

## PATENT ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
HELIX WIND CORPORATION	03/21/2011
RECEIVING PARTY DATA	
Name:	ST. GEORGE INVESTMENTS, LLC
Street Address:	303 East Wacker Drive
Internal Address:	Suite 1200
City:	CHICAGO
State/Country:	ILLINOIS
Postal Code:	60601
PROPERTY NUMBERS Total: 4	
Property Type	Number
Patent Number:	7948110
Application Number:	11705844
Patent Number:	8084881
Application Number:	13018496
CORRESPONDENCE DATA	
Fax Number:	
Phone:	8019225000
Email:	jhansen@clilaw.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Jonathan K. Hansen
Address Line 1:	4626 North 300 West
Address Line 2:	Suite 160
Address Line 4:	Provo, UTAH 84604
ATTORNEY DOCKET NUMBER:	HANSEN

501895248

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 REEL: 028080 FRAME: 0728

OP \$160.00 7948110

NAME OF SUBMITTER:

Jared M. Richards

**Total Attachments: 9**

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**PATENT**

**REEL: 028080 FRAME: 0729**

## SECURITY AGREEMENT

This Security Agreement (this "*Security Agreement*"), dated as of March 21, 2011, is executed by Helix Wind, Corp., a Nevada corporation ("*Debtor*"), in favor of St. George Investments, LLC, an Illinois limited liability company ("*Secured Party*").

A. Debtor has issued to Secured Party a certain Secured Convertible Promissory Note of even date herewith in the face amount of \$1,176,347.27 (the "*Note*").

B. In order to induce Secured Party to extend the credit evidenced by the Note, Debtor has agreed to enter into this Security Agreement and to grant Secured Party the security interest in the Collateral (as defined below) described below.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

1. ***Definitions and Interpretation.*** When used in this Security Agreement, the following terms have the following respective meanings:

"*Collateral*" has the meaning given to that term in Section 2 hereof.

"*Lien*" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"*Obligations*" means (a) all loans, advances, debts, liabilities and obligations, howsoever arising, owed by Debtor to Secured Party or any affiliate of Secured Party of every kind and description, now existing or hereafter arising, whether created by the Note, this Security Agreement, that certain Purchase and Exchange Agreement of even date herewith, entered into by and between Debtor and Secured Party (the "*Purchase Agreement*"), any other Transaction Documents (as defined in the Purchase Agreement), guaranty of payment or other contract or by a quasi-contract, tort, statute or other operation of law, whether incurred directly to Secured Party or as an affiliate of Secured Party or acquired by Secured Party or an affiliate of Secured Party by purchase, pledge or otherwise, (b) all costs and expenses, including attorneys' fees, incurred by Secured Party or any affiliate of Secured Party in connection with the Note or in connection with the collection of any portion of the indebtedness described in the foregoing clause (a), (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Security Agreement, and (d) the performance of the covenants and agreements of Debtor contained in this Security Agreement and all other Transaction Documents.

"*Permitted Liens*" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been

established; (b) Liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers', warehousemen's, materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security; (d) Liens in favor of Secured Party under this Security Agreement; (e) Liens in an aggregate amount not exceeding \$5,000.00 securing obligations under a capital lease if such Liens do not extend to property other than the property leased under such capital lease; and (f) Liens in an aggregate amount not exceeding \$5,000.00 upon any equipment acquired or held by Debtor to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, so long as such Lien extends only to the equipment financed, and any accessions, replacements, substitutions and proceeds (including insurance proceeds) thereof or thereto.

"UCC" means the Uniform Commercial Code as in effect in the State of Utah from time to time.

Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

2. ***Grant of Security Interest.*** As security for the Obligations, Debtor hereby pledges to Secured Party and grants to Secured Party a security interest in all right, title and interests of Debtor in and to the property described in Schedule A hereto and all proceeds, products, and accessions thereof (collectively, the "*Collateral*").

3. ***Authorization to File Financing Statements.*** Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction or other jurisdiction of Debtor any financing statements or documents having a similar effect and amendments thereto that provide any other information required by the Uniform Commercial Code (or similar law of any non-United States jurisdiction, if applicable) such state or jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request. Secured Party is further authorized to make any necessary filings with the United States Patent and Trademark Office and any other applicable office to perfect its security interest in any patents, trademarks, copyrights and other intellectual property included in the Collateral.

4. ***General Representations and Warranties.*** Debtor represents and warrants to Secured Party that (a) Debtor is the owner of the Collateral and that no other person has any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens, (b) upon the filing of UCC-1 financing statements with the Nevada Secretary of State, Secured Party shall have a perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens, and (c)

the Liens in favor of Security Party under this Agreement are senior in priority to any other Lien granted to or arising in favor of any third party under the Uniform Commercial Code.

