

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM305187

<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>
Ecobee Inc.		03/11/2014	CORPORATION: CANADA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Thomvest Seed Capital Inc.		
<b>Street Address:</b>	65 Queen Street West		
<b>City:</b>	Toronto		
<b>State/Country:</b>	CANADA		
<b>Postal Code:</b>	M5H 2M5		
<b>Entity Type:</b>	CORPORATION: CANADA		
<b>PROPERTY NUMBERS Total: 3</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	85182334	GREEN MADE EASY	
<b>Serial Number:</b>	77390082	ECOBEE	
<b>Serial Number:</b>	77390141	ECOBEE	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	4162163930		
<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>			
<b>Phone:</b>	416-216-1906		
<b>Email:</b>	chris.hunter@nortonrosefulbright.com		
<b>Correspondent Name:</b>	Christopher n. hunter		
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<b>Address Line 2:</b>	200 bay street, suite 3800, south tower		
<b>Address Line 4:</b>	toronto, CANADA M5E 3E7		
<b>ATTORNEY DOCKET NUMBER:</b>	01019363-0011		
<b>NAME OF SUBMITTER:</b>	Christopher N. Hunter		
<b>SIGNATURE:</b>	/christopher n. hunter/		
<b>DATE SIGNED:</b>	05/21/2014		
<b>Total Attachments: 23</b>			
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GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made this 11th day of March, 2014.

**TO:** THOMVEST SEED CAPITAL INC., as Lender pursuant to the Loan Agreement (together with its successors and permitted assigns, the "Lender")

**GRANTED BY:** ECOBEE INC., as borrower (together with its successors and permitted assigns, the "Borrower")

**RECITALS:**

- A. Pursuant to a loan agreement dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the "Loan Agreement") between, the Borrower, ELTD (as defined below) and the Lender, the Lender has agreed to make available the Loan for the purpose of providing capital, paying transaction expenses and general corporate purposes of the Borrower upon the terms and conditions contained therein.
- B. The Borrower is required to enter into this Agreement as security for its Obligations to the Lender.
- C. The security interest granted hereunder is granted by the Borrower in favour of the Lender, and the Borrower has agreed to record this Agreement with national, federal and state government authorities, including, but not limited to, the Canadian Intellectual Property Office, the United States Patent and Trademark Office and the United States Copyright Office.

The parties agree as follows:

**ARTICLE 1**  
**DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

**1.1 Defined Statutory Terms**

The terms "Accessions", "Account", "Account Debtor", "Chattel Paper", "Document of Title", "Equipment", "financing change statement", "financing statement", "Futures Account", "Futures Contract", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money", and "Proceeds" whenever used herein have the meanings given to those terms in the PPSA.

The terms "Certificated Security", "Entitlement Holder", "Entitlement Order", "Financial Asset", "Securities Account", "Securities Intermediary", "Security", "Security Certificate", "Security Entitlement" and "Uncertificated Security" whenever used herein have the meanings given to those terms in the STA.

**1.2 Definitions**

Wherever used in this Agreement, capitalized terms not otherwise defined have the meanings given to them in the Loan Agreement. The following words and terms have the meanings set out below:

“**Agreement**” means this general security agreement, including all schedules, and all amendments or restatements as permitted, and references to “**Article**” or “**Section**” mean the specified Article or Section of this Agreement;

“**Collateral**” has the meaning given in Section 2.1.

“**Contracts**” means any contracts, agreements, indentures, licences, commitments, entitlements, engagements or other arrangements, including any investment with or interest in any Person which does not constitute Investment Property, whether written or unwritten, to which the Borrower is now or subsequently a party or has a benefit, right, or in which the Borrower now has or subsequently acquires an interest.

“**Control Agreement**” means any present or future agreement or agreements entered into by the Borrower, the Lender and the applicable issuer, securities intermediary or futures intermediary, whereby the parties intend for the Lender to obtain control (as provided for in the STA) of Investment Property.

“**Copyrights**” means the copyrights, copyright registrations and applications and exclusive copyright licenses set forth in Schedule “B”.

“**Delivery**” and the corresponding term “**Delivered**” when used with respect to Pledged Securities means:

- (a) in the case of Pledged Securities constituting certificated securities, transfer thereof to the Lender or its nominee by physical delivery of the security certificates to the Lender or its nominee, such Pledged Securities to be endorsed for transfer or accompanied by stock powers of attorney duly executed in blank, all in form and content satisfactory to the Lender;
- (b) in the case of Pledged Securities constituting uncertificated securities, (A) the execution and delivery by the issuer thereof of an effective agreement (each, an “**Issuer Control Agreement**”), pursuant to which such issuer agrees that it will comply with instructions originated by the Lender or its nominee without further consent of the Borrower or any other person, or (B) with the consent of the Borrower, registration thereof on the books and records of the issuer thereof in the name of the Lender or its nominee;
- (c) in the case of Pledged Securities constituting security entitlements in respect of financial assets deposited in or credited to a securities account, (A) the execution and delivery by the relevant securities intermediary of an effective blocked accounts agreement pursuant to which such securities intermediary agrees to comply with entitlement orders originated by the Lender or its nominee without further consent of the Borrower or any other person, or (B) with the consent of the Borrower, completion of all actions necessary to constitute the Lender or its nominee the entitlement holder with respect to each such security entitlement; and

in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any Pledged Securities in favour of the Lender or its nominee.

