

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
Ecobee Inc., a corporation existing under the laws of Canada	01/30/2012
RECEIVING PARTY DATA	
Name:	Comerica Bank, a Texas banking association and authorized foreign bank under the Bank Act (Canada)
Street Address:	Suite 2210, South Tower
Internal Address:	Royal Bank Plaza, PO Box 61
City:	Toronto, Ontario
State/Country:	CANADA
Postal Code:	M5J 2J2
PROPERTY NUMBERS Total: 6	
Property Type	Number
Application Number:	13020133
Application Number:	13231721
Application Number:	13176031
Application Number:	13179770
Application Number:	13179912
Application Number:	61551120
CORRESPONDENCE DATA	
Fax Number:	(734)930-2494
Phone:	734-761-3780
Email:	asujek@bodmanlaw.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:	Angela Alvarez Sujek - Bodman PLC
Address Line 1:	201 South Division, Ste. 400
Address Line 4:	Ann Arbor, MICHIGAN 48104

OP \$240.00 13020133

PATENT

NAME OF SUBMITTER:

Angela Alvarez Sujek

Total Attachments: 23

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COMERICA BANK

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made the 30 day of January, 2012.

BETWEEN:

ECOBEE INC., a corporation existing under the laws of Canada having its chief executive office at 333 Adelaide Street West, 6th Floor, Toronto, Ontario M5V 1R5

Facsimile: 866.592.7344

(the "**Debtor**")

AND:

COMERICA BANK, a Texas banking association and authorized foreign bank under the *Bank Act* (Canada), Suite 2210, South Tower, Royal Bank Plaza, PO Box 61, Toronto, Ontario, M5J 2J2

Facsimile: 416.367.2460

(the "**Bank**")

SECTION 1- SECURITY INTEREST

1.1 For consideration the Debtor does hereby:

- (a) mortgage and charge as and by way of a fixed and specific charge, and assign and transfer to the Bank, and grant to the Bank a security interest in, all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held personal property, of whatever nature or kind (except the kinds set out in Section 1.4 and Section 2 below) and wheresoever situate, and all Proceeds thereof and therefrom including, without limitation:
 - (i) all present and future equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, tenant improvement, furniture, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, Accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is hereinafter collectively called the "**Equipment**");
 - (ii) all present and future inventory, including, without limiting the generality of the foregoing, Goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "**Inventory**");
 - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all

books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, demands, monies and choses in action or any part thereof (all of which is hereinafter collectively called the “**Accounts**”);

- (iv) all Documents of Title, Chattel Paper, Instruments, Securities and Money, and all other Goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (v) all Contracts, contractual rights, goodwill and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other Intangibles of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Securities or Money;
 - (vi) all Intellectual Property;
 - (vii) all of the Debtor's right, title and interest in and to any Investment Property, including all Securities, Securities Accounts, and all Security Entitlements carried in any Securities Account; and
- (b) charge as and by way of a floating charge, and grant to the Bank a security interest in and to all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights of way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (all which is hereinafter collectively called the “**Real Property**”).

1.2 Intentionally Deleted.

1.3 The Liens created pursuant to Section 1.1 are hereinafter collectively called the “**Security Interests**” and any undertaking, property and assets subject to the Security Interests and any other property, real or personal, tangible or intangible, now existing or hereafter acquired by the Debtor, that may at any time be or be expressed to be charged, assigned or transferred or secured by any Instruments supplemental hereto or in implementation hereof are hereinafter collectively called the “**Collateral**”.

1.4 Notwithstanding Sections 1.1 or 1.3 the Collateral shall not include any Contract, Account, User Licence, permit, licence, claim, demand, chose in action or other intangible which, as a matter of law or by its terms, is not assignable or may not be charged or otherwise encumbered by the Debtor without the consent, authorization, approval or waiver of a third party (all such Contracts, Accounts, User Licences, permits, licences, claims, demands, choses in action and other intangibles are collectively referred to herein as the “**Restricted Assets**”) unless and until such consent, authorization, approval or waiver has been obtained, provided that, until such time as the applicable consent, authorization, approval or waiver has been obtained, the Debtor shall hold each Restricted Asset in trust for the Bank and will assign and dispose of the same in such manner as the Bank may from time to time direct as and when the Bank is entitled to realize upon Collateral in accordance with Section 12. The Debtor agrees that it will use all such reasonable efforts as may be required to obtain as expeditiously as possible all such consents, authorizations, approvals or waivers other than those required under governmental permits or licences with respect to which a consent to mortgage is not capable of being obtained.

