



Highlights of the Advance Payments Program

The Advance Payments Program (APP) is an Agriculture and Agri-Food Canada program created to increase credit availability to producers for making production and/or marketing decisions. Western Cash Advance Program Inc. administers the program to cow/calf producers in Alberta.

ELIGIBILITY OF PRODUCERS: SEE REVERSE SIDE FOR DETAILS ELIGIBLE AMOUNT

- The 2014-2016 Advance Payments Program (APP) production period runs from April 1, 2014 to March 31, 2016.
- You can receive an advance to a maximum of \$ 400, 000 with the federal government paying the interest on the first \$100,000 for all eligible agricultural products offered by all administrators under this program, and any value over this amount will be interest bearing if your inventory numbers allow for you to exceed the initial \$100 000 interest free amount.
- Total eligible production units (calves) cannot exceed the average of total units as per the previous two years approved AgriStability livestock inventory schedules. Amounts greater than the average must be substantiated with purchase documents.
- Producers must demonstrate that they participate in AgriStability.
- The production unit (calf) value is the amount equal to 50% of the average price that in the minister's opinion will be payable to producers in the area for the agricultural product (calf) when sold. The amounts as established by Agriculture and Agri-Food Canada for the current production period are:

<u>Agricultural Product</u>	<u>Advance Rate per Unit</u>
Feeder calf (4-700 lbs)	\$550.00/Head
Feeder cattle (7-900 lbs)	\$650.00/Head
Finished cattle (over 1250 lbs)	\$945.00/head

Continuous Flow Operations:

- Livestock advances for continuous flow operations that maintain a constant inventory of animals throughout the production cycle (i.e. animals sold are replaced by new ones within days.)
- For advances on Continuous flow operations a post-Production Report by October 1 2014.
- Producers operating continuous flow operations are advanced at a rate for finished cattle as seen above (over 1250lbs) \$825.00/head
- Producer will be able to keep their advance for 12 months and repay 100% of the advance within 15 calendar days of the end of the 12 month period provided they can demonstrate that they have sufficient animals in inventory throughout the period to cover the advance.
(Not exceeding the end of the production period March 31, 2016)
- **At time of Repayment Producer must supply copies of sales records with payment payable to Feeder Associations Of Alberta**

REPAYMENT

- All applicants are required to repay the advance upon sale of their livestock product. The repayment rate is the greater of: the rate at which the advance was issued, or any repayment rate above original advance rate per head. A copy of the sales invoice for the livestock product must accompany the repayment amount submitted. Cash repayments in excess of \$1,000.00 or 10% of original loan, without proof of sales, will be assessed an interest penalty as per the repayment agreement.
- **REPAYMENT MUST BE RECEIVED WITHIN 7 DAYS OF THE DATE ON WHICH THE PRODUCER RECEIVES PAYMENT FOR THE LIVESTOCK PRODUCT TOGETHER WITH A COPY OF THE SALES INVOICE.**
- The initial repayments must be credited to the interest free account first; a producer cannot designate only part of an agriculture product as being under the advance and therefore cannot chose to repay the advance only on the last portion sold.
- All outstanding advances must be repaid to the administrator prior to the end of the production period March 31, 2016. If there is an outstanding advance at the end of the production period the producer is declared in default. See page 4 of 5 part 2C, of the application which ever applies.

AGRISTABILITY ASSIGNMENTS

- Agriculture and Agri – Food Canada will register an assignment with AgriStability giving priority on any AgriStability payouts up to the amount owing on the advance, plus any interest In the event of producer default(see Appendix 2A)

PRIORITY AGREEMENTS

- A priority agreement **must be completed by every financial institution** with which the applicant deals as well as every financial institution or secured party (ie: Breeder Co-op) that has a lien on the livestock product. (see Appendix 1)

Guarantee Acknowledgement Certificate (Partnerships/ Corporation/Cooperative)

This form must be completed by all residents Of Alberta operating as a partnership/Corporation or Cooperative. Each shareholder or partner must complete the form individually and have signed by a Public Notary. This form must be completed due to our Alberta Legislation and accompany all applications for the Cash Advance.

INSPECTIONS / Agriculture and Agri – Foods Canada requires:

- 5% of all applications to be inspected prior to issuance of advance
- 5% of all approved advances inspected subsequent to issuance of advance

APPLICATION CHECKLIST: (Have you included ALL ORIGINAL signed application forms and required AGRISTABILITY materials requested?)

- Application Part 1A or 1B completed and signed with original signatures
- Priority agreement (s) required – Appendix 1 with original signatures
- AGRISTABILITY assignment required - Appendix 2B with original signatures
- Part 3A Application & Repayment Agreement – with original signatures
- AgriStability program fee notice for the most current year along with proof of payment ex. cancelled cheque
- Application & Repayment Agreement – Part 2C Livestock
- 2 Copies of AgriStability Schedule 2&3 from the producer one being most current year on file and the previous year. Each partner or shareholder must provide this.
- Companies must provide a copy of their most recent filed Corporate Annual Return or legal document proving shareholder percentage.
- Ensure all Applicants use their full legal name, and or corporate name.
- Copy of Government issued photo ID. Such as Driver's License or Passport
- Ensure all forms been witnessed in appropriate areas.



Eligible Producers

“Producer”, as defined under section 2(1) of the AMPA, means a producer of an agricultural product who is:

- a) a Canadian citizen or a permanent resident;
- b) a corporation, a majority of whose voting shares are held by Canadian citizens or permanent residents;
- c) a cooperative, a majority of whose members are Canadian citizens or permanent residents; or
- d) a partnership or other organization of persons where partners or members, who are Canadian citizens or permanent residents, are entitled to at least 50% of the profits of the partnership or association.

A “Producer” includes a person or entity, mentioned in any of the paragraphs a) to d) above, that is entitled to an agricultural product or a share in it as lessor, vendor, mortgagee, or hypothecary creditor on a date specified in the Advance Guarantee Agreement. In this definition, “permanent resident” has the same meaning as in subsection 2(1) of the *Immigration and Refugee Protection Act*.

In order to be eligible for a guaranteed advance from the APP during a production period, the producer must own continuously and be responsible for marketing the agricultural product. Ownership and responsibility for marketing is considered to be lost when the agricultural product is sold and/or processed.

Eligibility for an Advance

Under the APP, individuals and independent farming operations, irrespective of the numbers of partners, members or shareholders, are limited to a maximum of \$400,000 in total advances during any one production period, the first \$100,000 being interest-free.

In order to accomplish this, the AMPA defines “related producers” and establishes how the amounts advanced to related producers will be attributed to the individuals involved and vice versa. It should be noted that under the Act, the term producer may refer to an individual, partnership, corporation or association of producers. For purposes of the Act, producers are considered to be related if they are not operating at arms length. The definition of “at arms length” is the same as that in the *Income Tax Act*.