“**ELTD**” means ecobee LTD., a Nevada corporation, which is a guarantor under the Loan Agreement.

“**Equity Securities**” means all shares, options, warrants, interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited partnership or equivalent entity, whether voting or non-voting or participating or non-participating.

“**Loan Agreement**” has the meaning given in the recitals.

“**Patents**” means the patents and patent applications set forth in Schedule “C”.

“**Pledged Securities**” means all Equity Securities of or in the capital stock of ELTD held by the Borrower as of the date hereof, as more particularly described in Schedule “A”.

“**PPSA**” means the *Personal Property Security Act*, R.S.O. 1990, c.P.10.

“**Restricted Contracts**” has a meaning given in Section 2.5.

“**Security Interest**” has the meaning given in Section 2.1.

“**STA**” means the *Securities Transfer Act*, 2006, S.O. 2006, c. 8, as amended.

“**Trademarks**” means the trademarks and trademarks applications set forth in Schedule “D”.

### 1.3 Certain Rules of Interpretation

In this Agreement:

- (a) **Governing Law.** This Agreement shall be construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract, without reference to conflicts of laws principles. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Province of Ontario and such courts shall have jurisdiction to deal with all matters relating to the interpretation of, or enforcement of rights under this Agreement, and each of the parties hereto hereby irrevocably attorns to the non-exclusive jurisdiction of such courts without prejudice to or limitation of any other rights or remedies available under the laws of any other jurisdiction where property or assets of the Borrower may be found.
- (b) **Headings.** Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (c) **Including.** Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (d) **No Strict Construction.** The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.
- (e) **Number and Gender.** Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (f) **Severability.** If any covenant, obligation or agreement of this Agreement or the application thereof to any Person or circumstance shall, to any extent, be invalid, illegal or unenforceable in any jurisdiction under any Applicable Law, such invalidity, illegality

or unenforceability shall not affect the remainder of this Agreement or the application of such covenant, obligation or agreement to Persons or circumstances or in other jurisdictions other than those as to which it is held invalid, illegal or unenforceable, and each covenant, obligation and agreement of this Agreement shall be separately valid, legal and enforceable to the fullest extent permitted by Applicable Law.

- (g) **Statutory references.** A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, revises, restates, supplements or supersedes any such statute or any such regulation.
- (h) **References to Agreements.** The term "this Agreement" refers to this agreement including all schedules, amendments, supplements, extensions, renewals, replacements, novations or restatements from time to time, in each case as permitted.
- (i) **Paramountcy.** If there is a conflict, inconsistency, ambiguity or difference between any provision of this Agreement and any provision of the Loan Agreement, the provisions of the Loan Agreement shall prevail, and such provision of this Agreement shall be deemed to be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Agreement which may be in addition to the rights and remedies contained in the Loan Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

#### 1.4 Entire Agreement

This Agreement, the Loan Agreement and the other Loan Documents constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement, the Loan Agreement and the other Loan Documents.

## ARTICLE 2 SECURITY INTERESTS

### 2.1 Security Interest

As general and continuing security for the payment and the performance of the Obligations, the Borrower hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Lender a continuing security interest (the "**Security Interest**") in all right, title and interest in, to and under all of that Borrower's present and after-acquired personal property, including, without limitation, all right, title and interest that the Borrower now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, in all property of the following kinds:

- (i) **Contracts:** all present and future Contracts to which the Borrower is a party, and the Borrower's right, title and interest in any authorizations, permits, consents, licences or similar approvals relating to the Project;

- (ii) Collateral Accounts: the Collateral Accounts, and all amounts hereafter deposited to, and all Permitted Investments or other approved investments now or hereafter forming any part of, any of the Collateral Accounts;
- (iii) Receivables: all debts, Accounts, claims and choses in action of any nature or kind howsoever arising which are now or which may hereafter become due, owing or accruing due to the Borrower;
- (iv) Inventory: all Inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all Goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Borrower;
- (v) Equipment: all machinery, Equipment, fixtures, furniture, plant, vehicles and other tangible personal property of whatever nature or kind which is not Inventory;
- (vi) Chattel Paper: all Chattel Paper;
- (vii) Documents of Title: all Documents of Title, whether negotiable or not, including without limiting the generality of the foregoing, all warehouse receipts and bills of lading;
- (viii) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other Securities and all Instruments, Investment Property, Financial Assets, Securities Accounts and Security Entitlements;
- (ix) Intellectual Property Rights: all Trademarks, Patents and Copyrights.
- (x) Intangibles: all Intangibles not otherwise described in this Section 2.1(ix), including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property or intellectual property;
- (xi) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (xii) Insurance: all insurance policies in which the Borrower now or hereafter has rights;
- (xiii) Books, Records, Etc.: all books, papers, Accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.1 and all contracts, securities, Instruments and other rights and benefits in respect thereof;
- (xiv) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and Accessions to any of the property described in this Section 2.1; and
- (xv) Proceeds: all Proceeds and renewals of any of the foregoing Collateral in any form derived directly or indirectly from any dealing with any of the foregoing or that indemnifies or compensates for the loss of or damage to any of the foregoing.

