

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT3252707

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
STEP AHEAD INNOVATIONS, INC.	03/04/2015
RECEIVING PARTY DATA	
Name:	SECOND CRACK VENTURES, LLC
Street Address:	646 LIME KILN RD
City:	CHARLOTTE
State/Country:	VERMONT
Postal Code:	05445
PROPERTY NUMBERS Total: 10	
Property Type	Number
Application Number:	13713495
Patent Number:	8883079
Application Number:	13713568
Application Number:	13713595
Patent Number:	8828728
Patent Number:	8797523
Application Number:	13713714
Application Number:	13713737
Application Number:	13713773
Application Number:	13713864
CORRESPONDENCE DATA	
Fax Number:	(802)658-0978
<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:	8026587830
Email:	tprevo@merritt-merritt.com
Correspondent Name:	TIMOTHY J. PREVO
Address Line 1:	60 LAKE STREET
Address Line 2:	2ND FLOOR
Address Line 4:	BURLINGTON, VERMONT 05401
NAME OF SUBMITTER:	TIMOTHY J. PREVO

PATENT

SIGNATURE:	/s/ Timothy J. Prevo
DATE SIGNED:	03/05/2015
Total Attachments: 5 source=Security Agreement Final 03.04.15 v2 - EXECUTED#page1.tif source=Security Agreement Final 03.04.15 v2 - EXECUTED#page2.tif source=Security Agreement Final 03.04.15 v2 - EXECUTED#page3.tif source=Security Agreement Final 03.04.15 v2 - EXECUTED#page4.tif source=Security Agreement Final 03.04.15 v2 - EXECUTED#page5.tif	

SECURITY AGREEMENT

This Security Agreement (the "*Agreement*") is entered into effective as of March 4, 2015 by and among Step Ahead Innovations, Inc., a Delaware corporation (the "*Debtor*"), and Second Crack Ventures, LLC, a Vermont limited liability company (the "*Secured Party*").

Recitals

- A. The Debtor is offering a 6% Subordinated Secured Convertible Promissory Note, due on March 4, 2018 (the "*Note*").
- B. The Note will be issued to and held by the Secured Party.
- C. The Debtor desires to secure all amounts due under the Note by pledging the Collateral (as defined below) as security for the performance of all obligations under the Note. In consideration of these recitals, which are incorporated herein, and of the mutual covenants herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows.

Agreements

1. Collateral; Security Interest. To secure the payment and performance of the Debtor under the Note, Debtor hereby grants to the Secured Party a security interest in the "*Collateral*", which includes (a) all of the Debtor's property, tangible and intangible, including, but not limited to: all accounts, now existing or subsequently arising; all contract rights of the Debtor, now existing or subsequently arising; all accounts receivable, now existing or subsequently arising; all chattel paper, documents, and instruments related to accounts; all intellectual property, inventory, furniture, fixtures, equipment, and supplies now owned or subsequently acquired; and the proceeds, products, and accessions of and to any and all of the foregoing prior to all liens other than those to secure commercial bank debt. This security interest is granted to secure the debt evidenced by the Note and all costs and expenses incurred by the Secured Party in the collection of the debt evidenced by the Note. The Secured Party, in its discretion, may file one or more financing statements with respect to the Collateral, indicating the Debtor as a debtor and the Secured Party as secured party, in the offices that the Secured Party's legal counsel deems appropriate.
2. Priority Security Interest. This Agreement, together with the filing of financing statements in the appropriate governmental offices, create a valid and perfected security interest in the Collateral (except for property in which a security interest may not be perfected by filing under the Uniform Commercial Code as in effect in the State of Delaware), prior to all other pledges, security interests, liens or other charges or encumbrances of any kind with respect to the Collateral except for (1) purchase money security interests, (2) security interests granted to secure commercial bank debt, and (3) the security interest to be granted to James Clark within fifteen (15) days of the date of this Agreement, intending to secure the obligations of the Debtor to James Clark under a promissory note issued to James Clark in the principal amount of \$127,000 on October 1, 2014, the priority of which security interest shall be *pari passu* with the security interest granted by this Agreement with respect to the collateral securing such security interest.

3. Events of Default. Debtor shall be in default under this Agreement upon any Event of Default as provided for under the Note that is not cured within the applicable cure period provided therein.

4. Remedies. Upon the occurrence of an Event of Default that is not cured within the applicable cure period, the Secured Party, may, without notice or demand, declare the Note due and payable and the Note and this Agreement in default. In addition to any other rights or remedies that the Secured Party may have by other agreement or document, the Secured Party shall have all of the rights and remedies of a secured party under applicable law. Debtor agrees to pay to Secured Party all expenses (including reasonable attorneys' fees) incurred in connection with enforcing the terms or conditions of this Agreement. The rights and remedies of the Secured Party set forth in this Agreement are cumulative, not alternative, and shall not be deemed exclusive or restrictive of any other right or remedy to which the Secured Party may be entitled by other agreement or document, or law or equity, with respect to a breach of any provision of, or event of default, under this Agreement. The exercise or enforcement of any right or remedy shall neither be a condition to, nor a bar of, the exercise of any other right or remedy.

5. No Waiver. No Event of Default shall be waived by the Secured Party except in writing signed by the Secured Party, and no waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right. The failure of the Secured Party to assert any Event of Default upon the occurrence of such Event of Default shall not be deemed to be a waiver thereof, and the Secured Party may assert an Event of Default and claim its remedies thereunder at any time from and after the occurrence of such Event of Default and such occurrence shall not be deemed to have been waived until the Secured Party has received and accepted payment in full of all amounts due to the Secured Party.

6. Miscellaneous.

(a) Assignment; Binding Effect. All of the rights of the Secured Party under this Agreement shall inure to the benefit of the Secured Party's successors and assigns. This Agreement, the security interests granted herein, and all obligations of Debtor hereunder shall be binding upon Debtor's successors and assigns; *provided, however*, that Debtor may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Secured Party.

(b) Entire Agreement; Amendment; Termination. This Agreement together with the Note Purchase Agreement (as defined in the Note) and the Note sets forth the entire agreement of the parties with respect to the subject matter hereof. This Agreement and the security interests granted hereunder may not be amended, modified, terminated, released, or otherwise changed, except by written consent of the Debtor the Secured Party. This Agreement will terminate once all obligations under the Note have been paid (or converted) in full.

(c) Governing Law. This Agreement shall be construed under and governed by the laws of the State of Delaware. Unless the context otherwise requires, all terms used herein that are defined in the Uniform Commercial Code as in effect in the State of Delaware shall have the

modified to the extent necessary to make it enforceable, and as so severed or modified, the remainder of this Agreement shall remain in full force and effect.

(g) Survival. All representations, warranties, and other provisions hereof are true and correct at the time of execution of this Agreement and shall survive the execution, delivery, and partial performance of this Agreement.

[SIGNATURE PAGE FOLLOWS]

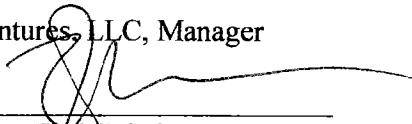
IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the date first above written.

STEP AHEAD INNOVATIONS, INC.

By: *Jana E. Clark*
Name:
Title: *President*

SECOND CRACK VENTURES, LLC

By: Whalen Ventures, LLC, Manager

By: 
Name: T. J. Whalen
Title: Member

[SIGNATURE PAGE TO SECURITY AGREEMENT]