

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<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>
Thompsons Limited		08/16/2006	CORPORATION: CANADA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	LaSalle Commercial Lending		
<b>Street Address:</b>	79 Wellington St. W., TD Centre		
<b>Internal Address:</b>	P.O. Box 114, Suite 1500		
<b>City:</b>	Toronto		
<b>State/Country:</b>	ONTARIO		
<b>Postal Code:</b>	M5K 1G8		
<b>Entity Type:</b>	a division of ABN AMRO Bank N.V.: NETHERLANDS		
<b>PROPERTY NUMBERS Total: 4</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	76563471	FT	
<b>Registration Number:</b>	1178381	HYLAND SEEDS	
<b>Serial Number:</b>	76538030		
<b>Registration Number:</b>	3131549	FT	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(416)868-0673		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	416-601-7713		
<b>Email:</b>	cdelint@mccarthy.ca		
<b>Correspondent Name:</b>	McCarthy Tetrault LLP, Attn: C. de Lint		
<b>Address Line 1:</b>	66 Wellington St. W., TD Bank Tower		
<b>Address Line 2:</b>	Box 48, Suite 4700		
<b>Address Line 4:</b>	Toronto, ONTARIO M5K 1E6		
<b>ATTORNEY DOCKET NUMBER:</b>	088355-375515		

**CH \$115.00 76563471**

NAME OF SUBMITTER:	Christine de Lint
Signature:	/christine de lint/
Date:	09/13/2006

**Total Attachments: 17**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This intellectual property security agreement (as the same may be amended, supplemented, restated, extended, renewed or superseded from time to time, the **"Agreement"**) dated as of the 16th day of August, 2006 is made by Thompsons Limited, a corporation incorporated under the laws of the Province of Ontario (the **"Debtor"**), in favour of LaSalle Commercial Lending, a division of ABN AMRO Bank N.V., as administrative agent for its own benefit and the ratable benefit of the Lenders (as defined below) (the **"Administrative Agent"**).

**WHEREAS** pursuant to a credit agreement entered into between the Debtor, the Lenders as defined therein (the **"Lenders"**) and the Administrative Agent dated as of the 16th day of August, 2006 (as the same may be amended, supplemented, restated, extended, renewed or superseded from time to time, the **"Credit Agreement"**), the Lenders have extended Commitments (as hereinafter defined) to make Loans (as hereinafter defined) to the Debtor;

**AND WHEREAS** as a condition precedent to the making of Loans under the Credit Agreement, the Debtor is required to execute and deliver this Agreement as continuing collateral security;

**AND WHEREAS** pursuant to the terms of the Credit Agreement and a debenture dated even date herewith issued by the Debtor to the Administrative Agent, the Debtor has granted to the Administrative Agent, for its own benefit and the ratable benefit of the Lenders, a security interest in substantially all of the assets of the Debtor, including without limitation, all right, title and interest of the Debtor in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Debtor under the Credit Agreement;

**AND WHEREAS** the Debtor has duly authorized the execution, delivery and performance of this Agreement;

**NOW THEREFORE** for good and valuable consideration the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans to the Debtor pursuant to the Credit Agreement, the Debtor agrees, for the benefit of the Administrative Agent and the Lenders, as follows:

### 1. Definitions

Unless otherwise defined herein (including in the preamble or recitals hereto) or the context otherwise requires, terms used in this Agreement have the meanings defined in the Credit Agreement, and the following terms have the following meanings:

- (a) **"Administrative Agent"** has the meaning ascribed thereto in the preamble of this Agreement;
- (b) **"Agreement"** has the meaning ascribed thereto in the preamble of this Agreement;