The foregoing is collectively referred to herein as the "Collateral".

## 2.2 Attachment

Each of the Borrower and the Lender acknowledges that value has been given. The Security Interests have not been postponed and will attach, as to existing Collateral, upon the execution by each of the Borrower and the Lender of this Agreement, and, as to after-acquired Collateral, as soon as the Borrower acquires rights therein. This Agreement constitutes a "security agreement" as that term is defined in the PPSA.

## 2.3 Leases

The last day of any term reserved by any real property lease or sub-lease, written or unwritten, or any agreement to lease or sub-lease real property, now held or subsequently acquired by the Borrower is excepted out of the Security Interest. As further security for the payment of the Obligations, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Agreement. The Borrower shall assign and dispose of the same in such manner as the Lender may from time to time direct in writing without cost or expense to the Lender. Upon any sale, assignment, sub-lease or other disposition of such lease, sub-lease or agreement to lease or sub-lease, the Lender shall, for the purpose of vesting the residue of any such term in any purchaser, sub-lessee or such other acquiror of the real property lease, sub-lease, agreement to lease or sub-lease or any interest in any of them, be entitled by deed or other written instrument to assign to such other person, the residue of any such term in place of the Borrower and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

## 2.4 Consent

Nothing in this Agreement shall constitute an assignment or attempted assignment of any Contract or agreement to the extent that such Contract or agreement is not assignable or requires the consent of a third party to its assignment unless such consent has been obtained, due to (a) its provisions (other than a contract or agreement that is the whole of an account or chattel paper for money due or to become due), or (b) Applicable Law. In each such case, following the occurrence of an Event of Default which is continuing, the Borrower shall, unless the Lender otherwise agrees in writing, promptly, upon written request by the Lender, attempt to obtain the consent of any necessary third party to its assignment under this Agreement and to its further assignment by the Lender to any third party as a result of the exercise by the Lender of remedies. Upon such consent being obtained or waived, this Agreement shall apply to the applicable Contract or agreement without regard to this section and without the necessity of any further assurance to effect such assignment. Unless and until the consent to assignment is obtained as provided above, the Borrower shall, to the extent it may do so at law or pursuant to the provisions of the Contract or agreement in question, hold all benefit to be derived from such Contracts or agreements in trust for the Lender (including, without limitation, the Borrower's beneficial interest in any Contract or agreement which may be held in trust for the Borrower by a third party), as additional security for the payment of the Obligations and shall deliver up all such benefit to the Lender, promptly upon demand by the Lender following the occurrence of an Event of Default which is continuing.

## 2.5 Restricted Contracts

The Security Interest shall not extend to, and the Collateral shall not include, any Contract creating a Lien set out in Sections (g) or (i) of the definition of "Permitted Encumbrances" in the Loan Agreement (collectively, the "Restricted Contracts"), to the extent that the creation of the Security Interest therein would constitute a breach of terms of or permit any Person to terminate the Restricted Contracts, but the Borrower shall hold its interest in such Restricted Contracts and its proceeds in trust for



the Lender, and shall assign such Restricted Contracts or the proceeds thereof to the Lender or as it may direct immediately upon obtaining the consent of the other party. The Borrower agrees that it shall, upon request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any Restricted Contract to be subject to the Security Interest. The Security Interest shall attach to such Restricted Contract immediately at such time as: such consent is obtained; or the condition causing the breach of the terms or permitting termination of such Restricted Contract is remedied or an Event of Default occurs and continues for a period of 10 Business Days.

### ARTICLE 3 OBLIGATIONS SECURED

#### 3.1 Obligations

The Collateral constitutes and will constitute continuing security for all of the Obligations, as defined and used in the Loan Agreement, of the Borrower.

### ARTICLE 4 BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

#### 4.1 Representations and Warranties

The Borrower acknowledges that the Lender is relying upon the representations and warranties set forth in the Loan Agreement in entering into this Agreement. All representations and warranties of the Borrower made in this Agreement or in the Loan Agreement delivered by or on behalf of the Borrower to or for the benefit of the Lender are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect until there are no further Obligations. The Lender shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Lender at any time. In addition, the Borrower hereby represents and warrants to the Lender, as of the date hereof, as follows:

- (a) **Legal Name.** The name of the Borrower as set out in preamble above is its correct legal name.
- (b) **Uncertificated Securities.** None of the Collateral constitutes an interest in a partnership or a limited liability company.

The Borrower hereby represents and warrants to the Lender, as of the date hereof, in respect of the Pledged Securities owned by it, as follows:

- (a) It is the registered and beneficial owner of such Pledged Securities subject only to the security interests created by this Agreement and the security documents delivered in connection therewith.
- (b) All Collateral consisting of Pledged Securities has been duly authorized and validly issued, is outstanding as fully paid and non-assessable, and constitutes 100% of the issued and outstanding share capital in ELTD.
- (c) None of its rights arising as the legal and beneficial owner of such Pledged Securities have been surrendered, cancelled or terminated.