Notwithstanding this Section 1, the Debtor's grant of security in Trade-marks (as defined in the *Trade-marks Act* (Canada)) shall be limited to a grant by the Debtor of a security interest in all of the Debtor's right, title and interest in such Trade-marks and does not constitute an absolute assignment or mortgage of such Collateral to Bank. To the extent that no Default has occurred and is continuing, the grant of Security Interest in the Intellectual Property does not prohibit Debtor's right to commercially exploit the Intellectual Property in the normal course of business.

SECTION 2 - FURTHER EXCEPTIONS

2.1 Notwithstanding any other term or provision herein, any charge and security interest shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor but should such charge and security interest become enforceable, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term or the part thereof mortgaged and charged in the course of any enforcement of the said charge and security interest or any realization of the subject matter thereof.

2.2 All Consumer Goods of the Debtor are hereby excepted out of the Security Interests created by this Security Agreement.

SECTION 3 - ATTACHMENT

3.1 The Debtor acknowledges that the Security Interests hereby created attach upon the execution of this Security Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has (or in the case of any after acquired property, will have upon the date of acquisition) rights in the Collateral.

SECTION 4 - PROHIBITIONS

4.1 Without the prior written consent of the Bank the Debtor shall not have power to:

- (a) create or permit to exist any Lien over, or claim against any of the Collateral which ranks or could in any event rank in priority to or *pari passu* with any of the Security Interests created by this Security Agreement other than Permitted Liens; or
- (b) grant, sell or otherwise assign its Chattel Paper.

4.2 The Debtor agrees not to sell, transfer, assign, mortgage, pledge, lease, grant a security interest in or encumber any of its Intellectual Property, except for non-exclusive licences of its Intellectual Property and exclusive licences with respect to custom Software developed for specific customers and similar arrangements for the use of its Intellectual Property in the ordinary course of business.

SECTION 5 - OBLIGATIONS SECURED

5.1 This Security Agreement and the Security Interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Bank from the Debtor or from any other person whomsoever and shall be general and continuing security for the payment and performance of all the Debtor's Obligations.

SECTION 6 - REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders, if required) of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding.

6.2 The Debtor represents and warrants that the Debtor has rights in or the power to transfer the Collateral, and its title to the Collateral is free and clear of Liens, adverse claims and restrictions on transfer or pledge except for

Permitted Liens, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement.

6.3 The Debtor represents and warrants and, so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant that the locations specified in Schedule A as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral and the locations specified in Schedule A are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment.

6.4 The Debtor represents and warrants that except as otherwise set out in Schedule B, the Debtor is the sole owner of the Intellectual Property, except for non-exclusive licences granted on commercially reasonable terms by the Debtor to its customers in the ordinary course of business and licences whereby the Debtor has obtained rights or an option to acquire rights to use any Intellectual Property. The Intellectual Property is valid and enforceable and no claim has been made that any part of the Intellectual Property violates the rights of any third party.

6.5 The Debtor represents and warrants that each agreement between the Debtor and a Securities Intermediary that governs any Securities Account included in the Collateral or to which any Collateral that is Investment Property has been credited either:

- (a) specifies that the Province of Ontario is the Securities Intermediary's jurisdiction for the purposes of the STA of Ontario; or
- (b) is expressed to be governed by the laws of the Province of Ontario.

6.6 The Debtor represents and warrants that Schedule C sets forth a complete and accurate list of all of the Pledged Collateral. The Debtor is the direct, sole beneficial owner and the sole holder of record or Entitlement Holder of the Pledged Collateral listed on Schedule C as being owned by it, free and clear of any Liens, except for the security interest granted to the Bank.

6.7 The Debtor represents and warrants that all Pledged Collateral credited to a Securities Account maintained with a Securities Intermediary of the Debtor is subject to an Account Control Agreement between the Securities Intermediary and the Bank

6.8 The Debtor represents and warrants that except as disclosed in Schedule C, all Pledged Collateral that constitutes a Special Equity Interest:

- (a) is dealt in or traded on any securities exchange or in any securities market;
- (b) expressly provides by its terms that it is a "security" for the purposes of the applicable STA; or
- (c) is held through a Securities Account.

6.9 The Debtor represents and warrants that the Debtor has not consented to any Person other than the Bank entering into, nor has the Debtor become a party to, an Issuer Control Agreement with any issuer of any Uncertificated Securities included in the Collateral, and no such Issuer Control Agreement is outstanding and in force.