- (c) **“Applicable Law”** means in respect of a Person, property, transaction, event or other matter, as applicable, all present or future Law relating or applicable to that Person, property, transaction, event or other matter, including any interpretation of Law by any governmental authority;
- (d) **“Collateral”** means all Intellectual Property of the Debtor, all IP Licenses entered into or granted in connection with such Intellectual Property, all Records and all accounts, money and Proceeds derived from any of such Intellectual Property and IP Licenses, and any item or part thereof;
- (e) **“costs”** shall have the meaning ascribed thereto in Section 11 of this Agreement;
- (f) **“Credit Agreement”** has the meaning ascribed thereto in the preamble of this Agreement;
- (g) **“Grantor”** means a Person from whom the Debtor received Intellectual Property by assignment or transfer;
- (h) **“Intellectual Property”** means any and all:
  - (i) trade secrets; confidential or proprietary information or data and know-how;
  - (ii) patents, patent applications and like protections including without limitation provisionals, divisions, continuations, renewals, reissues, extensions, continuations-in-part of the same and patentable inventions and/or improvements thereto (collectively **“Patents”**);
  - (iii) trade marks, service marks, brands, designs, logos, indicia, trade dress, domain names, taglines, trade names, corporate names, company names, business names, trading styles, business identifiers, fictitious names or characters, whether registered or not, applications to register and registrations of the same and like protection, and the entire goodwill of the business connected with and symbolized by such rights (collectively **“Trade-marks”**);
  - (iv) copyrights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished (collectively **“Copyrights”**);
  - (v) design rights, registrations and applications, design patents and industrial designs and like protections including without limitation provisionals, divisions, continuations, renewals, reissues, extensions, continuations-in-part of the same and patentable design inventions and/or improvements thereto;
  - (vi) plant breeders’ rights;

- (vii) other industrial or intellectual property of whatever kind and any item or part thereof; and
- (viii) all Proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of suits relating to industrial or intellectual property of any sort;
- (i) **"IP License"** means any license or franchise agreement pursuant to which the Debtor is granted a right to use or to license Intellectual Property of a third Person that is material to the on-going operation of the business of the Debtor, or the Debtor grants a right to use or to license Intellectual Property to a third Person;
- (j) **"Law"** means all laws (including the common law), by-laws, ordinances, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official directives, guidelines, notices, approvals, orders, policies and other requirements of any governmental authority whether or not they have force of law;
- (k) **"Litigation"** means any grievance, investigation, litigation, legal action, lawsuit, mediation, alternative dispute resolution procedure or other proceeding (whether civil, administrative, quasi-criminal or criminal) related to the Debtor's Intellectual Property by or before any applicable governmental or regulatory body or authority or court, arbitrator, mediator or other decision-making authority;
- (l) **"Obligations"** has the meaning ascribed thereto in the Credit Agreement;
- (m) **"Proceeds"** means all proceeds and personal property in any form derived directly or indirectly from any dealing with any item or part of the Collateral or any Litigation in respect thereof, or that indemnifies or compensates for such property stolen, lost, destroyed or damaged and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and any item or part thereof;
- (n) **"realization expenses"** shall have the meaning ascribed thereto in Section 12 of this Agreement;
- (o) **"Receiver"** has the meaning ascribed thereto in Section 6(c) of this Agreement;
- (p) **"Records"** means all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to any item or part of the Collateral and any item or part thereof;
- (q) **"Representative"** means any Person who is authorized by the Administrative Agent to act on its behalf under this Agreement and of whose authorization the Administrative Agent has notified the Debtor.

Without limiting the generality of the foregoing, the following words and phrases used in this Agreement shall have the respective meanings provided in the Credit Agreement:

**“Commitment”, “Event of Default”, “Lenders”, “Loan or Loans”, “Loan Documents”, “Obligations” and “Person”.**

**2. Certain Rules of Interpretation, etc.**

- (a) This Agreement has been negotiated by each party with the benefit of legal representation and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.
- (b) In this Agreement:
  - (i) the division into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
  - (ii) unless specified otherwise or the context otherwise requires:
    - (1) references to any Section or Schedule are references to the Section of, or Schedule to, this Agreement;
    - (2) “including” or “includes” means “including (or includes) but not limited to” and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
    - (3) references to contracts, agreements or instruments, unless otherwise specified, are deemed to include all present and future amendments, supplements, restatements, extensions, renewals or replacements to, or of such contracts, agreements or instruments, provided that such amendments, supplements, restatements, extensions, renewals or replacements to or of such contracts, agreements or instruments have been, if applicable, approved or consented to and otherwise made in accordance with any applicable agreement to which the Debtor and the Administrative Agent are parties;
    - (4) references to any legislation, statutory instrument or regulation or a section or other provision thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation, section or other provision as amended or re-enacted from time to time;
    - (5) references to any thing includes the whole or any part of that thing and a reference to a group of things or Persons includes each thing or Person in that group;