General Requirements to be Eligible for an Advance

- The producer and any related producers must not be in default under an APP repayment agreement, or must be complying with the repayment requirements outlined in section 10.8 of these administrative guidelines (this includes any advances issued under the PGAPA, the APCA, the SCAP and the ESCAP.)
- The producer must not be ineligible, where an Advance Guarantee Agreement provides that a producer continues to be ineligible for a guaranteed advance for any period specified in the Advance Guarantee Agreement, even though the producer has ceased to be in default.
- The producer must not have given the agricultural product for which the advance was issued or any amount to be received under the Business Risk Management (BRM) program used to secure the advance, as security ranking in priority to the security interest given to the Administrator. The producer demonstrates this by having the producer’s primary lender and/or supplier, sign a priority agreement. See (Section 7 and Appendix A-2: Priority Agreement for the lender and/or other creditor). The priority ranking ensures that, should the dispersal of the assets be forced, the Administrator is the first to obtain payment to apply against the outstanding amount of advance for a given producer.

Where the Producer is an Individual, the Applicant:

- Must be of the age of majority in the province of the farming operation;
- Must be principally occupied in that operation, contributing significantly and materially to the production of the agricultural product for which the advance is being made, or be entitled to the agricultural product.
- Have title to the agricultural product for which the advance is made;
- Must not be a Member of Parliament with any or partial control over the Administrator (e.g. Director)

Where the Producer is a Partnership, Corporation, Cooperative, or Association (Related Producer), the Applicant:

-Must indicate on the advance application if the applicant is a partnership, corporation or cooperative. In all cases, the names and addresses, home phone number and date of birth of all shareholders and number of shares held, names and addresses, home phone number and date of birth of all members or partners and the percentage of the profits to which they are entitled, are required. Legal documentation must be obtained from the applicant to ensure that all proprietors and their interest in the applicant producer are being disclosed;

-**ALL**, shareholders, members or partners of the company, cooperative or partnership must sign a guarantee (Appendix A-1: Application for an Advance-Part 5: Joint and Several Guarantee) to be jointly and severally liable for any liability of the producer. Each partner, member or shareholder, as the case may be, is individually and collectively responsible for all of the outstanding amount of the advance in the case of default and all costs associated with collecting the default. If any of the shareholders, members or partners do not sign the guarantee, no advance may be granted to the producer;

-If the corporation has only one shareholder, the shareholder must agree in writing to be personally liable to the Administrator for any liability of the producer and provide any security for the repayment of the advance that the Administrator may require. A personal guarantee to repay the advance is required and is provided through a personal guarantee form (Appendix A-1: Application for an Advance-Part 4: Personal Guarantee);

-In the case where there is more than one shareholder, member or partner, at least one of the shareholders; members, or partners, as the case may be, must be of the age of majority in that province, and be principally occupied in the farming operation.

Note: Should there be any change in a producer’s identity/legal status, the producer must contact the Administrator, and advise them of the change. If the producer wishes to receive an advance or has already received an advance, the producer must complete another application for an advance and other pertinent documentation under that name/status.

Holdback Explanation Referring to Cash Advance APP

As per the agreement with Agriculture and Agri food Canada we are required to withhold 1 % of the producer’s eligible advance amount. This amount is held in trust for the producer and will earn interest for the time it is held. If there is no default the holdback will be applied to repay the advance or reimbursed to the producer including interest earned.

In case of default the producer holdback must be applied to the outstanding principal to cover the administrator liability.

Please mail completed application forms to Western Cash Advance Program Inc. as well as repayments towards your Cash Advance Program upon sale of animals to:

Western Cash Advance Program Inc.

Box 4638

Barrhead, AB

T7N 1A5

Ph. 780-674-2622

Fax. 780-674-2845

Email: jleonard@feederassoc.com



ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION
PROTECTED "A" ONCE COMPLETED

1.1 DOCUMENTATION

✓ Administrators must request documentation from the Shareholders, Members or Partners.

☐ **Identity verified** (Photo identification required, i.e. driver's license. Health cards cannot be accepted.)

Type of documentation provided: _____

☐ **Certificate of Incorporation / Proof of Partnership**

1.2 BASIC INFORMATION

✓ Identify the legal name of the Corporation/Cooperative/Partnership applying for the advance and indicate the type.

✓ List all Shareholders, Members or Partners of the Corporation/Cooperative/Partnership. Attach a separate sheet if required.

✓ If the ownership structure has changed from the previous application please attach the new Incorporation/Cooperative/Partnership document that reflects the correct ownership structure.

Legal Name of Business:

APP ID of Corporation/Cooperative/Partnership:

Indicate type of business: ☐ **Corporation** ☐ **Cooperative** ☐ **Partnership** ☐ **Other:**

APP ID	First Name	Last Name	Address	Phone Number	Date of Birth (yyyy/mm/dd)	% Interest in Operation
						%
						%
						%

Mailing Address of Corporation/Cooperative/Partnership:

Street Address	City/Town	Province	Postal Code
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Business Phone # (Ext.)

Business Fax #

1.3 DECLARATION OF APP ADVANCE RECEIVED FROM OTHER PRODUCER ORGANIZATIONS

✓ Outstanding advances previously issued or attributed to any Shareholder, Member or Partner will affect the amount of the advance the applicant may be eligible to receive.

✓ List all advances issued by other organizations for this production period and previous production periods to each Shareholder, Member or Partner of the business, including advances attributed by percentage of ownership in any Corporation/Cooperative/Partnership.

✓ Attach a separate sheet if required.

Name of Shareholder, Member or Partner	Name of Producer Organization from which an advance has been received	Agricultural Product for which an advance has been received	Production Period	Amount of Advance Received
			20	\$
			20	\$
			20	\$
			20	\$

1.4 LENDER INFORMATION

Name of Lending institution

Street Address	City/Town	Province	Postal Code
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Phone # (Ext.)

Business Fax #

1.5 RELATED PRODUCERS

✓ Producers are related if they do not deal with each other at arm's length.

✓ In the absence of proof to the contrary, producers are presumed not to deal with each other at arm's length if they are related as follows:

- ✓ Individuals who are cohabitating or are connected by blood relationship, marriage, common law partnership or adoption;
- ✓ A corporation and a person who holds shares in the corporation, is a member of a group of persons that holds shares in the corporation, or is related to a person who holds shares in the corporation or to the member of the group;
- ✓ Any two corporations if one person or group of persons holds shares in both corporations, a person who holds shares in one of the corporations is related to a person who holds shares in the other corporation, a person who holds shares in one of the corporations is related to a member of a group of persons that holds shares in the other corporation, or if they are both related to a third corporation;
- ✓ Members of the same group of persons; or
- ✓ Persons related to members of the same group of persons.