6.10 The Debtor represents and warrants that the Debtor has not consented to any Person other than the Bank entering into, nor has the Debtor become a party to, an Account Control Agreement with any Securities Intermediary in respect of any Security Entitlements or Securities Accounts included in the Collateral, and no such Account Control Agreement is outstanding and in force.

SECTION 7 - COVENANTS OF THE DEBTOR

7.1 The Debtor covenants that at all times while this Security Agreement remains in effect the Debtor will:

- (a) maintain its corporate existence and good standing in its jurisdiction of incorporation and maintain qualification and good standing in each other jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Effect, and shall furnish to the Bank the organizational identification number issued to the Debtor by the authorities of the jurisdiction in which the Debtor is organized, if applicable;
- (b) comply with all statutes, laws, ordinances and government rules and regulations to which it is subject, and maintain, in force all licences, approvals and agreements, the loss of which or failure to comply with which would reasonably be expected to have a Material Adverse Effect;
- (c) keep all Inventory in good and marketable condition, free from all material defects except for Inventory for which adequate reserves have been made;
- (d) defend the title to the Collateral for the benefit of the Bank against the claims and demands of all persons;
- (e) fully and effectually maintain and keep maintained the Security Interests hereby created valid and effective;
- (f) maintain the Collateral in good order and repair;
- (g) forthwith pay:
 - (i) when due, all material federal, provincial, state, and local taxes, assessments, or contributions required of it by law, and execute and deliver to the Bank, on demand appropriate certificates attesting to the payment or deposit thereof; and make timely payment or deposit of all material tax payments and withholding taxes required of it by applicable laws, including, but not limited to, those laws concerning provincial and federal income taxes, and will, upon request, furnish the Bank with proof satisfactory to the Bank that the Debtor has made such payments or deposits unless the Debtor shall in good faith contest, by appropriate proceedings, its obligations so to pay and shall reserve against such payment to the extent required by GAAP; and
 - (ii) all Liens which rank or could in any event rank in priority to any Security Interest created by this Security Agreement other than Permitted Liens;
- (h) forthwith, but subject to and to the extent agreed to in the Loan Agreement, pay all costs, charges, expenses and legal fees and disbursements which may be incurred by the Bank in:

- (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement; and
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering and keeping possession of the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other security interest held by the Bank as security for the Obligations;
- (i) at the Bank's request at any time and from time to time execute and deliver such further and other documents and Instruments and do all acts and things as are reasonably required by the Bank in order to confirm and perfect, and maintain perfection of, the Security Interests hereby created in favour of the Bank upon any of the Collateral;
- (j) notify the Bank promptly of:
- (i) any change in the information contained herein relating to the Debtor, its business or the Collateral, including without limitation any change of name or address of the Debtor and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to Collateral;
 - (iv) any material default by any account debtor in payment or other performance of its obligations to the Debtor with respect to any Accounts; and
 - (v) the return to or repossession by the Debtor of Collateral where such return or repossession of Collateral is material in relation to the business of the Debtor;
- (k) prevent Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (l) carry on and conduct its business in a proper and business-like manner, including maintenance of proper books of account and records;
- (m) permit Bank (through any of its officers, employees, or agents), upon reasonable prior notice, from time to time during the Debtor's usual business hours but no more than twice a year (unless an Event of Default has occurred and is continuing), to inspect the Books and to make copies thereof and to check, test, and appraise the Collateral in order to verify the Debtor's financial condition or the amount, condition of, or any other matter relating to, the Collateral;

- (n) deliver to the Bank from time to time promptly upon its reasonable request, such information concerning Collateral and the Debtor and the Debtor's business and affairs related to the Security Interest as the Bank may reasonably require;
- (o) do everything reasonably necessary or desirable to preserve and maintain the Intellectual Property including, without limitation:
 - (i) register or cause to be registered on an expedited basis (to the extent not already registered) with the applicable intellectual property office or authority, those registrable intellectual property rights now owned or hereafter developed or acquired by the Debtor, to the extent that the Debtor, in its reasonable business judgement, deems it appropriate to so protect such intellectual property rights;
 - (ii) promptly give the Bank written notice of any applications or registrations of intellectual property rights filed with the applicable intellectual property office or authority, including the date of such filing and the registration or application numbers, if any;
 - (iii) protect, defend and maintain the validity and enforceability of the trade secrets, Trademarks, Patents and Copyrights;
 - (iv) (a) give Bank not less than thirty (30) days prior written notice of the filing of any applications or registrations with the applicable intellectual property office or authority, including the title of such intellectual property rights to be registered, as such title will appear on such applications or registrations, and the date such applications or registrations will be filed; (b) prior to the filing of any such applications or registrations, execute such documents as the Bank may reasonably request for the Bank to maintain its perfection in such intellectual property rights to be registered by the Debtor; (c) upon the request of the Bank, either deliver to the Bank or file such documents simultaneously with the filing of any such applications or registrations; (d) upon filing any such applications or registrations, promptly provide the Bank with a copy of such applications or registrations together with any exhibits, evidence of the filing of any documents requested by the Bank to be filed for the Bank to maintain the perfection and priority of its security interest in such intellectual property rights, and the date of such filing;
 - (v) use commercially reasonable efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise the Bank in writing of material infringements detected;
 - (vi) not allow any material Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of the Bank, which shall not be unreasonably withheld;
 - (vii) execute and deliver such additional Instruments and documents from time to time as the Bank shall reasonably request to perfect and maintain the perfection and priority of the Bank's security interest in the Intellectual Property;
 - (viii) use commercially reasonable efforts in the circumstances to ensure that the Licence Agreements executed by the Debtor adequately protect the Debtor's rights in the subject Intellectual Property;
 - (ix) perform all of its obligations under the Licence Agreements and all Contracts;