- (6) references to a party to this Agreement includes that party's successors and permitted assigns;
- (7) words in the singular include the plural and vice-versa and words in one gender include all genders.

### 3. Grant of Security Interest

#### 3.1 Security Interest and Obligations

Subject to Section 3.2, the Debtor hereby grants to the Administrative Agent, and its successors and assigns, for its own benefit and for the ratable benefit of the Lenders, and their respective successors and assigns, a security interest (the "**Security Interest**") in the Collateral as general and continuing collateral security to secure the payment and performance of the Obligations.

#### 3.2 Agreements and Licenses

- 3.2.1 If the Debtor cannot lawfully grant the Security Interest in any IP License comprised in the Collateral in which it now or hereafter has rights because the IP License prohibits or restricts such Security Interest, the IP License requires the consent of any Person which has not been obtained or the grant of such Security Interest in the IP License would contravene Applicable Law, that IP License shall not, to the extent it would be illegal or result in forfeiture of any rights thereunder ("**Prescribed IP License**"), be subject to the Security Interest (save to the extent provided below) unless and until such consents, waivers and approvals as may be required to avoid such illegality or forfeiture have been obtained ("**Required Approvals**"). The Security Interest shall nonetheless immediately attach to any rights of the Debtor arising under, by reason of, or otherwise in respect of such Prescribed IP License, such as the right to receive payments thereunder and all Proceeds of the Prescribed IP License ("**Related Rights**"), if and to the extent and as at the time such attachment to the Related Rights is not illegal or would not result in forfeiture of any rights thereunder.
- 3.2.2 To the extent permitted by Applicable Law, the Debtor will hold in trust for the Administrative Agent, and provide the Administrative Agent with the benefits of, each Prescribed IP License and, upon the Security Interest becoming enforceable, will enforce all Related Rights at the direction of the Administrative Agent for the benefit of the Administrative Agent or such other Person (including any purchaser or licensee of Collateral from the Administrative Agent) as the Administrative Agent may designate.
- 3.2.3 The Debtor shall forthwith use commercially reasonable efforts to obtain, as soon as reasonably practicable, all such Required Approvals and acknowledgments of the nature referred to in Section 3.2.1.
- 3.2.4 The Debtor shall, at the time it proposes to enter into an IP License pursuant to which the Debtor is granted a right to use or license Intellectual Property of a third Person, make commercially reasonable efforts to obtain from the licensor under such IP License (i) a consent to the Security Interest in such IP License and to any disposition thereof pursuant

to Section 6, and (ii) an agreement that the Administrative Agent shall not have any obligations to such licensor by reason only of such Security Interest.

- 3.2.5 The Debtor shall, in entering into an IP License pursuant to which the Debtor grants to a third Person, a right to use or to license Intellectual Property owned by the Debtor, obtain from the licensee under such IP License (i) an acknowledgement from the licensee that nothing in the said IP License shall be construed as preventing the Debtor from granting security over any of its assets, including its Intellectual Property, on terms required by secured party(ies) from time to time; and (ii) an acknowledgement that the secured party(ies) or any agent acting on its (their) behalf shall not have any obligations to such licensee by reasons only of such Security Interest.

#### **4. Representations and Warranties**

The Debtor hereby represents and warrants to the Administrative Agent and the Lenders, in addition to the representations and warranties set out in the Credit Agreement, the matters set out below:

##### **4.1 Attributes of Intellectual Property**

###### **4.1.1 Identification**

Schedule "A" is a complete and accurate list of all applications and registrations for Intellectual Property owned by the Debtor together with the relevant application or registration numbers and dates therefor and copies of all IP Licenses pursuant to which the Debtor has granted rights to use the Intellectual Property to third Persons.