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- ✓ Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.
- ✓ If you answer “yes” to question 1 below, complete section 1.5.1 which is a declaration of relatedness.
- ✓ If you answer “yes” to question 2, you may not be eligible to receive an APP advance, unless you are able to rebut the presumption of relatedness.
- ✓ If you answer “no” to questions 1 and 2, you are not required to complete section 1.5.1.

1. Has a related producer a) applied for an APP advance in this production period or b) have an outstanding APP advance from a previous production period?	YES	NO
2. Is any related producer ineligible as a result of a default under APP, SCAP or ESCAP?	YES	NO

1.5.1 RELATED PRODUCER DECLARATION

- ✓ List all related producers who received an advance for this or previous production periods, including advances issued by other APP Administrators.
- ✓ Attach a separate sheet if required.

Name of the related producer that received an advance	APP ID	Name of Administrator which issued the advance	Production period (yyyy)

1.6 GUARANTEE DECLARATION**PERSONAL GUARANTEE (for Corporation with sole shareholder)**

I, being the sole shareholder of the Corporation stated in section 1.2 of this Application for an Advance in consideration of an advance being made to it by the Administrator, for the amount stated in Part 2 of this Application for an Advance, for the 2013-2014 APP production period and the Minister of Agriculture and Agri-Food Canada guaranteeing the repayment of such advance and interest thereon, do hereby agree to be personally liable to the Administrator or the Minister of Agriculture and Agri-Food Canada for any amount owing by the Corporation, under the APP.

By signing this document, you understand and agree that action may be taken against you personally to be liable under section 5.0 of the Terms and Conditions of the Repayment Agreement and to repay the full amount of any defaulted advance.

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at _____

Location

Date (YYYY-MM-DD)

Print name of shareholder clearly

Signature of shareholder

Print name of witness clearly (Must not be a relative)

Signature of witness

JOINT AND SEVERAL GUARANTEE (for Cooperative, Partnership or Corporation with multiple shareholders)

We, being Shareholders, Members or Partners, as the case may be, of the Corporation, Cooperative or Partnership as stated in section 1.2 of this Application for an Advance, in consideration of an advance being made to the Corporation, Cooperative or Partnership, as the case may be, by the Administrator for the amount stated in Part 2 of this Application for an Advance, for the 2013-2014 APP production period and the Minister of Agriculture and Agri-Food Canada guaranteeing the repayment of such advance and interest thereon, do hereby agree to be jointly and severally liable to the Administrator, or the Minister of Agriculture and Agri-Food Canada, for any amount owing by the Corporation, Cooperative or Partnership, as the case may be, pursuant to the APP.

By signing this document, you understand and agree that action may be taken against you personally to be liable under section 5.0 of the Terms and Conditions of the Repayment Agreement to repay the full amount of any defaulted advance.

IN WITNESS WHEREOF I hereunto set my hand and seal

Dated at _____

Location

Date (YYYY-MM-DD)

Print name of shareholder, member or partner clearly

Signature of shareholder, member or partner

Print name of witness clearly (Must not be a relative)

Signature of witness

Print name of shareholder, member or partner clearly

Signature of shareholder, member or partner

Print name of witness clearly (Must not be a relative)

Signature of witness

ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – CORPORATION/COOPERATIVE/PARTNERSHIP INFORMATION
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Print name of shareholder, member or partner clearly

Signature of shareholder, member or partner

Print name of witness clearly (Must not be a relative)

Signature of witness

ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – DECLARATION & ATTESTATION
PROTECTED “A” ONCE COMPLETED

3.1 DECLARATION OF THE APPLICANT

The Advance Payments Program (APP) is a Government of Canada program which supports the provision of cash advances to producers across Canada. Under the APP, Agriculture and Agri-Food Canada (AAFC) provides funding to guarantee advances taken by producers through farm organizations and covers the interest on the first \$100,000 in advances taken by each producer under the program.

- 1) As it applies:
 - a. I am applying, on behalf of the Corporation/Cooperative which I represent, for an advance payment pursuant to the Advance Payments Program (APP).
 - b. We, being all the Partners of the Partnership stated in Part 1B of this Application (herein referred to as the “Partners”), apply for an advance payment pursuant to the APP.
- 2) At least one of the Partners/Shareholders/Members is of the age of majority and is a Canadian Citizen or a permanent resident.
- 3) At least one of the Partners/Shareholders/Members is principally occupied in the farming operation.
- 4) At least one of the Partners/Shareholders/Members is the producer of the Agricultural Product for which this Application is made, or one of the Partners/Shareholders/Members, is entitled to the Agricultural Product as Landlord, Vendor, Mortgagee or Hypothecary Creditor.
- 5) No other person has an interest in the Agricultural Product with respect to which this Application is made and the Agricultural Product will be sold in the name of the Corporation/Cooperative/Partnership for which this Application is made.
- 6) Partners/Shareholders/Members who have an interest in the entity are listed in Part 1B of this Application and Repayment Agreement.
- 7) Neither the Corporation/Cooperative/Partnership or any of the Partners/Shareholders/Members listed in this Application and Repayment Agreement are in default under any repayment Agreement pursuant to the *Advance Payments for Crops Act* (APCA), the *Prairie Grain Advance Payments Act* (PGAPA), the Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP) or the *Agricultural Marketing Programs Act* (AMPA).
- 8) The Corporation/Cooperative/Partnership that I represent is not ineligible under an advance guarantee Agreement made pursuant to the *Agricultural Marketing Programs Act* (AMPA), the Spring Credit Advance Program (SCAP) or the Enhanced Spring Credit Advance Program (ESCAP).
- 9) As indicated in section 1.2 of Part 1B of this application:
 - a. The Corporation/Cooperative that I represent has made an application for Production Insurance and/or is participating in an eligible Business Risk Management program as outlined in Part 2 of this Application and Repayment Agreement and I, being authorized to certify on behalf of the Corporation/Cooperative, declare having submitted a duly completed BRM Assignment Agreement (Appendix 2A or 2B) as required for the specific class of Agricultural Product.
 - b. We, the Partners, have made an application for Production Insurance and/or are participating in an eligible Business Risk Management program as outlined in Part 2 of this Application and Repayment Agreement and we further certify having submitted duly completed BRM Assignment Agreements (Appendix 2A or 2B) as required for the specific class of Agricultural Product.
- 10) The Corporation/Cooperative/Partnership that I/we represent, as the case may be, that is requesting an advance on a storable Agricultural Product in post-production or Livestock that is not subject to an Emergency Advance, have sufficient Agricultural product in storage to justify the amount advanced as outlined in Part 2 of this Application and Repayment Agreement.
- 11) Except in the case of Emergency Advances for “severe economic hardship” where the following does not apply, I or the Partners, as applicable, declare having submitted the duly completed priority Agreements required for every secured creditor that has an assignment on the proceeds of the Business Risk Management program(s) used to secure the advance, as applicable, and/or that holds a lien or encumbrance on the Agricultural Products listed in Part 2 of this Application and Repayment Agreement.
- 12) I or the Partners, as applicable, agree that a credit check and an inspection of the Agricultural Product may be performed at any time while the advance is outstanding.
- 13) I or the Partners, as applicable, acknowledge that, in the event of a default, the Corporation/Cooperative/Partnership or its Shareholders/Members/Partners may be denied access to other federal agricultural support programming or, alternatively the Minister of Agriculture and Agri-Food Canada reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs.
- 14) I or the Partners, as applicable, declare that this Application is consistent with the purpose of the APP.
- 15) I or the Partners, as applicable, certify that all of the information provided in this Application is true and correct in every respect.
- 16) I or the Partners, as applicable, understand that failing to comply with Application requirements may delay the processing of the Application or may render me or the Corporation/Cooperative/Partnership that I represent, ineligible for receiving an advance under the Program.
- 17) I or the Partners, as applicable, agree, that I/we reside in a province where the legislation allows for the extension of the limitation period, to extend the limitation period and to take any necessary steps as determined by the Administrator to ensure that the limitation period for seeking a remedial order for claims arising from this application shall be extended from the date the Administrator knew, or in the circumstances, ought to have known, of the claim. Where possible according to the provincial legislation, I/we further agree that the extended limitation period should be of six years.
- 18) I have read the following privacy notice informing me of AAFC’s use of my personal information submitted as part of the APP application process.

