Agricultural Credit Corporation

Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

Advance Payments Program | **Programme de paiements anticipés**

ADVANCE PAYMENTS PROGRAM (APP) – PRIORITY AGREEMENT

TO BE COMPLETED ONLY WHERE A LIEN OR GENERAL SECURITY AGREEMENT (GSA) IS IN PLACE

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 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;

1.3 BANK INFORMATION

PART 1 – Complete this part if the Creditor HAS a lien or security on the Agricultural Product(s) or the BRM Program Proceeds related to the Agricultural Product(s).

_____ located at _____ (herein referred to as the "Creditor"), does hereby consent that:
Name of Bank or Lending Institution or Secured Creditor

In consideration of an advance being issued by ***AGRICULTURAL CREDIT CORPORATION*** (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

of the eligible advance, as set out in the Repayment Agreement entered into between the Producer and Administrator on (date)_____, _____, plus interest on that amount. 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 Administrator, Creditor shall have no obligation to Administrator with respect to any monies in any other account of the Producer maintained with 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. 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 jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied by the Creditor to reduce the Producer's indebtedness to the Creditor.

The Lender and/or Creditor has has not (please check one) taken an assignment of the applicant's ***Agristability, Production Insurance, or Farm Income Stabilization Insurance*** (name of BRM Program) payments related to the Agricultural Product.

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. 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.

In the case of a Lender: Lending Institution: _____ Transit: _____

PART 2 – To be signed by the Creditor and by the Administrator.

This agreement shall be governed by and interpreted in accordance with the laws of the province of **ONTARIO**

IN WITNESS WHEREOF all parties hereunto set their hands

_____	_____	_____
Name of Creditor	Name and Title of Authorized Officer of Creditor	Email Address of Officer
_____	_____	
Signature of Authorized Officer of Creditor	DD/MM/YYYY	

FOR OFFICE USE ONLY

Agricultural Credit Corporation	_____	_____	_____
Name of Administrator	DD/MM/YYYY	Name and Title of Authorized Officer of Administrator	Signature of Authorized Officer of Administrator

Any personal information provided to Agriculture and Agri-Food Canada will be protected under the provisions of the *Privacy Act* and will be stored in the Personal Information Bank AAFC-PPU-140.

Although we the Creditor **do** have a security interest **or** lien registered on the aforementioned Security of the Producer we hereby declare that we do not require our name to appear as a payee on any advances that may become available from ACC to the Producer

_____ _____
Print Name of Authorized Officer of Creditor | Signature of Authorized Officer of Creditor (I have the authority to bind the creditor)

Producer acknowledges and agrees that Producer's completion and execution of page 9 evidences Producer's agreement to be bound by all terms and conditions of this appendix including without limitation in respect of any assignment, undertaking, covenant, agreement, consent, authorization, acknowledgement, representation and/or declaration of the Producer(s) included herein.