies the Secured Party that it intends to abandon a Patent, Trademark or Copyright, except to the extent reasonably advisable in its business, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** The Debtor shall pay the Secured Party on demand the amount of all moneys reasonably expended and all reasonable costs and expenses

(including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the default rate of interest set forth in the Loan Agreement.

(k) **Power of Attorney.** To the extent required to facilitate the Secured Party's taking action under subsection: (i) and exercising its rights under Section 6 for the purpose of perfecting its Security Interest, the Debtor hereby irrevocably (solely during the term of this Agreement) appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default (as defined in the Loan Agreement), to enforce or use the Patents, Trademarks or Copyrights or to grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Copyrights to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents, Trademarks or Copyrights to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Loan Agreement as provided therein and the payment and performance of all Obligations.

4. **Debtor's Use of the Patents, Trademarks and Copyrights.** The Debtor shall be permitted to control and manage the Patents, Trademarks and Copyrights, including the right to exclude others from making, using or selling items covered by the Patents, Trademarks and Copyrights and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs.

5. **Events of Default.** The occurrence of an Event of Default, as defined in the Loan Agreement, shall constitute an Event of Default under this Agreement.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions provided that such actions are taken in accordance with the Loan Agreement:

(a) The Secured Party may exercise any or all remedies available under the Loan Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents, Trademarks and Copyrights.

(c) The Secured Party may enforce the Patents, Trademarks and Copyrights and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts

and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. This Agreement shall terminate upon termination of the Loan Agreement. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Loan Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents, Trademarks and Copyrights at all or in any particular manner or order, or to apply any cash proceeds of Patents, Trademarks and Copyrights in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. A carbon, photographic or other reproduction of this Agreement or of any financing statement shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Illinois without regard to conflicts of law provisions, except that any exercise by Lender of its remedies under this Agreement pertaining to the Patents, Trademarks and Copyrights shall be conducted in accordance with the law of the applicable jurisdiction where Debtor's principal place of business is located. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the parties have executed this Intellectual Property Security Agreement as of the date written above.

**HORIZON MUD HOLDINGS CORPORATION,**  
a Texas corporation

By:   
Name: Luke A. Blackwell  
Title: Chief Financial Officer

**HORIZON MUD CO., INC.,**  
a Texas corporation

By:   
Name: Luke A. Blackwell  
Title: Chief Financial Officer

**MUD MASTERS GROUP, INC.,**  
a Texas corporation

By:   
Name: Luke A. Blackwell  
Title: Chief Financial Officer

500 West Wall Street, Suite 200  
Midland, Texas 79701

**GIBRALTAR BUSINESS CAPITAL, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

400 Skokie Boulevard, Suite 375  
Northbrook, Illinois 60062

[Signature Page to Intellectual Property Security Agreement]



IN WITNESS WHEREOF, the parties have executed this Intellectual Property Security Agreement as of the date written above.

**HORIZON MUD HOLDINGS CORPORATION,**  
a Texas corporation

By: \_\_\_\_\_  
Name: Luke A. Blackwell  
Title: Chief Financial Officer

**HORIZON MUD CO., INC.,**  
a Texas corporation

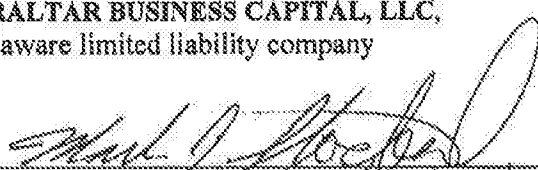
By: \_\_\_\_\_  
Name: Luke A. Blackwell  
Title: Chief Financial Officer

**MUD MASTERS GROUP, INC.,**  
a Texas corporation

By: \_\_\_\_\_  
Name: Luke A. Blackwell  
Title: Chief Financial Officer

500 West Wall Street, Suite 200  
Midland, Texas 79701

**GIBRALTAR BUSINESS CAPITAL, LLC,**  
a Delaware limited liability company

By:   
Name: Mark J. Stoeber  
Title: C.F.O.