APP is a federal program delivered by Administrators which collect and use the personal information you submit to administer the program on AAFC’s behalf. AAFC routinely receives a small portion of the personal information you submit however, in the event you

ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – DECLARATION & ATTESTATION
PROTECTED “A” ONCE COMPLETED

enter into default, AAFC will receive your entire application file.

The personal information contained in, with, or pursuant to this Application and Repayment Agreement is collected under the authority of the *Agricultural Marketing Programs Act*. AAFC may use the information to verify and/or assess the Application and Repayment Agreement, as well as to administer, audit, analyze, and evaluate the APP. AAFC may also convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP.

Under the *Privacy Act* you have a right of access to and correction of any of your personal information held by AAFC and can do so by contacting the Access to Information and Privacy Coordinator at ATIP-AIPRP@agr.gc.ca and referencing Personal Information Bank, *Advance Payments Program*, PPU 140.

All non-federal government organizations are obligated to protect personal information in accordance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA) or under legislation applicable within their jurisdiction.

I or the Partners as applicable, authorize **Western Cash Advance Program Inc.** (Administrator) to:

- a) Collect the personal information contained in, with, or pursuant to this Application and Repayment Agreement.
- b) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to provincial governments and their agencies, for the purposes of verifying APP entitlements, verification, assignment and realization of security
- c) Convey the information contained in this Application and Repayment Agreement, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP. For further information regarding the use of your personal information by the APP Administrator or to make a formal request for access to your personal information, please contact Administrator through which you are applying.

- 19) I or the Partners, as applicable, have read all the Terms and Conditions of the Repayment Agreement which are attached to and form part of this application and agree to comply with such Terms and Conditions.
- 20) If I am or any of the Partners/Shareholders/Members is, as applicable, a current or former public office holder, public servant or member of the House of Commons, I am or one of the Partners is, as applicable, not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I am in compliance with applicable federal conflict of interest or ethical principles, rules and obligations.
- 21) I or the Partners, as applicable, acknowledge that, in cases where the applicant is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to the Administrator's rights against the applicant in default and against persons who may be personally liable under this repayment Agreement.
- 22) I declare that I, or the Partners/Shareholders/Members, or the Partnership/Corporation/Cooperative as applicable: have not recently filed a notice of intention to make a proposal or made a proposal under the *Bankruptcy and Insolvency Act*; are not subject to a receiving order under that act; are not bankrupt or seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* and the *Farm Debt Mediation Act*.

3.2 PRODUCER ATTESTATION

- ✓ All Partners listed in Part 1B, section 1.2 must sign and date the declaration below attesting that the information provided on the Application is complete and accurate. Providing false or misleading information will result in an automatic default with the loss of all benefits related to the Advance Payments Program.
- ✓ The authorized signing officer for the Corporation and Cooperative Signature must sign and date the declaration found on the next page.

Signature of Application and Repayment Agreement for a Partnership:

We, being all the Partners listed in Part 1B, section 1.2, are authorized to sign this Application and Repayment Agreement on behalf of the Partnership:

- hereby agree that the information provided in this Application and Repayment Agreement is true and accurate based on our knowledge at the time of the application;
- hereby agree that we have completed and signed an Advance Payments Program Application and Repayment Agreement;
- hereby agree to comply with all of the terms and conditions included in this Advance Payments Program Application and Repayment Agreement.

**ADVANCE PAYMENTS PROGRAM (APP)
APPLICATION & REPAYMENT AGREEMENT – DECLARATION & ATTESTATION**

PROTECTED "A" ONCE COMPLETED

_____	_____
Print name of partner clearly	Signature of partner
_____	_____
Print name of witness clearly (Must not be a relative)	Signature of witness
_____	_____
Print name of partner clearly	Signature of partner
_____	_____
Print name of witness clearly (Must not be a relative)	Signature of witness
_____	_____
Print name of partner clearly	Signature of partner
_____	_____
Print name of witness clearly (Must not be a relative)	Signature of witness

3.2 PRODUCER ATTESTATION

Signature of Application and Repayment Agreement for Corporation or Cooperative:

I, being authorized to sign this Application and Repayment Agreement on behalf of the Corporation or as stated in Part 1B, section 1.2 of this Application and Repayment Agreement:

- hereby agree that the information provided herein is true and accurate based on my knowledge at the time of the application;
- hereby agree that I have completed and signed an Advance Payments Program Application and Repayment Agreement;
- hereby agree that the Corporation/Cooperative will comply with all of the terms and conditions included in this Advance Payments Program Application and Repayment Agreement.

_____	_____
Print name of Authorized Signing Officer clearly	Signature of partner
_____	_____
Print name of witness clearly (Must not be a relative)	Signature of witness

3.3 ADMINISTRATOR ATTESTATION

I declare having taken all necessary steps, in accordance with the AMPA, its Regulations, the Advance Guarantee Agreement and the APP Administration Guidelines, to ensure, to the best of my abilities, that the current Application and Repayment Agreement by the producer is accurate and complete before granting the abovementioned advance.