- (x) design Software so that duplicating the Source Code from a copy of the Object Code is impractical, disclose Source Code only on a "need to know" basis, obtain from all employees having a material input into any Software a confidentiality agreement with respect to the concepts involved;
- (xi) commence and prosecute, at its own expense, such suits, proceedings or other actions for infringement, passing off, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Intellectual Property;
- (xii) diligently, at its own expense, enforce its rights under Contracts and other agreements which enhance the value of or protect the Intellectual Property;
- (p) deliver to the Bank immediately upon execution of this Security Agreement the originals of all Chattel Paper, all Documents of Title, all security certificates evidencing Certificated Securities, all Instruments and all certificates evidencing any Special Equity Interests, whether or not such Special Equity Interests constitute "Securities", in each case constituting, representing or relating to Collateral;
- (q) hold in trust for the Bank upon receipt and immediately thereafter, upon request by the Bank, deliver to the Bank any Chattel Paper, Securities, security certificates evidencing Certificated Securities, Instruments and certificates evidencing any Special Equity Interests, in each case constituting Collateral that are hereafter acquired by the Debtor;
- (r) in respect of any Uncertificated Securities included in the Pledged Collateral: (i) cause and hereby authorizes and constitutes, on request by the Bank, the Bank as its attorney-in-fact from time to time to cause each issuer of such Uncertificated Securities to register the Bank or its nominee as the registered owner of such Uncertificated Securities, and (ii) does hereby consent to the Bank entering into an Issuer Control Agreement with the issuer of any such Uncertificated Securities with respect thereto; and the Debtor shall communicate such consent to the Issuer in writing on request by the Bank;
- (s) with respect to any Special Equity Interest which as of the date hereof does not satisfy one of the requirements listed in Section 6.8, if at any time hereafter any such requirement is satisfied:
 - (i) the Debtor shall immediately give notice to such effect to the Bank, and
 - (ii) the Debtor shall comply with the requirements of Section 7.1(p) or (q) in respect of such Special Equity Interest to the extent that it has not already done so;
- (t) on request by the Bank, direct the Securities Intermediary in respect of any Securities Accounts included in the Pledged Collateral or any Security Entitlements carried therein, to transfer the Financial Assets to which such Security Entitlements relate to a Securities Account designated by the Bank; and
- (u) and does hereby consent to the Securities Intermediary in respect of any such Security Accounts or Security Entitlements entering into an Account Control Agreement with the Bank with respect thereto; and on request by the Bank, the Debtor shall communicate such consent to such Securities Intermediary.

For greater certainty, any security certificates evidencing Certificated Securities or any certificates evidencing Special Equity Interests delivered to the Bank pursuant to Section 7.1(p), shall be duly endorsed to the Bank or its nominee or in blank by an effective endorsement within the meaning of the STA. For

greater certainty, such endorsement may be in the form of a duly executed undated instrument of transfer or stock power of attorney in favour of the Bank or its nominee or in blank.