- (d) There is no default or dispute existing in respect of such Pledged Securities.
- (e) All such Pledged Securities are certificated and have been Delivered to the Lender.

#### 4.2 Covenants

The Borrower acknowledges that the Lender is relying upon the covenants given by the Borrower under the Loan Agreement in connection with this Agreement and that such covenants shall be continuing covenants as provided in and subject to the terms of the Loan Agreement. In addition, unless compliance with the following covenants is waived by the Lender in writing or unless non-compliance with any such covenants is otherwise consented to by the Lender in writing, the Borrower's covenants and agrees that:

- (a) **Notification to Lender.** The Borrower shall promptly notify the Lender of:
  - (i) Claims and Encumbrances – Any material claim, Lien or encumbrance made or asserted against any of the Collateral other than Permitted Encumbrances;
  - (ii) Loss or Damage – Material loss or damage to or loss of possession of all or a material part of the Collateral other than by disposition in accordance with the terms of the Loan Documents; and
  - (iii) Account Debtor Non-Performance – Any failure of any Account Debtor, any securities intermediary in respect of a Securities Account or any futures intermediary in respect of a Futures Account in payment or performance of obligations due to the Borrower which may materially affect the Collateral.
- (b) **No Accessions or Fixtures.** Subject to the terms of the Loan Documents, the Borrower shall prevent the Collateral from becoming an Accession to any property other than the Collateral or from becoming a fixture unless the Security Interest ranks prior to the interests of all other persons in the applicable real property.

Unless compliance with the following covenants is waived by the Lender in writing or unless non-compliance with any such covenants is otherwise consented to by the Lender in writing, the Borrower covenants and agrees that:

- (a) **Additional Certificates**
  - (i) if the Borrower receives or becomes entitled to receive any security certificate, unit certificate or other instrument in respect of the Pledged Securities, the Borrower shall accept same as the Lender's agent, hold such security certificate, unit certificate or other instrument in respect of the Pledged Securities in trust for the Lender and immediately Deliver them to the Lender (or to the Lender's nominee, as the Lender may direct) in the exact form received, as additional security for the Obligations; and
  - (ii) if any Restricted Payment is made in respect of the Pledged Securities or any property is distributed with respect to the Pledged Securities pursuant to the recapitalization, reclassification or reorganization of the capital of the Borrower, the property so distributed shall be Delivered to the Lender, or its agent or nominee as the Lender may direct, to be held by it as part of the Pledged Securities.

- (b) **Issuance of Additional Securities.** The Borrower shall ensure that ELTD does not permit any issuance of additional Equity Securities in the capital of ELTD unless all additional Equity Securities are, immediately upon their issuance, pledged in favour of and Delivered the Lender and the Borrower does, or causes to be done, all such acts and things and provides such agreements, instruments and documents necessary for the Lender to obtain control of such additional securities within the meaning of the STA.
- (c) **Defend.** The Borrower shall, on written request of the Lender, defend the Lender's right, title and security interest in and to all the Pledged Securities against the claims and demands of all other Persons.
- (d) **No Granting of Control.** Subject to the provisions of the Loan Agreement, the Borrower may not:
  - (i) deliver any Pledged Securities that constitute uncertificated securities to any Person other than the Lender;
  - (ii) consent to any agreement whereby the Borrower agrees to comply with instructions that are originated by any Person other than the Lender in respect of any Pledged Securities that constitute uncertificated securities; or
  - (iii) assign, transfer or grant a security interest to any other Person or in any other manner further encumber the Pledged Securities and the security documents delivered in connection therewith.
- (e) **Recordation.** The Borrower hereby authorizes and requests that each of the Register of Copyright, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable government officer in the United States Patent and Trademark Office, the United States Copyright Office and any other foreign jurisdiction records the Copyrights, the Patents and the Trademarks, as applicable.
- (f) **Perfection.** The Borrower shall promptly perform all filings and registrations to perfect the Collateral granted pursuant to this Agreement in all jurisdictions as provided in Section 4.2(e), and the Security Interest shall constitute a first ranking charge over the property of the Borrower subject to other Permitted Encumbrances.

## ARTICLE 5 RIGHTS RELATING TO SECURED PROPERTY

### 5.1 Borrower's Rights before Default

Until the occurrence of an Event of Default which is continuing and subject to the terms of this Agreement and the other Loan Documents, the Borrower is entitled to deal with the Collateral in the ordinary course of business, provided that, no action shall be taken which would impair the effectiveness of the Security Interest created by this Agreement or the value of the Collateral or which would be inconsistent with or violate the provisions of this Agreement or any other Loan Document. Upon the occurrence of an Event of Default which is continuing, the Borrower shall and shall be deemed to hold all Proceeds constituting Collateral in trust, separate and apart from other Money, Instruments, Investment Property or property, for the benefit of the Lender until all amounts owing by the Borrower to the Lender have been paid in full.