5. ***Additional Covenants.*** Debtor hereby agrees:

(a) to perform all acts that may be necessary to maintain, preserve, protect and perfect in the Collateral, the Lien granted to Secured Party therein, and the perfection and priority of such Lien, except for Permitted Liens;

(b) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings reasonably deemed necessary or appropriate by Secured Party to perfect, maintain and protect Secured Party's Lien hereunder and the priority thereof;

(c) to provide at least fifteen (15) days prior written notice to Secured Party of any of the following events: (i) any changes or alterations of Debtor's name, (ii) any changes with respect to Debtor's address or principal place of business, (iii) any reorganization, merger or consolidation involving Debtor, (iv) any change to the jurisdiction under which Debtor is organized, (v) any adverse change in the condition of any Collateral, (vi) any adverse change to Secured Party's interest in the Collateral, (vii) any Lien arising against the Collateral, other than a Permitted Lien, provided that any Permitted Liens arising under the Uniform Commercial Code shall be disclosed to Secured Party, (viii) change to Secured Party's interest or Secured Party's , or (ix) the formation of any subsidiaries of Debtor;

(d) upon Secured Party's request, to endorse, assign and deliver any promissory notes included in the Collateral to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify;

(e) to the extent the Collateral is not delivered to Secured Party pursuant to this Security Agreement, to keep the Collateral at the principal office of Debtor and not to remove the Collateral from such location without providing at least thirty (15) days prior written notice to the Secured Party; and

(f) not to sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein, other than inventory in the ordinary course of Debtor's business.

6. ***Authorized Action by Secured Party.*** Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact (which appointment is coupled with an interest) and agrees that Secured Party may perform (but Secured Party shall not be obligated to and shall incur no liability to Debtor or any third party for failure so to do) any act which Debtor is obligated by this Security Agreement to perform, and to exercise such rights and powers as Debtor might exercise with respect to the Collateral, including the right to (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral; (b) execute and file UCC financing statements and other documents, instruments and agreements required hereunder; and (c) take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Security Agreement. The powers conferred on Secured

Party under this Section 6 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither Secured Party nor any of its stockholders, directors, officers, managers, employees or agents shall be responsible to Debtor for any act or failure to act, except with respect to Secured Party's own gross negligence or willful misconduct.

**7. *Default and Remedies.***

(a) *Default.* Debtor shall be deemed in default under this Security Agreement upon the occurrence of an Event of Default (as defined in the Note).

(b) *Remedies.* Upon the occurrence of any such Event of Default, Secured Party shall have the rights of a secured creditor under the UCC, all rights granted by this Security Agreement and by law, including, without limiting the foregoing, (i) the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party, and (ii) the right to take possession of the Collateral, and for that purpose Secured Party may enter upon premises on which the Collateral may be situated and remove the Collateral therefrom. Debtor hereby agrees that ten (10) days' notice of a public sale of any Collateral or notice of the date after which a private sale of any Collateral may take place is reasonable. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, Secured Party's right following an Event of Default to take immediate possession of Collateral and to exercise Secured Party's rights and remedies with respect thereto. Secured Party may also have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all rights of Secured Party under this Agreement. Secured Party may exercise any of its rights under this Section 7(b) without demand or notice of any kind. The remedies in this Security Agreement, including without limitation this Section 7(b), are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. No failure or delay on the part of Secured Party in exercising any right, power, or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. All of Secured Party's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or document shall be cumulative and may be exercised singularly or concurrently.

(c) *Standards for Exercising Rights and Remedies.* To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party (i) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through

publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, (xi) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

(d) *Application of Collateral Proceeds.* The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by Secured Party at the time of, or received by Secured Party after, the occurrence of an Event of Default) shall be paid to and applied as follows:

(i) *First*, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by Secured Party;

(ii) *Second*, to the payment to Secured Party of the amount then owing or unpaid on the Note (to be applied first to accrued interest and second to outstanding principal); and

(iii) *Third*, to the payment of the surplus, if any, to Debtor, his successors and assigns, or to whosoever may be lawfully entitled to receive the same.

In the absence of final payment and satisfaction in full of all of the Obligations, Debtor shall remain liable for any deficiency.

## 8. *Miscellaneous.*

(a) *Notices.* Except as otherwise provided herein, all notices, requests, demands, consents, instructions or other communications to or upon Debtor or Secured Party under this Security Agreement shall be directed as set forth below (or as the recipient thereof shall otherwise

have directed in writing in accordance herewith) in a manner set forth below and will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile, email or other form of electronic communication (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing, or (v) three days after being deposited in the U.S. mail, first class with postage prepaid.