7.2 The Debtor covenants that at all times while this Security Agreement remains in effect, without the prior written consent of the Bank, it will not:

- (a) declare or pay any dividends;
- (b) purchase or redeem any of its shares or otherwise reduce its share capital;
- (c) become guarantor of any obligation;
- (d) become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Debtor;
- (e) consent to the entering into by any issuer of any Uncertificated Securities included in or relating to the Pledged Collateral of an Issuer Control Agreement in respect of such Uncertificated Securities with any Person other than the Bank or its nominee;
- (f) consent to the entering into by any Securities Intermediary for any Security Entitlements included in or relating to the Pledged Collateral of an Account Control Agreement in respect of such Security Entitlements with any Person other than the Bank or its nominee; or
- (g) enter into any agreement with any Securities Intermediary that governs any Securities Account included in or relating to any Pledged Collateral that specifies any such Securities Intermediary's jurisdiction to be a jurisdiction other than the Province of Ontario for the purposes of the STA or that is expressed to be governed by the laws of a jurisdiction other than the Province of Ontario or consent to any amendment to any such agreement that would change such Securities Intermediary's jurisdiction to a jurisdiction other than the Province of Ontario for the purposes of the STA or its governing law to a jurisdiction other than the Province of Ontario.

SECTION 8- INSURANCE

[THIS SECTION INTENTIONALLY LEFT BLANK]

SECTION 9- PERFORMANCE OF OBLIGATIONS

9.1 If the Debtor fails to perform its obligations hereunder, the Bank may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Bank hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements incurred in connection therewith shall, subject to the extent agreed to in the Loan Agreement, be payable by the Debtor to the Bank forthwith with interest until paid at the highest rate borne by any of the Obligations.

SECTION 10 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

10.1 Except as otherwise provided herein or in the Loan Agreement, without the prior written consent of the Bank the Debtor will not:

- (a) sell, lease or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or

- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests hereby created have been perfected.

10.2 Provided that no Default has occurred, the Debtor may, at any time without the consent of the Bank, lease, sell, licence, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

SECTION 11 - DEFAULT

11.1 The occurrence of an Event of Default under the Loan Agreement, shall constitute a Default under this Security Agreement.

SECTION 12 - ENFORCEMENT

12.1 Upon the occurrence and during the continuance of a Default, the Bank may, at its election without notice of its election and without demand, declare any or all of the Obligations to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the Security Interests created by this Security Agreement the Bank may take any action permitted by law or in equity, as it may deem expedient, and in particular and without limiting the generality of the foregoing, the Bank may do any of the following:

- (a) appoint by instrument of a receiver, receiver and manager or receiver manager (the person so appointed being hereinafter called the "**Receiver**") with or without bond as the Bank may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or Lien which in the Bank's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any of the Debtor's owned premises, the Debtor hereby grants the Bank a licence to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of the Bank's rights or remedies provided herein, at law, in equity, or otherwise;
- (c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Bank may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Bank may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the Proceeds of such sale, lease or other disposition until the monies therefor are actually received; and
- (e) exercise any and all rights under this Agreement, the other Loan Documents or as otherwise permitted by law.

12.2 The Bank is hereby granted a licence or other right, solely pursuant to the provisions of this Section 12, to use without charge the Debtor's labels, Patents, Copyrights, rights of use of any name, trade secrets, Trademarks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production

of, advertising for sale, and selling any Collateral and, in connection with the Bank's exercise of its rights under this Section 12, the Debtor's rights under all licences and all franchise agreements shall enure to the Bank's benefit.

12.3 A Receiver appointed pursuant to this Security Agreement shall be the agent of the Debtor and not of the Bank and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Bank hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow Money either secured or unsecured, and if secured by a security interest on any Collateral, such security interest may rank before or *pari passu* with or behind any of the Security Interests created by this Security Agreement, and if it does not so specify such security interest shall rank in priority to the Security Interests created by this Security Agreement.

12.4 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to the Security Interests granted by Bank herein, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Bank, in its absolute discretion, may direct as follows:

- (a) in payment of all costs, charges and expenses, subject to the extent agreed in the Loan Agreement, incurred by the Bank in connection with or incidental to:
 - (i) the exercise by the Bank of all or any of the powers granted to it pursuant to this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable to the Receiver;
- (b) in or toward payment to the Bank of all principal and other monies (except interest) due in respect of the Obligations; and
- (c) in or toward payment to the Bank of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

SECTION 13 - DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor will immediately pay to the Bank the amount of such deficiency.

SECTION 14 - LIABILITY OF BANK

14.1 The Bank shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non fulfillment of contracts during any period when the Bank shall manage the Collateral upon entry, as herein provided, nor shall the Bank be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Bank shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Bank, in the case of Securities, Instruments or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Bank be obliged to keep any of the Collateral identifiable. The Bank has no obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by the Debtor except to the extent that any such loss, damage or destruction is caused by the Bank's gross negligence or wilful misconduct. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Bank than aforesaid.