## 5.2 Voting Rights

- (a) Until the occurrence of an Event of Default which is continuing, and subject to the Loan Agreement, the Borrower may exercise all voting rights in respect of any Collateral that is Investment Property (including the Pledged Securities) (“**Applicable Investment Property**”) and to give consents, waivers, directions, notices and ratifications and to take other action in respect thereof, except that no votes may be cast or consent, waiver, directions, notice or ratification given or action taken which would:
- (i) impair the effectiveness of the Security Interest;
  - (ii) impair the value of or restrict the transferability of the Applicable Investment Property (including the Pledged Securities); or
  - (iii) be inconsistent with or violate any provisions of this Agreement or any other Loan Document.
- (b) Until the occurrence of an Event of Default which is continuing, and subject to the Loan Agreement, if any of the Applicable Investment Property are registered or otherwise held in the Lender’s or its nominee’s name, the Lender, on the Borrower’s written request, shall execute and deliver or cause its agent or nominee to execute and deliver to the Borrower suitable proxies, voting powers or powers of attorney in favour of the Borrower or its nominee or nominees for voting, giving consents, waivers, directions, notices or ratifications or taking any other action the Borrower is permitted to take in respect of such Applicable Investment Property.

## 5.3 Dividends and Distributions

Until the occurrence of an Event of Default which is continuing, the Borrower shall be entitled to receive and deal with (except as otherwise restricted by this Agreement or the Loan Agreement) any interest and regular cash dividends at any time payable on or with respect to any Applicable Investment Property to the extent such amounts are expressly permitted by the Loan Agreement, and the Lender shall immediately deliver to the Borrower such interest or regular cash dividends received by the Lender.

## 5.4 Rights and Duties of the Lender

Upon the occurrence of an Event of Default which is continuing, all of the Borrower’s rights pursuant to Sections 5.1 and 5.2 will cease and the Lender may enforce any of the Borrower’s rights with respect to any Applicable Investment Property. Upon the occurrence of an Event of Default which is continuing, the Borrower will and will be deemed to hold all Applicable Investment Property not under the control of the Lender in trust, separate and apart from other property and assets of the Borrower, for the benefit of the Lender until all amounts owing by the applicable to the Lender have been paid in full, and the Borrower shall forthwith Deliver any such Applicable Investment Property to the Lender, or its nominee or agent, as the Lender may direct, to the extent the Borrower has not already Delivered such Applicable Investment Property to the Lender. The Lender and its nominee shall not have any duty of care with respect to the Applicable Investment Property other than to use the same care in the custody and preservation of the Applicable Investment Property as it would with its own property. The Lender or its nominee shall have no obligation to take any steps to defend or preserve the Borrower’s rights against the claims or demands of others. The Lender or its nominee, however, shall give the Borrower notice of any claim or demand of which it becomes aware to permit the Borrower to have a reasonable opportunity to defend or contest the claim or demand.

## ARTICLE 6 REMEDIES

### 6.1 Lender's Rights and Remedies

Following the occurrence of an Event of Default which is continuing, subject to the terms of the Loan Agreement, all of the Obligations shall, at the Lender's option and without notice to the Borrower, become immediately due and payable and the Lender may, in its discretion, proceed to enforce payment and performance of the Obligations and to exercise any or all of the rights and remedies contained in this Agreement and in the Loan Agreement, (including, without limitation, the signification and collection of each of the Borrower's Accounts), or otherwise afforded by law, in equity or otherwise. The Lender shall have the right to enforce one or more remedies successively or concurrently in accordance with Applicable Law and the Lender expressly retains all rights and remedies not inconsistent with the provisions of this Agreement including all the rights it may have under the PPSA. Subject to the terms of the Loan Agreement, the Lender may, upon the occurrence of any Event of Default which is continuing, and acting on the advice of counsel, to the extent permitted by Applicable Law:

- (a) **Appointment of Receiver.** Appoint by instrument in writing a receiver (which term shall include a receiver, a manager or a receiver and manager) of the Borrower and of all or any part of the Collateral and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver. Any such receiver appointed by the Lender, with respect to responsibility for its acts, shall, to the extent permitted by Applicable Law, be deemed the agent of the Borrower and not of the Lender. Where the "Lender" is referred to in this Article, the reference includes, where the context permits, any receiver so appointed and the officers, employees, servants or agents of such receiver.
- (b) **Enter and Repossess.** In accordance with Applicable Law, enter the Borrower's premises and repossess, disable or remove the Collateral.
- (c) **Retain the Collateral.** Retain and administer the Collateral in the Lender's sole and unfettered discretion.
- (d) **Dispose of the Collateral.** Dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Borrower to the extent permitted by law. The Lender may, to the extent permitted by law, at its discretion, establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Lender may, to the extent permitted by law, enter into, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any related loss. Any such disposition may take place whether or not the Lender has taken possession of the Collateral.
- (e) **Foreclosure.** Foreclose upon the Collateral.
- (f) **Investment Property.**
  - (i) **Disposal** – Without limiting the generality of Section 6.1(d), the Borrower acknowledges that when disposing of any Investment Property (including any Pledged Securities), the Lender may be unable to effect a public sale of any or all

