

PART 4: PRIORITY AGREEMENT (additional priority agreements have been printed, completed, and signed if there is more than one creditor)

Basic Information

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|--------------------------------|----------|
| Producer Name (the "Producer") | APP ID # |
|--------------------------------|----------|

Western Cash Advance Program Inc., 100, 5908 50 Street, Leduc, AB. T9E 0R6
 Toll-free: 1-844-333-3377 Fax: 1-888-840-8107 Email: wecap@feederassoc.com

Bank Information

| | | | |
|---|-----------|----------|-------------|
| Name of Bank or Lending Institution or Secured Party (the "Creditor") | Transit # | Phone # | Fax # |
| Address | Town/City | Province | Postal Code |

The undersigned Creditor of the Producer acknowledges that the Creditor has been advised by the Producer that the Producer wishes to make an application to Western Cash Advance Program Inc. (the "Administrator") for a cash advance (an "Advance") pursuant to the Advance Payments Program ("APP") established pursuant to the *Agricultural Marketing Programs Act* (the "Act") in the 2022/2023 Program Year and that the Producer will only qualify for an Advance under the APP if the Producer grants the Administrator a first charge security in the following collateral:

1. The Producer's present and after-acquired Agricultural Product² being the Agricultural Products described in any Advance Worksheet prepared by the Producer for an Advance under the APP, and all similar Agricultural Products in future APP Production Periods³, including those described below (collectively the "Secured Agricultural Products").
2. All proceeds, including accounts from, or relating to the Secured Agricultural Products, or from any sale, use, transfer or other disposition of Secured Agricultural Products including proceeds from any Production Insurance and Business Risk Management (BRM) Coverage described below (collectively referred to herein as "Production Insurance/BRM Coverage"), and any insurance or other payments resulting from the loss or damage of the Secured Agricultural Products and all proceeds and support payments with respect to the Secured Agricultural Products.

all of which are referred to herein as the "Collateral".

The Agricultural Product(s) in which the Producer has granted a first-ranking security interest to the Administrator include the following (attach additional pages if necessary):

| | | | |
|----|----|----|----|
| 1. | 2. | 3. | 4. |
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The following Production Insurance Programs/BRM Coverage have or may hereafter be assigned by the Producer to the Administrator as security for all Advances now or hereafter made under the APP in the above Program Year:

- Annual and Perennial Crop Insurance Programs administered by Agricultural Financial Services Corporation ("AFSC").
- Contracts of Insurance issued by the Saskatchewan Crop Insurance Corporation ("SCIC").
- Global Ag Risk Solutions and/or Northbridge General Insurance Company ("GARS").
- Livestock Price Insurance ("LPI").
- AgriStability.

A. PLEASE COMPLETE THE FOLLOWING IF THE CREDITOR HAS A LIEN ON OR SECURITY INTEREST IN THE AGRICULTURAL PRODUCT(S) OR THE PRODUCTION INSURANCE PROGRAM/BRM PROGRAM PROCEEDS RELATED TO THE AGRICULTURAL PRODUCT(S)

The undersigned Creditor hereby consents to the Producer's Application for an Advance under APP, and hereby subordinates the security interest of the undersigned Creditor to the security interest of the Administrator in the Collateral, including any proceeds of Production Insurance/BRM Coverage assigned by the Producer to the Administrator. This subordination applies to all security held by the Creditor, including security held pursuant to the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (Saskatchewan) and the *Bank Act* (Canada)⁴. A facsimile, PDF, or other electronically transmitted copy of a signature to this Agreement shall be as valid as an original signature.

Prior to proceedings with enforcement of its security, the Administrator, or the Creditor, as the case may be shall provide five (5) days' notice of such enforcement to the other party, however neither party shall be liable for any accidental omission to provide the said notice or if notice cannot reasonably be given without potential prejudice to the notifying party by reason of any delay in demanding or enforcing as security.

For the purposes of giving effect to any Producer's undertakings under this Priority Agreement, the Producer shall make, execute, and deliver to the Creditor or the Administrator, any documents or Agreements as the Creditor or Administrator may reasonably request.

Information requested from Creditor:

Above named Producer has been dealing with your institution for _____ years. If new Producer _____ months.

Above named Producer is in good standing: (please circle one) YES NO

The Creditor has / has not (please select one) taken an assignment of the Producer's _____ (BRM program) payments related to the Agriculture Products.

This Agreement shall continue in full force and effect until the date upon which all advances referred to herein and interest outstanding on the Advances are repaid to the Administrator by the Producer.

² By virtue of the provisions of the Act, an "Agricultural Product" is an animal or a plant or a product, including any food or drink, that is fully or partly derived from an animal or a plant.

³ A Production Period with respect to an Agricultural Product means a period of up to eighteen (18) months or any longer period of time that is fixed by the Minister pursuant to the Act. The Production Period for the purposes of this Priority Agreement commences on April 1, 2022 and is set out in further detail in the Application and Repayment Agreement signed by the Producer in relation to the Advance requested by the Producer.

⁴ The Creditor must complete this Priority Agreement even if the Creditor does not currently have any security against the Collateral to ensure that future security taken by the Creditor does not affect the Administrator's first charge.

B. PLEASE COMPLETE THE FOLLOWING IF THE CREDITOR DOES NOT HAVE A LIEN ON OR A SECURITY INTEREST IN EITHER THE AGRICULTURAL PRODUCT(S) OR THE PRODUCTION INSURANCE PROGRAM/BRM PROGRAM PROCEEDS RELATED TO THE AGRICULTURAL PRODUCT(S):

The Creditor hereby consents and declares that:

- In consideration of an advance being issued by 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) or to the BRM program payment(s) related to the Agricultural Product(s) for the above mentioned Producer.

IN WITNESS, WHEREOF an authorized representative or officer of the Creditor has signed this Priority Agreement.

| | | | |
|---|-------|---------|------|
| Signature of Authorized Representative or Officer of Creditor | | | Date |
| Printed Name | Title | Phone # | Fax# |

The Creditor requests that the net amount of the above Advance be payable:

- Jointly to the Producer and the Creditor to be applied by the Creditor to reduce the Producer's indebtedness to the Creditor, or
- To the Producer.

If neither of the above options is selected, payment will be made jointly to the Producer and the Creditor.