SECTION 15 - APPOINTMENT OF ATTORNEY

15.1 The Debtor hereby irrevocably appoints the Bank or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, Instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Bank or the Receiver, as the case may be, pursuant to this Security Agreement.

SECTION 16 - ACCOUNTS

16.1 Notwithstanding any other provision of this Security Agreement, at any time after the occurrence and during the continuance of a Default, the Bank may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after the occurrence of a Default and then subject to the provisions of the Act. All monies or other forms of payment received by the Debtor in payment of any Account will be received and held by the Debtor in trust for the Bank. At any time after the occurrence and during the continuance of a Default, the Bank may notify any account debtor or other Person owing funds to the Debtor of the Bank's security interest in such funds and verify the amount of such Account. The Debtor shall collect all amounts owing to the Debtor for the Bank, receive in trust all payments as Banks' trustee, and immediately deliver such payments to the Bank in their original form as received from the account debtor, with proper endorsements for deposit.

SECTION 17 - APPROPRIATION OF PAYMENTS

17.1 Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank may at all times and from time to time change any appropriation as the Bank may see fit.

SECTION 18 - INTENTIONALLY DELETED

SECTION 19 - LIABILITY TO ADVANCE

19.1 Except to the extent that the Bank:

- (a) by accepting bills of exchange drawn on it by the Debtor; or
- (b) by issuing letters of credit or letters of guarantee on the application of the Debtor;

is required to advance monies on the maturity of such bills or pursuant to such letters of credit or letters of guarantee, as the case may be, none of the preparation, execution, perfection and registration of this Security Agreement or the advance of any monies shall bind the Bank to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

SECTION 20 - WAIVER

20.1 The Bank may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing.

SECTION 21 - NOTICE

21.1 Notice may be given to either party by personal delivery or facsimile transmission to the party for whom it is intended, at the principal address of such party provided in the Loan Agreement or at such other address as may be given in writing by such party to the other, and any notice shall be deemed to have been given on delivery or confirmation of transmission if received by 3:00 p.m. local time on a Business Day or on the next Business Day if received after that time.

SECTION 22 - EXTENSIONS

22.1 The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with Collateral and other security interests as the Bank may see fit without prejudice to the liability of the Debtor or the Bank's right to hold and realize on the Security Interests created by this Security Agreement.

SECTION 23 - NO MERGER

23.1 This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Bank from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

SECTION 24 - RIGHTS CUMULATIVE

24.1 All rights and remedies of the Bank set out in this Security Agreement, and in any other security agreement held by the Bank from the Debtor or any other person whomsoever to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein or therein is intended to be exclusive but each is in addition to every other right or remedy contained herein or therein or in any future security agreement, or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Bank that may be in effect from time to time.

SECTION 25 - ASSIGNMENT

25.1 The Bank may at any time assign, transfer or grant a security interest in this Security Agreement and the Security Interests created hereby. The Bank shall endeavour to provide the Debtor with notice of any assignment of this Security Agreement or the Security Interests hereby to a non-Affiliate third party but failure to give such notice will not give the Debtor or any other Person any cause of action or right to damages or other remedy against the Bank. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Bank's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Bank in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

SECTION 26 - SATISFACTION AND DISCHARGE

26.1 Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Bank shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement and the Security Interests upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and payment of all costs, charges, expenses and legal fees

and disbursements incurred by the Bank (subject to the extent agreed to in the Loan Agreement) in connection with the Obligations and such release and discharge.

SECTION 27 - PARAMOUNTCY

27.1 If there is a conflict between the terms and conditions of this Security Agreement and the terms and conditions of the Loan Agreement, the terms and conditions of the Loan Agreement shall prevail.

SECTION 28 - ENUREMENT

28.1 This Security Agreement shall enure to the benefit of the Bank and its successors and assigns, and shall be binding upon the successors and permitted assigns of the Debtor.

SECTION 29 - INTERPRETATION

29.1 Terms defined in the Act which are not otherwise defined in this Security Agreement are used herein as defined in the Act, including without limitation, "Accessories", "Chattel Paper", "Consumer Goods", "Document of Title", "Goods", "Intangibles", "Instruments", "Investment Property", "Money", "financing statement", "financing change statement" and "Proceeds".

29.2 Terms defined in the STA which are not otherwise defined in this Security Agreement or the PPSA are used herein as defined in the STA, including without limitation, "Certificated Security", "Entitlement Holder", "Financial Asset", "Securities Account", "Securities Intermediary", "Security Entitlement" and "Uncertificated Security".