Signature of Administrator

Date (YYYY-MM-DD)

**ADVANCE PAYMENTS PROGRAM (APP)
BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS - ASSIGNMENT AGREEMENT
LIVESTOCK**

PROTECTED "A" ONCE COMPLETED

1.1 PRODUCER AND ADMINISTRATOR INFORMATION
AGREEMENT DATE (YYYY-MM-DD):_____

Between _____ **(Individual/Partner/Corporation/Cooperative), hereinafter referred to as the 'Assignor' and Western Cash Advance Program Inc. hereinafter referred to as 'Administrator'.**

This assignment Agreement is for all proceeds, up to the amount set in Part 1.2.2 below, payable to the Assignor under **AgriStability** and is being used to secure advances issued under the Repayment Agreement (i.e., APP Application) between the Producer and the Administrator dated _____ (YYYY-MM-DD) and pursuant to the Advance Payments Program and the *Agricultural Marketing Program Act* (AMPA). Advances have been issued on the following Agricultural Product(s):

Product #1	Product #2	Product #3	Product #4	Product #5	Product #6

1.2 DEFINITIONS AND ASSIGNMENT AGREEMENT
1.2.1. DEFINITIONS AND INTERPRETATIONS:

"APP Electronic Delivery System" means the on-line system which electronically enables the submission of data relating to the delivery of the APP between AAFC and Administrators;

"Business Risk Management Program" or "BRM Program" refers to any program listed in the schedule of the AMPA, that can be used to secure an advance;

"Default" means, when used in relation to a Producer, that a Producer is considered in default under a repayment Agreement according to section 21 of the AMPA.

"Producer" means the individual, partnership, corporation or cooperative that applied for an advance under the Advance Payments Program.

"Livestock" means cattle, sheep, swine and bison.

1.2.2. THE PARTIES HERETO AGREE THAT:

Should the Producer become in default under the repayment Agreement signed on _____ (date), the Assignor hereby agrees to transfer, assign and set over to the Administrator all of his/her/their right, title and interest in the proceeds to be received from the BRM program in the current year and all future years until such a time as the Producer's liability under the defaulted advance(s), has been paid in full, and a liability to the Administrator no longer exists. For the purposes of giving effect to any of the Assignor's undertakings under this Agreement, the Assignor shall make, execute and deliver to the BRM Administrator or the Administrator, any documents or Agreements as the BRM Administrator may reasonably request.

Sealed, delivered and attested to by:

_____ Name and title of Producer	_____ Signature of Producer
_____ Name and title of Producer	_____ Signature of Producer
_____ Name and title of Producer	_____ Signature of Producer
_____ Name and title of Producer	_____ Signature of Producer
<u>Joy Leonard – APP Administrator</u> Name and title of Administrator	_____ Signature of Administrator

ADVANCE PAYMENTS PROGRAM (APP) APPLICATION & REPAYMENT AGREEMENT

Please ✓ one or the other:

☐ Standard ☐ Continuous Flow

PROTECTED "A" ONCE COMPLETED

INSTRUCTIONS

GENERAL INFORMATION

- ✓ Use the Advance Rate provided by the Administrator.
- ✓ To avoid cash repayments without proof of sale, an advance should only be taken for the inventory of animal that is reasonably expected to be sold by the end of the production period.
- ✓ A completed copy of this worksheet must be maintained in the Producer's file with appropriate documentation confirming BRM program participation.
- ✓ At any point of time, the Producer must not have more than \$400,000 outstanding in advances, including the overlap between production periods.
- ✓ The interest free advance is limited to the first \$100,000 issued per production period. Any advance issued above that limit shall be interest bearing.
- ✓ Provide the appropriate Business Risk Management documentation and enrolment information.

FOR CONTINUOUS FLOW OPERATIONS

- ✓ This form is for an advance for a Continuous Flow Operation which means a farming operation where the producer maintains a constant minimum animal inventory during the advance cycle through the continuous rotation of animals (i.e., those sold are replaced by new ones within days).
- ✓ Only one twelve (12) month Continuous Flow Operation cycle is allowed per production period.

2.1 ELIGIBLE ADVANCE BASED ON LIVESTOCK INVENTORY

Type of Livestock	Advance rate (e.g. \$ / head)		Inventory (e.g. 100 head)		Permanent Inventory/ 12 month period (e.g. 100 head)		Total (\$)
			Quantity	Unit of measure	Quantity	Unit of measure	
	\$	x					\$
	\$						\$
	\$						\$
	\$						\$
	\$						\$
Maximum Eligible Advance based on livestock inventory							\$

2.2 BUSINESS RISK MANAGEMENT (BRM) PROGRAM INFORMATION

BRM Program Name	AGRISTABILITY	BRM Program ID #	
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2.3 ADVANCE REQUESTED BY PRODUCER

2.4 ADVANCE ISSUED BY ADMINISTRATOR

\$	
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2.5 TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

In consideration of the Administrator granting an advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:

1. Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada.
- 1.2 "Administrator" means **Western Cash Advance Program Inc.**
- 1.3 "Terms and Conditions" means the content of section 2.5 of this application.
- 1.4 "Repayment Agreement" means the completed Application and these Terms and Conditions signed by the Producer and an authorized representative of the Administrator.
- 1.5 "AMPA" means *Agricultural Marketing Programs Act*.
- 1.6 "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.7 "APP" means the Advance Payments Program.
- 1.8 "SCAP" means the Spring Credit Advance Program.
- 1.9 "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.10 "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.11 "Producer" means the individual or Corporation/Cooperative/Partnership identified in Part 1 of this application.
- 1.12 "Livestock" means cattle, hogs, sheep and/or bison as listed in section 2.1 of this application.

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- 1.13 “Advance on Livestock” means an Eligible Advance based on inventory of an eligible Livestock.
- 1.14 “Advance Rate on Livestock” means the rate of issuance applicable to advances issued prior to March 31, 2015.
- 1.15 “Eligible Advance” means the advance the Producer is entitled to as stated in section 2.4 of this application.
- 1.16 “Eligible BRM program” means an eligible Business Risk Management program, as listed in the Schedule of AMPA for which the producer declared being a participant and that is used by the Producer as security for an advance in case of default on a Livestock advance.
- 1.17 “BRM Program Coverage Report” means a report from the Agency responsible for the administration of the BRM program used as security in case of default, wherein the Producer demonstrates their participation in the BRM program.
- 1.18 “Production Period” is the period defined in 7.1 of these Terms and Conditions.
- 1.19 “Administrator’s percentage of liability” means 1 % percent according to section 5(1)(6) of AMPA.
- 1.20 “Administrator Holdback” means the percentage of the eligible advance that the Administrator withholds until the advance is repaid. The holdback should not exceed the Administrator’s percentage of liability.
- 1.21 “Advance Cycle” means a period of up to twelve (12) months that starts when the producer is issued an advance and ends no later than the end of the Production Period.
- 1.22 “Continuous flow operation” means a farming operation where Livestock that are sold are constantly replaced by new ones so that the number of head of Livestock in inventory remains constant.
- 1.23 “Administrator Holdback” means the percentage of the eligible advance that the Administrator withholds until the advance is repaid to cover the Administrator’s liability. The holdback should not exceed the Administrator’s percentage of liability. If the producer defaults, the Administrator could use the money of the Administrator Holdback to pay its liability. Any outstanding balance in the Administrator Holdback would be used to reduce the producer’s principal amount in default..
- 1.24 “Payment of interest Holdback” means the percentage of the eligible advance that the Administrator withholds until the advance is repaid to pay the interest on the interest-bearing portion of the advance on behalf of the producer. Upon default of the producer, the Administrator would use the Payment of interest Holdback outstanding balance to reduce the producer’s principal amount in default.