###### **4.1.2 Ownership, Validity and Enforceability**

- (a) Except with respect to those rights in Intellectual Property owned by third Persons granted to the Debtor pursuant to an IP License as disclosed in Schedule "A", if any, the Debtor is the sole legal and beneficial owner of the Intellectual Property as set out in Schedule "A" free and clear of all encumbrances whatsoever, except for Permitted Liens, and possesses assignments in registrable form in writing from any Grantor for any Intellectual Property received by the Debtor.
- (b) All applications, registrations and grants for any of the Intellectual Property of the Debtor, including as identified in Schedule "A", are subsisting and are in good standing, and all required filings with any relevant governmental intellectual property office have been made and all required filing, registration, maintenance and other fees have been paid and, to the knowledge of the Debtor, all applications and registrations and grants of any of the Intellectual Property are valid.
- (c) The Debtor shall use, and make commercially reasonable efforts to ensure that any licensee uses, its Intellectual Property in such manner as to preserve its rights therein, provided that the Debtor is under no obligation to use, continue to use or preserve its right to use any Intellectual Property if it determines that such



Intellectual Property is no longer commercially beneficial and promptly notifies the Administrative Agent of that determination.

- (d) Waivers of moral rights have been obtained in writing with respect to all Copyrights owned by or licensed to the Debtor.
- (e) To the knowledge of the Debtor, no claim of any nature has been made and no Litigation is in process, or to the knowledge of the Debtor, is being threatened, that the use of any of the Debtor's Intellectual Property by the Debtor or by any licensee of the Debtor does or may violate the rights of any Person.
- (f) To the knowledge of the Debtor, there is no Litigation in progress or pending or threatened against or relating to the Debtor or affecting the Intellectual Property of the Debtor and there is not presently outstanding against the Debtor any order or award of any court or board of competent jurisdiction relating to or affecting the Intellectual Property of the Debtor, including its ownership, validity or enforceability.
- (g) The Debtor shall promptly advise the Administrative Agent of any material change in the composition of the Intellectual Property, including but not limited to any change of ownership in or to any Trade-marks and Patents set out in Schedule "A" or subsequently acquired Intellectual Property.
- (h) The Debtor shall (i) protect, defend and use commercially reasonable efforts to maintain the ownership, validity and enforceability of the Intellectual Property, (ii) use commercially reasonable efforts to detect any actions which may be or are infringements, violations, passing off, dilution or other claims of or against the Intellectual Property and promptly advise the Administrative Agent in writing of any Litigation relating thereto and (iii) not allow any of the Debtor's Intellectual Property to be abandoned, forfeited, cancelled, expunged and/or dedicated to the public without the written consent of the Administrative Agent, provided that the Debtor is under no obligation to do the things specified in this paragraph with respect to any Intellectual Property if it determines that such Intellectual Property is no longer commercially beneficial and promptly notifies the Administrative Agent of that determination.
- (i) The Debtor shall register or apply to register (to the extent not already registered) with the Canadian Intellectual Property Office and all other governmental intellectual property offices in jurisdictions where it is commercially reasonable to do so, having regard to the Debtor's business or its Intellectual Property, any unregistered Intellectual Property and any additional Intellectual Property developed or acquired by Debtor from time to time in connection with any product or service.
- (j) The Debtor shall, from time to time, execute and file such instruments, and do such further acts and things as the Administrative Agent may reasonably request from time to time to perfect or continue the perfection of the Administrative

Agent's interest in the Intellectual Property owned at any time by the Debtor, including filings with Canadian Intellectual Property Office.

- (k) The Debtor shall use consistent standards of high quality in the operation of its business of any nature and in the creation, development, manufacture, sale, licensing, distribution, provision, advertising, marketing, packaging and labelling of its inventory, products and services which are sold utilizing, in association with or bearing the Intellectual Property of the Debtor.