400 Skokie Boulevard, Suite 375  
Northbrook, Illinois 60062

[Signature Page to Intellectual Property Security Agreement]

**TRADEMARK**  
**REEL: 005991 FRAME: 0624**

EXHIBIT A  
COPYRIGHTS

NONE.

**EXHIBIT B**

**PATENTS**

<b>Title</b>	<b>Patent # or App. #</b>	<b>Filing Date</b>	<b>Issue Date</b>
Drilling Fluid Additive Containing Heated Syrup Solids	7972995	June 14, 2010	July 5, 2011
Air Drilling Misting Fluid Contains Syrup	7964537	October 12, 2010	June 21, 2011
Drilling Fluid Additive Containing Syrups	7763570	July 2, 2009	July 27, 2010
Spotting Fluids Containing Syrups	8101555	July 26, 2010	January 24, 2012
Drilling Fluid Additive System	8216981	May 27, 2011	July 10, 2012
Drilling Fluid Additive Containing Corn Syrup Solids	7745378	April 30, 2009	June 29, 2010
Drilling Fluid Additive with Low Freezing Point	8673825	June 1, 2012	March 18, 2014

Exhibit B

**EXHIBIT C**  
**TRADEMARKS**

TRADEMARK	REG. NUMBER	REG. DATE	JURISDICTION OF REGISTRATION	GRANTOR
ZERO CONFLICT	4723069	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723836	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723837	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723838	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723839	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723840	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
HORIZON MUD COMPANY	4723841	4/21/2015	U.S.A.	Horizon Mud Co., Inc.
CLEARLY GREEN AND CLEAN AND CLEAR SOLUTIONS	4374541	7/30/2013	U.S.A.	Mud Masters Group, Inc.
MASTER CLEAR SEAL-5	4105267	02/28/2012	U.S.A.	Mud Masters Group, Inc.
MASTER FIBER SEAL	4105090	02/28/2012	U.S.A.	Mud Masters Group, Inc.
MASTER CLEAR MISTING SYSTEM	4066635	12/06/2011	U.S.A.	Mud Masters Group, Inc.
MASTER CLEAR FLUID	3642373	06/23/2009	U.S.A.	Mud Masters Group, Inc.
NON-DAMAGING RESERVOIR	3797893	06/01/2010	U.S.A.	Mud Masters

Exhibit C

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**TRADEMARK**  
**REEL: 005991 FRAME: 0627**

TECHNOLOGY				Group, Inc.
NDRT NON-DAMAGING RESERVOIR TECHNOLOGY	3798376	06/08/2010	U.S.A.	Mud Masters Group, Inc.
NDRT	3798375	06/08/2010	U.S.A.	Mud Masters Group, Inc.
MASTER COARSE BEADS	3625438	05/26/2009	U.S.A.	Mud Masters Group, Inc.
MASTER BLACK SACK	3621607	05/19/2009	U.S.A.	Mud Masters Group, Inc.
MASTER FINE BEADS	3625437	05/26/2009	U.S.A.	Mud Masters Group, Inc.
MASTER LUBE COAT	3542823	12/09/2008	U.S.A.	Mud Masters Group, Inc.
MASTER BLACK BEND	3533417	11/18/2008	U.S.A.	Mud Masters Group, Inc.
MASTER SLIDE DRIL	3609536	04/21/2009	U.S.A.	Mud Masters Group, Inc.
MASTER QUICK SPOT	3541316	12/02/2008	U.S.A.	Mud Masters Group, Inc.
PROVEN PROFESSIONALS – PROVEN PRODUCTS – PROVEN RESULTS	3480543	08/05/2008	U.S.A.	Mud Masters Group, Inc.
THE MUD MASTERS GROUP	3394584	03/11/2008	U.S.A.	Mud Masters Group, Inc.
MUD MASTER	3656248	07/21/2009	U.S.A.	Mud Masters Group, Inc.

Exhibit C

135316702

RECORDED: 02/17/2017

TRADEMARK  
REEL: 005991 FRAME: 0628