2. Issuance of the Advance

- 2.1 The Administrator shall issue an advance under this Agreement on Livestock in accordance with section 2.4 of this application and using the Advance Rate on the Livestock, upon the execution of this Repayment Agreement by the Administrator. The Producer must provide a BRM Program Coverage Report demonstrating participation in an eligible BRM Program.
- 2.2 Any advance on all eligible Livestock, standard or continuous flow, or any instalment on such an advance shall be issued as per the date specified in Subsections 1.14 and 1.21 of these Terms and Conditions, as applicable.
- 2.3 The Administrator may deduct the Administrator Holdback of 1 % percent from the advance.

3. Repayment of the Advance

- 3.1 The Producer shall repay the amount of the advance as specified in this Repayment Agreement to the Administrator by the end of the Production Period:
 - 3.1.a. where an Agricultural Product in respect of which the advance is made is sold to a Buyer named by the Administrator, by authorizing each buyer to withhold from such proceeds, in respect of each sold unit of Agricultural Product, an amount at the advance rate in effect at the time the advance was issued, and remit to the Administrator such amounts withheld until all the advances made to the Producer and the interest payable by the Producer on those advances are repaid;
 - 3.1.b. **For a Standard Advance**, where the Producer otherwise sells or disposes of that portion of Agricultural Product in respect of which the advance is made, by paying directly to the Administrator for each unit of Agricultural Product within **seven (7) calendar days** of receipt of payment or within **forty-five (45) calendar days** of delivery to the buyer, whichever is earlier, an amount at the advance rate in effect at the time the advance was issued until all the advances made to the Producer and the interest payable by the Producer on those advances are repaid. Each repayment should be supported by proof of sale;
 - 3.1.c. **For a Continuous Flow Advance**, where the Producer otherwise sells or disposes of that portion of Agricultural Product in respect of which the advance is made, by paying directly to the Administrator for each unit of Agricultural Product within **fifteen (15) calendar days** following the twelve (12) month period from the date the advance was made but no later than the end of the Production Period, an amount at least the advance rate in effect at the time the advance was issued until all the advances made to the Producer and the interest payable by the Producer on those advances are repaid. The total repayment should be supported by proof of sale.
- 3.2. In addition to the mandatory payments under paragraphs 3.1.a, 3.1.b, or 3.1.c above, the Producer may choose to reimburse the advance:
 - 3.2.a by making a cash payment without proof of sale prior to or on the last day of the production period up to the greater of \$1,000 or ten percent (10%) of the total amount of the advance issued on the date the cash repayment is taking place. If the Producer chooses to repay in cash an amount in excess of such amounts without proof of sale of the Product, the Producer will be charged interest at the rate outlined in section 6.2.b of this Agreement, on the excess amount from

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the day the advance was issued to the day the repayment was made. The producer has **thirty (30) calendar days** to repay the interest.

3.2.b by paying directly to the Administrator any amount received by the Producer under an eligible BRM program.

3.2.c by paying directly to the Administrator any amount received by the Producer, not exceeding the proceeds evidenced by proof of sale.

3.3. In the event that the Producer repays the amount of the advance to the Administrator by selling the Agricultural Product or part of the Agricultural Product in the manner described in paragraph 3.1.a of these Terms and Conditions, the Producer shall:

3.3.a. indicate in writing to the Administrator to which buyer, named by the Administrator, the Agricultural Product will be sold, prior to selling the said product to such buyer; and

3.3.b. notify the Administrator immediately upon receiving any information to the effect that the named buyer is not promptly remitting to the Administrator the amount so withheld; and

3.3.c. remain liable to the Administrator for repayment of any part of the advance where the said buyer has failed to remit to the Administrator that part of the advance withheld by it pursuant to its Agreement with the Administrator.

3.4 Through no fault of the Producer, should the quantity of the Agricultural Product used to secure the advance not be sufficient to justify the outstanding advance, the Administrator shall notify the Producer that they have **thirty (30) calendar days** to repay the part of the outstanding amount of the advance that exceeds the reduced coverage. Failing this, the Producer will be declared in default. Upon reimbursement of the part of the outstanding amount of the advance that exceeds the reduced coverage, if the producer was under the Continuous Flow Operation, the producer remains eligible to the Continuous Flow Operation terms and conditions for the outstanding balance of the advance.

3.5 Should the quantity of the Agricultural Product used to secure the advance be reduced, through an act of the producer, and not be sufficient to justify the outstanding advance, the Administrator shall notify the Producer that they have **thirty (30) calendar days** to repay the part of the outstanding amount of the advance that exceeds the reduced coverage. Failing this, the Producer will be declared in default. If the producer was under the Continuous Flow Operation, the Administrator should also notify the producer of the loss of the benefits of the Continuous Flow Operation and that the reimbursement of the outstanding advance will have to be made with every subsequent sale.

4. Security Interests

4.1 The Producer hereby grants a continuing security interest in his Agricultural Product, in any Agricultural Product produced in a subsequent production period by the producer and all proceeds, to the Administrator to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The Producer declares that the Administrator's security interest in the Agricultural Product shall rank prior to the interest of any other secured creditor. The Producer confirms that he has obtained signed priority agreements from all secured creditors who have or may be entitled to have a security interest in the Agricultural Product. The Producer agrees that upon default, the Administrator has the right to seize the Producer's Agricultural Product wherever situated, sell the Agricultural Product as it sees fit and use the sales proceeds to reduce his debt owing to the Administrator arising from this Repayment Agreement, including interest and any legal costs. **For a Continuous Flow advance**, the level of inventory on which the advance was calculated must be the minimum inventory maintained throughout the Advance Cycle.