29.3 Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined shall have the meanings provided in the Loan Agreement, and in this Security Agreement:

"Account" has the meaning assigned in Section 1.1(a)(iii) of this Security Agreement.

"Account Control Agreement " means, with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Security Accounts or Entitlements and another Person pursuant to which such Securities Intermediary agrees to comply with any Entitlement Orders with respect to such Security Accounts or Security Entitlements that are originated by such Person, without the further consent of the Debtor.

"Collateral" has the meaning set out in Section 1.3 of this Security Agreement and any reference to Collateral shall, unless the context otherwise requires, be deemed to be a reference to Collateral as a whole or any part thereof.

"Contracts" means all contractual, allied ancillary and subsidiary rights, rights in Intangibles and all properties and things of value pertaining to the Collateral other than Intellectual Property including, without limitation, all rights and benefits arising in favour of the Debtor under contracts to which it is a party or pursuant to which it receives a benefit.

"Control" means, with respect to a specified form of Investment Property, "control" as defined in sections 23 through 26 of the STA as applicable to such form of Investment Property.

"Copyrights" means all copyrights, domestic and foreign (whether registered or unregistered), now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the Canadian Copyright

Office or United States Copyright office or in any similar office in any other country, and all reissues, extensions or renewals thereof.

“Default” has the meaning assigned in Section 11.1 of this Security Agreement.

“Equipment” has the meaning assigned in Section 1.1(a)(i) of this Security Agreement.

“Grantor Licences” means all agreements pursuant to which the Debtor has granted rights or an option to acquire rights to use any Intellectual Property.

“Industrial Design” means:

- (i) all industrial designs and applications for industrial designs throughout the world, including all industrial design applications in preparation for filing anywhere in the world;
- (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and re-examinations of any of the items described in clause (i);
- (iii) all industrial design licences and other agreements providing the Debtor with the right to use any of the items of the type referred to in clauses (i) and (ii);
- (iv) the right to sue third parties for past, present or future infringements of any industrial design or industrial design application, and for breach or enforcement of any industrial design licence; and
- (v) all Proceeds of, and rights associated with, the foregoing (including licence royalties and Proceeds of infringement suits), and all rights corresponding thereto throughout the world.

“Insolvency Proceeding” means any proceeding commenced by or against any Person or entity under any provision of the *Bankruptcy and Insolvency Act* (Canada) or the *Companies’ Creditors Arrangement Act* (Canada), each as amended, or under any other bankruptcy or insolvency law of any jurisdiction, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Intellectual Property” means all Copyrights, Patents, Industrial Designs, Trademarks and any other intellectual or industrial property now owned or licenced or hereafter owned, acquired or licenced by the Debtor, including the intellectual property described in Schedule B, and including trade secrets, Software and Software Documentation, whether owned or licenced, and all benefits, options and rights to use any of the foregoing, including all Licence Agreements, Securities, Instruments and, when the context permits, all registrations and applications that have been made or shall be made or filed in any office in any jurisdiction in respect of the foregoing, and all reissues, extensions and renewals thereof.

“Inventory” has the meaning assigned in Section 1.1(a)(ii) of this Security Agreement.

“Issuer Control Agreement” means with respect to any Uncertificated Securities included in the Collateral, an agreement between the issuer of such Uncertificated Securities and another Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Securities, without the further consent of the Debtor.

“Licence Agreements” means User Licences or Grantor Licences, or both, as the context requires.

"Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest, hypothec, or other encumbrance.

"Loan Agreement" means the loan agreement made as of the date hereof among, *inter alia*, the Bank and the Debtor, as amended, varied, supplemented, restated, renewed or replaced from time to time.

"Loan Documents" has the meaning assigned in the Loan Agreement.

"Object Code" means fully compiled or assembled Software in binary form which may be used directly by information processing equipment to process information.

"Obligations" means all present and future indebtedness, liabilities and obligations of the Debtor of any and every kind, nature or description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency, whether as principal debtor, guarantor, surety or otherwise, including without limitation any interest that accrues thereon but for the commencement of any case, proceeding or other action, whether voluntary or involuntary, relating to the bankruptcy, insolvency or reorganization of the Debtor, whether or not allowed or allowable as a claim in any such case, proceeding or action) to the Bank under, in connection with, relating to or with respect to any of the Loan Documents, and any unpaid balance thereof.

"Patents" means all patents, patent applications and intellectual or industrial property underlying such patents or patent applications, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations in part of the same.

"Permitted Liens" has the meaning assigned to such term in the Loan Agreement.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate or governmental agency.