of the Investment Property, or to sell any or all of the securities as a control block sale at more than a stated premium to the "market price" of any shares, stock, instruments, warrants, bonds, debenture stock and other securities forming part of the Investment Property, by reason of certain prohibitions contained in the *Securities Act* (Ontario) and applicable laws of other jurisdictions, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Investment Property as principal and to comply with other resale restrictions provided for in the *Securities Act* (Ontario) and other applicable laws. The Borrower acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale or a control block sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Lender shall be under no obligation to delay a sale of any of the Investment Property for the period of time necessary to permit the issuer of such securities to qualify such Investment Property for public sale under the *Securities Act* (Ontario) or under applicable securities laws of other jurisdictions, even if the issuer would agree to do so, or to permit a prospective purchaser to make a formal offer to all or substantially all holders of any class of securities forming any part of the Investment Property.

- (ii) Exercise of Rights -- Upon the occurrence of an Event of Default which is continuing, the Lender may elect by written notice to the Borrower and to an officer of the issuer of the Investment Property or to any securities intermediary or futures intermediary in respect of the Investment Property, as may be applicable, that all or part of the rights of the Borrower in the Investment Property including, the right to vote, give consents, entitlement orders, instructions, directions, waivers or ratifications and take other actions and receive interest or regular cash dividends, payments or other distributions, shall cease, and upon such election all such rights shall become vested in the Lender or as it may direct.
  - (iii) Registration and Control -- Require that the Investment Property be registered in the name of the Lender or as it may direct, that delivery of the Investment Property be made to the Lender or that control of the Investment Property be obtained by the Lender, or as it may direct, in accordance with the provisions of the STA and the Lender may then, without notice, exercise any and all voting rights at any meeting of the issuers thereof and exercise any and all rights, privileges or options pertaining to the Investment Property without the consent of the Borrower as if it were the absolute owner, including the right to exchange at its discretion, any and all of the Investment Property upon the issuer's amalgamation, merger, consolidation, reorganization, recapitalization, restructuring or other readjustment or upon the issuer's exercise of any right, privilege or option pertaining to any of the Investment Property and to deposit and deliver any and all of the Collateral with any committee, depository, transfer agent, registrar, securities intermediary, futures intermediary, clearing agency or other designated agency upon such terms and conditions as it may determine.
- (g) **Collection of Accounts.** Upon the occurrence of an Event of Default which is continuing, the Lender, whether alone or in conjunction with the exercise of all or any other remedies contemplated by this Agreement, shall have the right, acting in a

commercially reasonable manner, to notify and direct Account Debtor and any Person obligated to the Borrower under a promissory note or bill of exchange to make all payments to the Lender, and the Lender shall have the right, at any time, to hold all amounts acquired from any Account Debtor and any Person obligated to the Borrower under a promissory note or bill of exchange and any Proceeds as part of the Collateral. Upon the occurrence of an Event of Default which is continuing, any payments received by the Borrower in respect of the Collateral shall be held by the Borrower in trust for the Lender in the same medium in which it was received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender be turned over to the Lender not later than the next Business Day following the day of such request from the Lender.

- (h) **Carry on Business.** Carry on or concur in the carrying on of all or any part of the business of the Borrower and may, in any event, to the exclusion of all others, including the Borrower, enter upon, occupy and use all premises of or occupied or used by the Borrower and use any of the personal property (which shall include fixtures) of the Borrower for such time and such purposes as the Lender sees fit. The Lender shall not be liable to the Borrower in respect of any related rent, costs, charges, depreciation or damage in so doing.
- (i) **Payment of Encumbrances.** Pay any encumbrances or other claims that may exist or be threatened against the Collateral, and any amount so paid together with costs, charges and expenses incurred shall be added to the Obligations.
- (j) **Payment of Deficiency.** If the proceeds of realization are insufficient to pay all monetary Obligations, the Borrower shall forthwith pay or cause to be paid to the Lender any deficiency and the Lender may sue the Borrower to collect the amount of such deficiency.
- (k) **Dealing with Collateral.** Subject to Applicable Law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Lender advisable and without notice to the Borrower. The Lender may charge on its own behalf and pay to others sums for reasonable expenses incurred and for services rendered (expressly including without limitation, legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add all such sums to the Obligations.
- (l) **Disposition of Pledged Securities.** The Lender shall give to the Borrower at least three Business Days' written notice of any sale or disposition pursuant to paragraph (d) above of any of the Pledged Securities owned by the Borrower . If there is a sale of Pledged Securities pursuant to paragraph (d), the Borrower agrees to provide all information, certificates and consents required under applicable securities laws or under the rules, by-laws or policies of the exchange(s) on which any of the Pledged Securities may be listed and posted for trading to permit the sale of the Pledged Securities in compliance with such applicable laws, rules, by-laws or policies.