4.2 The Producer hereby irrevocably assigns his current and future BRM Program payments to the Administrator upon default to secure repayment of his debt owing to the Administrator arising from this Repayment Agreement. The producer agrees that once in default all BRM Program payments will be paid automatically to the Administrator until his debt owing to the Administrator arising from this Repayment Agreement is repaid in full. The Producer declares that the assignment of his BRM Program payments to the Administrator takes priority over any other security interest. The producer confirms that he has obtained all necessary signed priority agreements with any secured creditor such that the Administrator's security interest shall rank in priority to any other interests. The Producer agrees and understands that the Administrator may register financing statement(s) at such provincial Property Security registries as the Administrator determines advisable. The Producer hereby waives all rights to receive from the Administrator a copy of any financing statement or confirmation statement issued at any time respecting the Administrator's security interests.

5. Default

5.1. The Producer is in default if the Producer:

5.1.a. has not met all their obligations under the Repayment Agreement by the end of the production period;

5.1.b. files a notice of intention to make a proposal or makes a proposal under the *Bankruptcy and Insolvency Act*, is subject to a receiving order under that Act, becomes bankrupt or seeks protection under any other insolvency or bankruptcy related statute; or

5.1.c. is otherwise declared in default by the Administrator in accordance with this Repayment Agreement.

5.2. The Administrator shall declare a Producer in default and immediately inform the Producer of the same, if the Producer:

5.2.a. has not met any of the obligations under the Repayment Agreement within **twenty one (21) calendar days** after the

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- day on which the Administrator mails or delivers a notice to the Producer stating that the Producer has had, in the opinion of the Administrator, adequate opportunity to meet the obligation, and requesting that the Producer meet it;
- 5.2.b. at any time breaches irremediably any substantial obligation under the Repayment Agreement; or
- 5.2.c. provides false or misleading information to the Administrator for the purpose of obtaining a guaranteed advance, or evading compliance with an undertaking to repay it.
- 5.3. Upon default, the Producer is liable to the Administrator for:
- 5.3.a. the outstanding amount of the guaranteed advance;
- 5.3.b. the interest at the rate specified in Subsection 6.2 of these Terms and Conditions on the outstanding amount of the advance, calculated from the date the advance was issued until the advance is repaid;
- 5.3.c. costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister.
- 5.4. The Producer agrees to assign to the Administrator amounts payable to the Producer under an eligible BRM program as identified in section 2.2 of this application for the repayment of the amount of the Eligible Advance plus interest costs provided for in this repayment Agreement. Such assignment becomes effective and will be registered only when the Producer becomes in default.
- 5.5. If the Producer is declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to all rights of the Administrator against the defaulted Producer and against any other persons liable under this Repayment Agreement. The Producer is, in addition to the amounts stated in Subsection 5.3 of these Terms and Conditions, liable to the Minister for interest at the rate specified in Subsection 6.2 of these Terms and Conditions on the amount of the Producer's liability under Subsection 5.3 of these Terms and Conditions and the costs incurred by the Minister to recover the amount, including legal costs.
- 5.6. For the purpose of this repayment Agreement, an ineligibility period of 12 months should be applied once a producer has repaid his default in full.
- 5.7 Upon producer default, the Administrator shall:
- 5.7.a. apply any holdback(s) to pay the administrator's liability;
- 5.7.b. then apply any remaining holdback(s) to the principal outstanding in default.
- 6. Interest Rate**
- 6.1. The interest payable by the Producer during the production period while in compliance with the AMPA and this Agreement will be:
- 6.1.a. 0% on the amount under \$100,000; and
- 6.1.b. Prime - 0.50% percent on the amount over \$100,000. The interest rate negotiated with the TD Canada trust is different than what is charged by Western Cash Advance Program Inc. The difference is used to cover administrative costs.
- 6.2. In the event that the Producer is declared in default, the interest payable by the Producer will be:
- 6.2.a. Prime + 3 percent on the amount of the outstanding balance from the date the advance was issued to the date the Producer was declared in default; and
- 6.2.b. Prime + 3 percent on the amount of the outstanding Producer's liability from the date of default until the advance, interest and all costs of collection are repaid in full.
- 7. General Provisions**
- 7.1 The production period for the Agricultural Product commences on April 1, 2014 and terminates on March 31, 2016
- 7.2 The Eligible Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product first sold. The Producer shall not dispose of any other part of this Agricultural Product, in any manner, before disposing of that portion of the Agricultural Product for which the advance was received. In cases where the Producer can provide proof of identification, supported by appropriate records, allowing for the identification of each unit of Livestock subject to the advance, then the Eligible Advance under these Terms and Conditions is deemed to have been received on that portion of the Producer's Agricultural Product being identified to be subject to the advance.
- 7.3 This Repayment Agreement shall commence upon approval and execution of this application by the Administrator, and shall terminate upon repayment of all amounts provided for in this application.
- 7.4 The Administrator or its authorized agent has the right to inspect the Agricultural Product and perform a credit check on the Producer or any of the Producer's Partners/Shareholders/Members at any time during the term of this Repayment Agreement.
- 7.5 The Producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Agricultural Product.
- 7.6 If the Agricultural Product or a portion of the Agricultural Product for which an advance was made ceases to be in marketable condition, through no fault of the Producer, the Producer shall immediately inform the Administrator and the Producer becomes liable to the Administrator for the portion of the guarantee advance, together with interest on it from the date of the

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- advance, that is attributable to the unmarketable portion of the Agricultural Product.
- 7.7 The Producer shall respect the terms of the Eligible BRM program and, should the Producer be declared in default by the Administrator, shall ensure that any payments from the Eligible BRM are assigned to the Administrator up to the extent of the Eligible Advance and the Producer must notify the Administrator if further requests for an assignment of the BRM program proceeds are made, granted or registered.
- 7.8 This Repayment Agreement shall be interpreted in accordance with the laws of the province of Alberta, Canada.
- 7.9 The Producer shall have insurance covering the entire Agricultural Product to the extent available, for which the advance was made, to the full extent of the advance, for all insurable perils, until the Producer's liability is repaid. The Producer further agrees that any payout of this insurance will first be used to repay any outstanding advance.
- 7.10 Whenever the singular or masculine is used throughout this Repayment Agreement, it shall be construed as including the plural, feminine or neutral whenever the context and/or the parties hereto require.
- 7.11 In the event that any part of this Repayment Agreement is found to be invalid by a court of law, then the Producer agrees to be bound by the terms and provisions of the balance of this Repayment Agreement.
- 7.12 This Repayment Agreement shall not terminate by reason of death or disability of the Producer, but shall continue to be binding upon personal representatives to execute any instruments which may be necessary or proper to carry out the purpose and intent of this Agreement.
- 7.13 The Producer agrees to provide the Administrator with any information requested by the Administrator to substantiate the statements made within this application to further satisfy eligibility requirements. Failure to provide such documentation as requested by the Administrator may result in a rejection of the application or in being declared in default if the advance has been issued.
- 7.14 For the purposes of giving effect to any of the Producer's undertakings under the Repayment Agreement, notably concerning the priority Agreement, the security and assignment of rights, the Producer shall make, execute and deliver to the Administrator any documents or Agreements as the Administrator may reasonably request, including security Agreements, assignments and financing statements.
- 7.15 Where the Administrator determines that the Producer is insolvent, bankrupt, or has recently filed a notice of intention to make a proposal or has made a proposal under the *Bankruptcy and Insolvency Act* or is seeking protection under any other insolvency or bankruptcy related statute such as the *Companies' Creditors Arrangement Act* and the *Farm Debt Mediation Act* the Producer's application must be rejected.
- 7.16 No amendment to this Repayment Agreement which may result in the reduction of the value of the security pursuant to section 4.0 of these Terms and Conditions, other than an amendment to correct a clerical or mathematical error, shall be made without written permission of the Minister.
- 7.17 Unless authorized by the Minister, any amendment to the Repayment Agreement as per Subsection 7.16 of these Terms and Conditions will not be retroactive and will come into force on the day that the amendment is signed. The Parties recognize that any interest benefit received as a result of paragraph 6.1.a of this Agreement before the coming into force of the amendment does not need to be reimbursed.
- 7.18 All parties herein agree that should there be any discrepancies between this Agreement and the AMPA and its regulations, the AMPA and its regulations will supersede this Repayment Agreement.

ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR – LIVESTOCK
PROTECTED “A” ONCE COMPLETED

1.1 BASIC INFORMATION					
Producer Name (the “Producer”)				APP ID	
List of Agricultural Products (the “Agricultural Product(s)”):					
Product #1	Product #2	Product #3	Product #4	Product #5	Product #6
1.2 BANK INFORMATION					
PART 1 – Complete this part if the Creditor HAS a lien or security on the Agricultural Product(s).					
<p>_____ located at _____ (herein referred to as the “Creditor”), does hereby consent that: <small>Name of Bank or Lending Institution or Secured Party</small></p> <p>In consideration of an advance being issued under the APP by Western Cash Advance Program Inc. (herein called the “Administrator”) to the Producer, the Administrator and the Creditor agree that the security interest in the Agricultural Product(s) listed above for which the advance was made as required for the Producer’s advance, now held or to be held by the Administrator, shall rank prior to any lien or security on the said Agricultural Product given by the Producer to the Creditor, whether such security was given under the authority of the <i>Bank Act</i> or under the authority of a Personal property security legislation in force in the province or by operation of any other law, but only to the extent of securing repayment to the Administrator of the advance payment up to the lesser of the principal amount of \$400,000 or the amount of \$_____, as set out in the Repayment Agreement entered into between the Producer and Administrator on _____ (date), plus interest on that amount and potential collection and legal costs.</p> <p>Notwithstanding the priorities set out in this Agreement, the Administrator acknowledges that the Producer will operate bank accounts with the Creditor into which proceeds of property subject to the Administrator’s security interest may be deposited. With the exception of any monies deposited in any accounts designated as trust accounts by the Producer for the benefit of the Administrator, the Creditor shall have no obligation to the Administrator with respect to any monies in any other account of the Producer maintained with the Creditor, or any monies that may be deposited therein or disbursed from any such other accounts, except for monies deposited therein after the Creditor has received notice from the Administrator and that the Administrator is thereafter exercising its rights in and to proceeds of the property subject to its Security.</p> <p>Prior to proceeding to enforce its security, the Administrator or the Creditor, as the case may be, shall provide reasonable prior written notice of such enforcement to the other of them.</p> <p>Where the Creditor has a lien or security on the Agricultural Product(s), this Agreement is subject to the condition that the above mentioned advance, less any amounts legally held as an administrative fee, be payable:</p> <p><input type="radio"/> A) Jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied in total or in part by the Creditor to reduce the Producer’s indebtedness to the Creditor; or</p> <p><input type="radio"/> B) To the producer.</p> <p>If neither of the above options is selected, the parties are deemed to have agreed that the advance payment is to be made jointly in accordance with option A</p> <p>This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on these advances are repaid to the Administrator by the Producer.</p> <p>In the case of a Lender:</p> <p>Lending Institution: _____ Transit: _____</p>					

ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR – LIVESTOCK
PROTECTED “A” ONCE COMPLETED

PART 2 – Complete this part if the Creditor DOES NOT have a lien or security on the Agricultural Product(s)

_____ located at _____ (herein referred to as the “Creditor”), hereby consents that:
Name of Bank or Lending Institution or Creditor

In consideration of an advance being issued by _____ (herein called the “Administrator”) to the Producer, the Creditor confirms that it does not have any lien or security pursuant to Section 427 of the *Bank Act*, or pursuant to any other law of Canada or of the provinces, related to the Agricultural Product(s) for the above mentioned Producer. However, this does not affect the Creditor's right to extend future credit and obtain security in support of same to the Producer at the Creditor's discretion.

Lending Institution: _____ Transit: _____

PART 3 – To be signed by all Creditors regardless of security interest or lien, by the Administrator and by the Producer.

This Agreement shall be governed by and interpreted in accordance with the laws of the province of _____.

IN WITNESS WHEREOF all parties hereunto set their hands

Name of the **Creditor**

Name and Title of Authorized Officer of Creditor

Signature of Authorized Officer of Creditor Date(YYYY-MM-DD)

Western Cash Advance Program Inc.
Name of the **Administrator**

Joy Leonard – APP Administrator
Name and Title of the Authorized Officer of Administrator

Signature of Authorized Officer of Administrator Date(YYYY-MM-DD)

Name of the **Producer**

Signature of Producer or its Authorized Officer Date(YYYY-MM-DD)

Witness (where Producer is an individual) Date(YYYY-MM-DD)

For residents of Alberta only

A Guarantee Acknowledgement Certificate must be signed for each partner/shareholder.

Photocopy if needed for more than one partner/shareholder.

Please find below the Guarantee Acknowledgement that must be completed by each partner /shareholder of the partnership or corporation / cooperative residing in the Province of Alberta. All Guarantees must be signed by a Notary in and for the Province Of Alberta and completed with ALL original signatures returned with Cash Advance Application before processing.

Guarantee Acknowledgement certificate

I hereby certify that:

1. _____, The Guarantor in the Guarantee dated _____
(the producer)
_____ made between **Western Cash Advance Program Inc.** and

_____ which this certificate is attached to or noted upon,
appeared in person before me and acknowledged that he/she had executed the Guarantee.

2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee/Bond of Indemnity and understand it.

Given at the City of _____, in the Province of Alberta, this
_____ day of _____, A.D. _____, under my hand and seal of office.
(Seal Required)

(A Notary Public In and For the Province Of Alberta)

Statement of Guarantor

I am the person named in this certificate.

(Signature Of Guarantor)

This certificate is for **Residents of Alberta Only** applying under A partnership/Corporation or Cooperative.