"Pledged Collateral" means all Instruments and all Securities and other Investment Property of the Debtor and held by the Debtor or credited to a Securities Account maintained by or for the benefit of the Debtor or the Bank, whether or not delivered to or subject to the Control of the Bank pursuant to this Security Agreement.

"Real Property" has the meaning assigned in Section 1.1(b) of this Security Agreement.

"Receiver" has the meaning assigned in Section 12.1(a) of this Security Agreement.

"Restricted Assets" has the meaning assigned in Section 1.4 of this Security Agreement.

"STA" means the *Securities Transfer Act, 2006* (Ontario)

"Securities" means:

- (a) "securities" as defined in the STA, or if no STA is in force in the applicable jurisdiction, the PPSA of such jurisdiction; and
- (b) any Security Entitlements to any Securities.

"Security Agreement" means this agreement, including the Schedules hereto, as amended, varied, supplemented, restated, renewed or replaced from time to time.

"Security Interests" has the meaning assigned in Section 1.3 of this Security Agreement.

"Software" means all computer programs, firmware and databases and portions of each of the foregoing in whatever form and on whatever medium expressed, fixed, embodied or stored from time to time, whether physical, magnetic, electronic, optical or otherwise and the Copyright, Patents and trade secrets therein including, without limitation, Object Code and Source Code versions of each such program and firmware and portion thereof and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such programs, firmware, databases and portions thereof are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto.

"Software Documentation" means all documentation and other materials in any way related to Software including, without limitation, copies of the Source Code or Object Code, drawings, flowcharts, user's manuals, reference manuals and all functional descriptions and specifications of or relating to the Software regardless of the medium in or on which such information is stored including, without limitation, all such information necessary or desirable for the production, modification, enhancement, testing, marketing and use of the Software.

"Source Code" means Software created or stored in a computer programming or instructional language, including without limitation, computer programming or instructional language commonly used for the creation or storage of Software such as, without limitation, Pascal, Fortran, Basic and C.

"Special Equity Interest" means an interest in a partnership or a limited liability company.

"the Act" means the *Personal Property Security Act* (Ontario) and all regulations thereunder, as amended from time to time.

"Trademarks" means all trademarks and trade names, registered and unregistered, including, without limitation:

- (b) all designs, logos, indicia, trade names, corporate names, company names, business names, trade styles, service marks, logos and other source or business identifiers;
- (c) all fictitious characters;
- (d) all prints and labels on which any of the foregoing have appeared or appear or shall appear;
- (e) all registrations and applications that have been or shall be made or filed in the Canadian Intellectual Property Office or United States Patent and Trademark Office or any similar office in any other country or political subdivision thereof and all records thereof and all reissues, extensions, or renewals thereof;
- (f) all goodwill associated with or symbolized by any of the foregoing; and
- (g) all common law and other rights in the above.

"User Licences" means all agreements pursuant to which the Debtor has obtained rights or an option to acquire rights to use any Intellectual Property.

29.4 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause.

29.5 The headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.6 This Security Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

SECTION 30 - COPY OF AGREEMENT AND FINANCING STATEMENT

30.1 The Debtor hereby:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) waives all rights to receive from the Bank a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF this Security Agreement has been executed as of the date first written above.

ECOBEE INC.

By: 

Name: Stuart Lombard

Title: President and Chief Executive Officer

COMERICA BANK

By: 

Name:

Title:

B. Aikman
VP

Schedule A

1. Locations of Debtor's Chief Executive Office, Corporate Office, Domicile (i.e. Head Office), Principal Place of Business and Business Operations

333 Adelaide Street West, 6th Floor
Toronto, Ontario
M5V 1R5

2. Locations of Books and Records relating to Collateral and Account Debtors (if different from 1 above)

3. All Warehouses and Premises Where Collateral is Stored or Located (if different from 1 above)

333 Adelaide Street West, 6th Floor
Toronto, Ontario
M5V 1R5

BI Logistics Inc.
4050A Sladeview Crescent,
Mississauga, Ontario
L5L 5Y5

Schedule B**INTELLECTUAL PROPERTY****CANADIAN PATENTS**

Patent	Filing Date	App. No.	Reg. No.	Date Granted	Owner
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.

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.

CANADIAN COPYRIGHTS

Nil

U.S. PATENTS

Title	Filing Date	App. No.	Reg. No.	Date Granted	Owner
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.

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.

U.S. COPYRIGHTS

Nil

Schedule C

PLEDGED COLLATERAL

Issuer	Class of Securities	Number of Securities	Certificate Number
ECOBEE LTD.	Voting Common Stock	100	1