*Debtor:* Helix Wind, Corp.  
Attn: Kevin Claudio  
13125 Danielson Street  
San Diego, California 92064

*Secured Party:* St. George Investments, LLC  
Attn: John M. Fife  
303 East Wacker Drive, Suite 1200  
Chicago, Illinois 60601

With a copy to (which shall not constitute notice):

Carman Lehnhof Israelsen LLP  
Attn: Jonathan K. Hansen  
4626 North 300 West, Suite 160  
Provo, Utah 84604

(b) *Nonwaiver.* No failure or delay on Secured Party's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

(c) *Amendments and Waivers.* This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Debtor and Secured Party. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

(d) *Assignment.* This Security Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; *provided, however,* that Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of Secured Party.

(e) *Cumulative Rights, etc.* The rights, powers and remedies of Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any applicable law, rule or regulation of any governmental authority, or the Note, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's rights hereunder. Debtor waives any right to require Secured Party to proceed against any person or entity or to exhaust any Collateral or to pursue any remedy in Secured Party's power.



(f) *Partial Invalidity.* If any part of this Security Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect.

(g) *Expenses.* Debtor shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by Secured Party in connection with the custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which are not performed as and when required by this Security Agreement.

(h) *Entire Agreement.* This Security Agreement and the other Transaction Documents, taken together, constitute and contain the entire agreement of Debtor and Secured Party with respect to this particular matter and supersede any and all prior agreements, negotiations, correspondence, understandings and communications between the parties, whether written or oral, respecting the subject matter hereof.

(i) *Governing Law; Venue.* Except as otherwise specifically set forth herein, the parties expressly agree that this Agreement shall be governed solely by the laws of the State of Utah, without regard to its principles of conflict of laws. Debtor hereby expressly consents to the personal jurisdiction of the state and federal courts located in or about Salt Lake County, Utah for any action or proceeding arising from or relating to this Agreement, waives, to the maximum extent permitted by law, any argument that venue in any such forum is not convenient, and agrees that any such action or proceeding shall only be venued in such courts.

(j) *Counterparts.* This Security Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one instrument. Facsimile copies of signed signature pages will be deemed binding originals.

(k) *Termination of Security Interest.* Upon the payment in full of all Obligations, the security interest granted herein shall terminate and all rights to the Collateral shall revert to Debtor. Upon such termination, Secured Party hereby authorizes Debtor to file any UCC termination statements necessary to effect such termination and Secured Party, at Debtor's expense, will execute and deliver to Debtor any additional documents or instruments as Debtor shall reasonably request to evidence such termination.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, Secured Party and Guarantor have caused this Security Agreement to be executed as of the day and year first above written.

**SECURED PARTY:**

ST. GEORGE INVESTMENTS, LLC

By: Fife Trading, Inc., Manager

By: 

John M. Fife, President

**DEBTOR:**

HELIX WIND, INC.

By: 

Name: J. J. Hen

Title: COO

\$1,176,247.71

[Signature Page to Security Agreement]

**SCHEDULE A**  
**TO SECURITY AGREEMENT**

All right, title, interest, claims and demands of Debtor in and to the following property:

(i) All goods and equipment now owned or hereafter acquired, including, without limitation, all equipment, computer equipment, office equipment, machinery, fixtures, vehicles, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

(ii) All inventory now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Debtor's books relating to any of the foregoing;

(iii) All accounts receivable, contract rights, general intangibles, health care insurance receivables, payment intangibles and commercial tort claims, now owned or hereafter acquired, including, without limitation, all patents, patent rights (and applications and registrations therefor), trademarks and service marks (and applications and registrations therefor), inventions, copyrights, mask works (and applications and registrations therefor), trade names, trade styles, software and computer programs including source code, trade secrets, methods, processes, know how, drawings, specifications, descriptions, and all memoranda, notes, and records with respect to any research and development, goodwill, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer disks, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media;

(iv) All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Debtor arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Debtor (subject, in each case, to the contractual rights of third parties to require funds received by Debtor to be expended in a particular manner), whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor and Debtor's books relating to any of the foregoing;

(v) All documents, cash, deposit accounts, letters of credit, letter of credit rights, supporting obligations, certificates of deposit, instruments, chattel paper, electronic chattel paper, tangible chattel paper and investment property, including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, now owned or hereafter acquired and Debtor's books relating to the foregoing;

(vi) All other goods and personal property of Debtor, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired; and

(vii) Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds and products thereof, including, without limitation, insurance, condemnation, requisition or similar payments and the proceeds thereof.