#### **4.1.3 Licensing**

- (a) As of the date of this Agreement, the only IP Licenses permitting third Persons to use any Intellectual Property of the Debtor are those of which copies are attached in Schedule "A" (which were granted by a predecessor in title to the Debtor).
- (b) All IP Licenses are in full force and effect unamended (except as expressly permitted hereby), and each Grantor has duly observed and performed and the Debtor has duly observed and performed and shall observe and perform all of its covenants and obligations under each such IP License and there has not been any default under or breach of any such IP Licenses by the Debtor or the other parties thereto.
- (c) After the date of this Agreement, the Debtor shall not transfer, license or otherwise encumber any interest in the Intellectual Property without the prior written consent of the Administrative Agent, except for non-exclusive licenses granted by the Debtor in the ordinary course of business that are revocable at the option of the Debtor on not more than six month's notice to the licensee.

#### **4.2 Reliance and Survival**

All representations and warranties of the Debtor made herein or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Administrative Agent are material, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit. The Administrative Agent shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Administrative Agent at any time.

### **5. Dealing with Collateral**

#### **5.1 Attributes of Intellectual Property**

The Debtor shall take such actions as shall be required to ensure that the representations and warranties contained in Section 4.1 are true, accurate and complete at all times in all material respects, and shall provide annually (not later than the time of delivery of its annual financial statements to the Administrative Agent) updated versions of Schedule "A", including all changes to the Intellectual Property, IP Licenses and Litigation, including additional Intellectual Property in which the Debtor thereafter has rights, IP Licenses and all Litigation.

## 5.2 Records

The Debtor shall on reasonable notice and upon reasonable request by the Administrative Agent permit the Administrative Agent or its authorized Representatives at any time to have access to any of the Debtor's premises, plants, offices, facilities and/or locations that manufacture, install, store or offer products or services that are sold utilizing or in association with any Intellectual Property or any other place where Records may be found in order to examine those Records, and to make copies of and take extracts from such Records.

## 6. Actions Following an Event of Default, Etc.

Without limiting any other rights of the Administrative Agent under this Agreement or otherwise, upon the occurrence and during the continuance of an Event of Default or any other default under the terms of any agreement to which the Debtor and the Administrative Agent are parties which has not been waived:

- (a) the Security Interest shall become enforceable and, to the extent permitted by law, the Security Interest shall be absolute, without the need for any action on the part of the Administrative Agent;
- (b) the Administrative Agent may in its own name or in the name of the Debtor sue for and enforce performance of the obligations of any Person under or in respect of the Collateral, and may do any act or thing or take any proceeding reasonably considered necessary or advisable by the Administrative Agent in connection with the foregoing or to protect the security in the Collateral and preserve the value thereof and for such purposes the Debtor hereby appoints the Administrative Agent and each of its employees (each such appointment is coupled with an interest) irrevocably with full power of substitution its true and lawful attorney in the name and stead of the Debtor to take and do and perform such acts and things as the Administrative Agent may deem necessary or appropriate including the employment of counsel in order to preserve the value of the Collateral and otherwise give effect to the terms, intent and purposes of this Agreement;
- (c) the Administrative Agent may, in addition to any other rights it may have, appoint by instrument in writing, a receiver or receiver and manager in respect of the Collateral, may remove any such receiver or receivers and manager and appoint another or others in its or their stead from time to time (and a court need not appoint, ratify the appointment by the Administrative Agent of or otherwise supervise in any manner the actions of any such receiver or receiver and manager) or the Administrative Agent may, at the expense of the Debtor, institute proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and manager (each of the foregoing receivers and receivers and managers are referred to herein as a "Receiver") and each Receiver:
  - (i) may, but need not, be an officer or employee of the Administrative Agent;