## 6.2 Power of Attorney

Upon the occurrence of an Event of Default which is continuing, the Borrower constitutes and appoints the Lender from time to time, or any receiver appointed of the Borrower as provided for in this

Agreement, the true and lawful attorney of the Borrower irrevocably with full power of substitution to do any and all acts and things, complete any endorsements, stock transfer powers or registrations and make and execute all such documents, acts, matters or things with the right to use the name of the Borrower whenever and wherever it may be deemed necessary or expedient in connection with the exercise of its rights and remedies set forth in this Agreement. Without limitation, the Lender or its agent is authorized to sign any financing statements and similar forms which may be necessary or desirable to perfect the Security Interest in any jurisdiction on behalf of the Borrower upon the occurrence of an Event of Default which is continuing. The Borrower declares that the irrevocable power of attorney granted in this Agreement, being coupled with an interest, is given for valuable consideration and shall terminate only upon written release by the Lender of the Borrower's obligations under this Agreement executed and delivered by the Lender (or its nominee(s)).

### **6.3 Assemble the Collateral**

To assist the Lender in the implementation of such rights and remedies, the Borrower will, at its own risk and expense and immediately upon the Lender's request following the occurrence of an Event of Default which is continuing, assemble and prepare for removal such items of the Collateral as are selected by the Lender as shall, in the Lender's sole judgment, have a value sufficient to cover all the Obligations.

### **6.4 Allocation of Proceeds**

Subject to the Loan Agreement, all monies collected or received by the Lender in respect of the Collateral may be held by the Lender and may be applied on account of such parts of the Obligations in accordance with priority of payment provisions set forth in the Loan Agreement.

### **6.5 Waivers and Extensions**

Subject to the Loan Agreement, the Lender may waive default or any breach by the Borrower of any of the provisions contained in this Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Borrower or the rights of the Lender resulting therefrom. Any such waiver must be in writing and signed by the Lender to be effective.

Subject to the Loan Agreement, the Lender may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Borrower's guarantors or sureties and others and with the Collateral and other securities as the Lender may see fit without prejudice to the liability of the Borrower to the Lender, or the Lender's rights, remedies and powers under this Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Lender to the Borrower shall operate as a waiver, alteration or amendment of the rights of the Lender or otherwise preclude the Lender from enforcing such rights.

### **6.6 Remedies Cumulative and Waivers**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement shall not be deemed to be a waiver of, or to alter, affect or prejudice, any other right or remedy to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained in



this Agreement and any indulgence granted, either expressly or by course of conduct by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any right or remedy of the Lender under this Agreement as a result of any other default or breach under this Agreement.

**6.7 Effect of Possession or Receiver**

Following the occurrence of an Event of Default which is continuing, as soon as the Lender takes possession of any Collateral or appoints a receiver, all powers, functions, rights and privileges of the Borrower with respect to the Collateral shall cease, unless specifically continued by the written consent of the Lender or the receiver.

**6.8 Set-off or Compensation**

In addition to and not in limitation of any rights granted now or after the date of this Agreement at law, upon the occurrence of an Event of Default which is continuing, the Lender may at any time and from time to time without notice to the Borrower (it being expressly waived by the Borrower) set-off and compensate and apply any and all Collateral to or for the credit of or the account of the Borrower, against and on account of the Obligations, even if any of them are contingent or unmatured.

**6.9 Limitation of Liability**

- (a) The Lender shall not be liable or accountable:
  - (i) by reason of any entry into or taking possession of all or any of the Collateral, to account as mortgagee in possession or for anything except actual receipts, or for any loss on realization or any act or omission for which a secured party in possession might be liable; or
  - (ii) for any failure to exercise its remedies, take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Collateral and shall not be bound to institute proceedings for such purposes or for the purpose of preserving any rights, remedies or powers of the Lender, the Borrower or any other person in respect of same.
- (b) The Lender shall not by virtue of this Agreement be deemed to be a mortgagee in possession of the Collateral. The Borrower releases and discharges the Lender and the receiver from every claim of every nature that may arise or be caused to the Borrower or any person claiming through or under the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the receiver under the provisions of this Agreement unless such claim is the result of gross negligence or wilful misconduct.
- (c) The Lender shall not be responsible for any loss occasioned by:
  - (i) any sale or other dealing with the Pledged Securities (whether commercially reasonable or not, but subject to Applicable Law); or
  - (ii) the retention of, or failure to sell or otherwise deal with the Pledged Securities,

unless the result of gross negligence or wilful misconduct by the Lender or any receiver appointed by the Lender (including the officers, employees, servants or agents of such parties).

## **ARTICLE 7 GENERAL**

### **7.1 Notices**

Any notice, demand, consent, approval or other communication required or permitted to be given in connection with this Agreement shall be given or made and take effect in the manner provided for notices in the Loan Agreement.

### **7.2 Amendment**

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound.

### **7.3 Enurement**

This Agreement shall be binding on the Borrower and the Lender, and each of their respective successors (including any successor by reason of amalgamation) and permitted assigns, and shall enure to the benefit of the Borrower and the Lender and each of their respective successors (including any successor by reason of amalgamation) and permitted assigns.

### **7.4 Further Assurances**

The Borrower shall at all times do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall provide such further documents or instruments required by the Lender as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Security Interest and the priority accorded to them by law or under this Agreement.

