

# Priority Agreement with a Secured Creditor

A Priority Agreement must be completed for each secured creditor that has, or could have a security interest in or lien on the Agricultural Product(s) for which the advance is to be made. Make additional copies if needed. Secured creditors may have a security interest in a producer's growing agricultural products for the amount advanced up to six months prior to seeding, if not yet paid.

## Basic Information

|               |          |
|---------------|----------|
| Producer Name | APP ID # |
|---------------|----------|

## Secured Creditor Information

|                                                                                                              |             |          |             |
|--------------------------------------------------------------------------------------------------------------|-------------|----------|-------------|
| Name of Bank or Lending Institution, Inputs Supplier or Secured Party (herein referred to as the "Creditor") | Transit #   | Phone #  | Fax #       |
| Street/Box                                                                                                   | Town / City | Province | Postal Code |

Definitions - "Business Risk Management Program" or "BRM" means any program listed in the schedule of the Agricultural Marketing Programs Act that can be used to secure an advance.

### THE CREDITOR MUST CHECK EITHER PART 1-A OR PART 1-B

**PART 1-A:** Select Part 1 -A if the Creditor **HAS OR COULD HAVE** a lien or security on the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s).

The Creditor does hereby consent that in consideration of an advance being issued under APP by CCGA (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, or the Business Risk Management (BRM) program payment(s) related to the aforementioned Agricultural Product(s) 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 Bank Act 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 \$1,000,000 or the amount actually advanced, plus interest and costs, as set out in the Repayment Agreement entered into between the Producer and Administrator. Any BRM Program proceeds payable to the Producer from the date this agreement is signed until full payment of the above mentioned amounts shall be sent to the Administrator.

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.

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.

For the purposes of giving effect to any of the 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 BRM Program Administrator may reasonably request.

**PART 1-B:** Select Part 1 -B if the Creditor **DOES NOT** have a lien or security on the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s).

The Creditor hereby consents that in consideration of an advance being issued under APP by CCGA (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 or to the BRM Program payment(s) related to the Agricultural Product 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.

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## PART 2: THE CREDITOR MUST COMPLETE THE NEXT QUESTION REGARDLESS OF SECURITY INTEREST OR LIEN:

The Creditor  has  has not (please check one) taken an assignment of the applicant's contract # \_\_\_\_\_

(name of BRM Program) payments related to the Agricultural Product. Where the Creditor has a lien or security on the Agricultural Product(s) or the BRM program proceeds related to 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: (check one)

Jointly to the Producer and the Financial Institution and be remitted to the Creditor forthwith by the Producer and shall be applied in total or in part by the Creditor to the amount as specified by the creditor of \$ \_\_\_\_\_ to reduce the Producer's indebtedness to the Creditor; or

To the Producer.

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 1-A.

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.

## PART 3 – TO BE SIGNED BY ALL CREDITORS REGARDLESS OF SECURITY INTEREST OR LIEN.

This agreement shall be governed by and interpreted in accordance with the laws of the province of Manitoba. IN WITNESS WHEREOF all parties hereunto set their hands

|                                             |             |       |
|---------------------------------------------|-------------|-------|
| Signature of Authorized Officer of Creditor | Date        |       |
| Print Name                                  | Title       |       |
| Email Address                               | Telephone # | Fax # |

### INFORMATION REQUEST FROM FINANCIAL INSTITUTION

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

Call CCGA at 1-866-745-2256, option 1 if you have any questions about completing this form.