- (ii) is hereby granted and shall have the same powers and rights and exclusions and limitations of liability as the Administrative Agent has under this Agreement and otherwise at law or in equity; and
  - (iii) in exercising any such powers, shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the agent of the Debtor, and the Administrative Agent shall not be responsible for any act or default of such Receiver.
- (d) upon notice to the Debtor from the Administrative Agent of the appointment of a Receiver, all powers, functions, rights and privileges of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Receiver;
- (e) the Administrative Agent and each Receiver shall have, in addition to any other rights, remedies and powers it may have at law or in equity and to the extent permitted by Applicable Law, the following rights, remedies and powers:
- (i) to realize, enforce, release to third parties or otherwise deal with the Collateral in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all of which without notice to the Debtor;
  - (ii) to charge on its own behalf and pay to others sums for costs and expenses including, without limitation, reasonable legal fees and expenses and Receivers' and accounting fees, incurred in or in connection with realizing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Administrative Agent under this Agreement including, without limitation, in connection with obtaining advice with respect to any of the foregoing (in this Section "realization costs"), such realization costs being deemed to have been advanced to the Debtor, to constitute indebtedness of the Debtor to the Administrative Agent, to form part of the Obligations, to bear interest at the rate per annum equal to the highest rate of interest applicable to any other Obligations denominated in the currency of the relevant realization cost;
  - (iii) to, without being so required, (A) collect any sum in principal, revenue, dividend or interest becoming due on or in respect of the Collateral, and (B) without limiting the generality of any other provision of this Agreement, exercise any option or right attached to the Collateral;
  - (iv) to grant discharges, settle by compromise, renounce rights or grant extensions with respect to the Collateral; and
  - (v) to generally deal with the Collateral in its absolute discretion (without being relieved of the direct consequences of any gross negligence or wilful misconduct on the part of the Administrative Agent or any Receiver)

without consent or notice to the Debtor and to give such notices to the Debtor and others as it sees fit in its absolute discretion;

- (f) before realizing the Collateral or exercising any right under or in connection with the Collateral as provided herein the Administrative Agent shall not be required to exercise or exhaust its recourse against the Debtor and shall not be required to realize any other security;
- (g) none of the Administrative Agent, any Receiver and/or any of their respective officers, directors, employees, servants, attorneys or agents:
  - (i) shall be liable or accountable for any failure to realize, dispose of, enforce or collect any sum or exercise any option or right in connection with or otherwise deal with the Collateral nor shall any of them be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of themselves or of the Debtor or any other Person in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure, save for the gross negligence or wilful misconduct of any such Person;
  - (ii) shall be liable by reason of any use of the Collateral or any part thereof, to account for anything except actual receipts, for any loss on realization (save resulting from any gross negligence or wilful misconduct) in the carrying on or occupation of the business or undertaking of the Debtor for purposes of realizing on the Collateral or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions or omissions, save resulting from any gross negligence or wilful misconduct on its part; and
  - (iii) shall be responsible for or incur any liability, costs, expenses or damages, under any circumstances, for the performance or non-performance by the Debtor, or any other Person, of any of the terms, provisions or obligations specified in the Collateral.

#### **7. Rights of Administrative Agent**

The Administrative Agent may grant extensions of time and other indulgences, take and give up security, accept compositions or compromises, grant releases and discharges and otherwise deal with the Debtor, other debtors of the Debtor, sureties and others and with the Collateral or other security as the Administrative Agent may see fit without prejudice to the liability of the Debtor under, and the rights of the Administrative Agent under, this Agreement. The rights, powers and remedies of the Administrative Agent under this Agreement are cumulative and may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Administrative Agent however created. Nothing contained in this Agreement shall prevent, limit or restrict the Administrative Agent in any manner from exercising all or any of its rights and remedies otherwise permitted by

Applicable Law, and otherwise in accordance with any applicable agreement to which the Debtor and the Administrative Agent are parties or any other security held by the Administrative Agent.

**8. Continuing Security, Etc.**

This Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Administrative Agent therefor for a current or running account. The security constituted by this Agreement is in addition to and not in substitution for any other security held by the Administrative Agent and shall not operate as a merger of any simple contract debt or suspend the fulfilment of or affect the right, remedies and powers of the Administrative Agent in respect of the Obligations, the Collateral or any other security held by the Administrative Agent.