### **7.5 Continuing Security**

The security constituted by this Agreement is not in substitution for any other security for the Obligations under the Loan Documents or for any other agreement between the parties creating a security interest in all or part of Collateral, whether made before or after this Agreement, and such security and such agreements shall be deemed to be continuing and not affected by this Agreement unless the Borrower and the Lender expressly provide to the contrary in writing.

### **7.6 Execution and Delivery**

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or PDF via email and all such counterparts will together constitute one and the same agreement.

The Borrower acknowledges receiving a copy of this Agreement, and further agrees that a photocopy of PDF copy of this Agreement or of a financing statement is sufficient.

**7.7 Language**

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

**7.8 Security Interest Effective Immediately**

The Security Interest shall take effect forthwith upon the execution of this Agreement by the Borrower and the Lender.

**7.9 Reasonableness**

The Borrower acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Lender and any receiver against the Borrower, its business and any Collateral upon the occurrence of an Event of Default, are commercially reasonable and not manifestly unreasonable.

**7.10 Discharge**

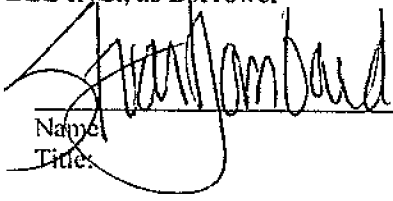
- (a) The security granted hereby and the obligations of the Borrower hereunder shall be discharged upon, but only upon, full payment and performance of the Obligations, following which the Lender shall, upon the written request of the Borrower and at the expense of the Borrower, release and discharge the Security Interest and execute and deliver to the Borrower such documents as shall be requisite to release and discharge the Security Interest.
- (b) In the event of a disposition of Assets by the Borrower as permitted under Section 7.3(a) of the Loan Agreement, the Lender shall release and discharge the Security Interest as it relates to any property so disposed, if applicable, and execute and deliver to the Borrower such documents as shall be requisite to discharge the Security Interest as it relates to any property so disposed.

*[Signature pages to follow]*

IN WITNESS OF WHICH the parties have duly executed this Agreement.

**ECOBEE INC., as Borrower**

By:



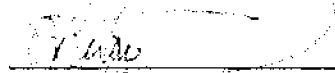
\_\_\_\_\_

Name

Title

THOMVEST SEED CAPITAL INC., as Lender

By:



Name: S. CLUGAS

Title: MANAGING DIRECTOR

**SCHEDULE "A" — PLEDGED SECURITIES**

<b>Pledgor</b>	<b>ISSUER</b>	<b>Type and Class of Equity Security</b>	<b>Certificate No.</b>	<b>Percentage of Total Class Outstanding</b>
ECOBEE INC.	ECOBEE LTD.	Voting Common Stock	1	100%

**SCHEDULE "B" — COPYRIGHTS**

**Nil.**

**SCHEDULE "C" — PATENTS**

**CANADIAN PATENTS**

<b>Patent</b>	<b>Filing Date</b>	<b>App. No.</b>	<b>Reg. No.</b>	<b>Date Granted</b>	<b>Owner</b>
System and Method for web-enabled enterprise environmental control and energy management	2-Feb-11	CA 2730987	NA	NA	ECOBEE INC.
Programming Simulator	4-Apr-11	CA 2735614	NA	NA	ECOBEE INC.
Predictive Setpoint Control	31-May-11	CA 2741286	NA	NA	ECOBEE INC.
Temperature Sensor Correction	31-May-11	CA 2742894	NA	NA	ECOBEE INC.

**U.S. PATENTS**

<b>Title</b>	<b>Filing Date</b>	<b>App. No.</b>	<b>Reg. No.</b>	<b>Date Granted</b>	<b>Owner</b>
System and Method for web-enabled enterprise environmental control and energy management	3-Feb-11	13/020,133	NA	NA	ECOBEE INC.
System and Method for web-enabled enterprise environmental control and energy management	13-Sep-11	13/231,721	NA	NA	ECOBEE INC.
Programming Simulator	5-Jul-11	13/176,031	NA	NA	ECOBEE INC.
Predictive Setpoint Control	11-Jul-11	13/179,770	NA	NA	ECOBEE INC.
Temperature Sensor Correction	11-Jul-11	13/179,912	NA	NA	ECOBEE INC.
User Interface	25-Oct-11	61/551,120	NA	NA	ECOBEE INC.



## SCHEDULE "D" — TRADEMARKS

### CANADIAN TRADE-MARKS

Mark	Filing Date	App. No.	Reg. No.	Reg. Date	Owner
ECOBEE & Design	01-Feb-08	1381717	TMA754845	08-Dec-09	ECOBEE INC.
ECOBEE	01-Feb-08	1381716	TMA737236	31-Mar-09	ECOBEE INC.

### U.S. TRADE-MARKS

Mark	Filing Date	App. No.	Reg. No.	Reg. Date	Owner
GREEN MADE EASY	22-Nov-10	85/182,334	NA	NA	ECOBEE INC.
ECOBEE	6-Feb-08	77/390,082	3,710,918	17-Nov-09	ECOBEE INC.
ECOBEE (and Design)	6-Feb-08	77/390,141	3,795,396	1-Jun-10	ECOBEE INC.