**9. No Waiver, Etc.**

Any failure by, or delay in, the exercise by the Administrative Agent of any right, power or remedy in this Agreement shall not constitute a waiver thereof or prevent its exercise thereof. No single or partial exercise by the Administrative Agent of any right, power or remedy shall preclude any other or further exercise by the Administrative Agent thereof or of any other right, power or remedy for the enforcement of this Agreement or the payment in full of the Obligations. No waiver of any provision of this Agreement shall in any event be effective unless it is in writing and signed by the Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver by the Administrative Agent of any breach of the Debtor hereunder shall extend to or be taken in any manner whatsoever to affect any subsequent breach by the Administrative Agent or the rights resulting therefrom.

**10. No Merger, Etc.**

Neither the taking of any judgment nor the exercising of any right, remedy or power shall operate to extinguish the liability of the Debtor to make payment of or satisfy the Obligations. The acceptance of any payment or alternate security shall not constitute or create any novation and the taking of a judgment or judgments under any of the covenants contained in this Agreement shall not operate as a merger of such covenants.

**11. Failure to Perform**

Upon the Debtor's failure to perform any of its duties hereunder, the Administrative Agent may, but shall not be obligated to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Debtor shall pay to the Administrative Agent, forthwith upon written demand therefor, an amount equal to the reasonable costs, fees and expenses incurred by the Administrative Agent (in this Section, "costs") in so doing plus interest on the costs from the date each such cost is incurred until each such cost is paid at the rate of interest per annum equal to the highest rate of interest applicable to any other Obligations denominated in the currency of the relevant cost as at the date of such demand, which costs and interest shall be payable by the Debtor upon demand and shall constitute and be included in the Obligations secured under this Agreement.

## 12. Realization Costs and Expenses

All reasonable expenses and all reasonable amounts, including all reasonable legal fees rendered on a solicitor and his own client basis, and other expenses in connection therewith, incurred by the Administrative Agent in connection with realizing the security constituted by this Agreement or exercising any of its rights hereunder (in this Section, "**realization expenses**") shall be payable by the Debtor to the Administrative Agent forthwith upon written demand therefor, and until the realization expenses are paid the realization expenses shall bear interest from the date each such realization expense is incurred until each such realization expense is paid at the rate of interest per annum equal to the highest rate of interest applicable to any other Obligations denominated in the currency of the relevant realization expense as at the date of such demand and such realization expenses and interest shall constitute and be included in Obligations secured under this Agreement.

## 13. Attachment

The Debtor agrees that value has been given and that the Security Interest is intended to attach (a) with respect to the Collateral which is in existence as of the date hereof, upon execution of this Agreement; and (b) with respect to Collateral which comes into existence after the date hereof, upon the Debtor acquiring any rights therein. The parties do not intend to postpone the attachment of the Security Interest created by this Agreement.

## 14. True Copy

The Debtor acknowledges receiving a true copy of this Agreement.

## 15. No Further Obligation

Nothing in this Agreement shall obligate the Administrative Agent to make any Loan or accommodation to the Debtor or extend the time for payment or satisfaction of the Obligations.

## 16. Amalgamation, etc.

The Debtor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the security interest created hereby (i) shall extend to "**Collateral**" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "**Collateral**" thereafter owned or acquired by the amalgamated corporation, such that the term "Assignor" when used herein would apply to each of the amalgamating corporations and the amalgamated corporation and (ii) shall secure the "**Obligations**" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Administrative Agent and the Lenders at the time of amalgamation and any "**Obligations**" of the amalgamated corporation to the Administrative Agent and the Lenders thereafter arising. The security interest shall attach to the additional "**Collateral**" at the time of amalgamation and to any "**Collateral**" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.

**17. Set-Off**

The Debtor agrees that the Administrative Agent and each of the Lenders have all rights of set-off and bankers' lien provided by applicable law, and in addition thereto, the Debtor agrees that at any time any Event of Default exists, the Administrative Agent and each of the Lenders may apply to the payment of any Obligations, whether or not then due, any and all balances, credits, deposits, accounts or money of the Debtor then or thereafter with the Administrative Agent or such other Lender.

**18. Further Assurances**

The Debtor agrees that, forthwith upon request by the Administrative Agent, from time to time at its own expense, the Debtor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary and reasonably requested by the Administrative Agent in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent and the Lenders to exercise and enforce their rights and remedies hereunder with respect to any Collateral. The Debtor will ensure that the representations and warranties set forth in Section 4 of this Agreement will be true and correct at all times.

**19. Amendments in Writing**

None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 15.1 of the Credit Agreement.

**20. Governing Law**

THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH PROVINCE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

**21. Successors and Assigns**

This Agreement shall be binding upon the Debtor, the Lenders and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Debtor, the Lenders and the Administrative Agent and the successors and assigns of the Lenders and the Administrative Agent. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. The Debtor may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

**22. Severability**

If any term, covenant, obligation or agreement contained in this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or



unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to persons or circumstances other than those held to be invalid or unenforceable, shall not be affected thereby and each term, covenant, obligation or agreement herein contained shall be separately valid and enforceable to the fullest extent permitted by law.

**23. Deficiency**

If the proceeds of realization of the Collateral fail to satisfy the Obligations, the Debtor shall be liable to pay any deficiency to the Administrative Agent on demand.

**24. Notices**

Any notices or communications required or permitted to be given under this Agreement will be given in accordance with Section 15.3 of the Credit Agreement.

**25. Time of Essence**

Time is of the essence of this Agreement.

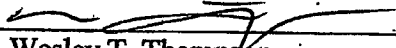
**26. Counterparts and Facsimile**

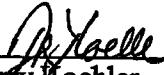
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first written above.

**THOMPSONS LIMITED**

By:   
Name: Wesley T. Thompson  
Title: Director

By:   
Name: Terry Koehler  
Title: Chief Financial Officer  
& Secretary-Treasurer

## SCHEDULE "A"

### Patents

NIL

### Trademarks and Trademark Licenses

Owner	Country	Status	Application/ Registration No.	Filing/Regn. Date (DD/MM/YEAR)
Thompsons Limited	Canada	Registered	TMA641,420	06/06/2005
Thompsons Limited	Canada	Registered	TMA116,333	31/03/2005
Thompsons Limited	Canada	Registered	TMA597,488	15/12/2003
Thompsons Limited	Canada	Registered	TMA618,035	30/08/2004
Thompsons Limited	Canada	Registered	TMA618,456	01/09/2004
Thompsons Limited	Canada	Registered	TMA596,979	09/12/2003
Thompsons Limited	Canada	Registered	TMA598,838	08/01/2004
Thompsons Limited	United States	Registered	1178381	11/17/1981
Thompsons Limited	Canada	Registered	TMA468392	01/08/1997
Thompsons Limited	Canada	Registered	TMA467660	12/16/1996
Thompsons Limited	Singapore	Registered	T85/01125B	Expiry Date 13 March 12
Thompsons Limited	Canada	Registered	TMA633282	
Thompsons Limited	United States	Application	76/538030	
Thompsons Limited	Canada	Registered	TMA472,337	03/11/1997
Thompsons Limited	Canada	Registered	TMA229,076	07/14/1978
Thompsons Limited	United States	Registered	3131549	08/22/2006
Thompsons Limited	United States	Application	76/563,471	05/12/2003

### Other

1. Michigan State University Exclusive Licence Agreement
2. Agriculture and Agr-Food Canada Collaborative Development Agreement
3. Varieties Registered Under Plant Breeders Rights
4. Corn inbred Lines controlled physically in H.O. Seed Vault
5. Low voltage plant transformation method product licence

### Germ Plasm Licence Agreement

Mycogen Plant Sciences  
9330 Zionsville Rd.  
Indianapolis, IN 46268-1054

Cooperative Federee de Quebec  
9001, Boul. De L'Acadie-Suite 20, Montreal, PQ H4N 3H7

Thurston Genetics  
P. O. Box 174, Olivia, Minnesota 56277

Intellectual Property Security Agreement – Thompsons Limited