

REQUIRED TO BE COMPLETED BY FINANCIAL INSTITUTION(S) & INPUT SUPPLIER(S)
COMMODITY LOAN PROGRAM – PRIORITY AGREEMENT

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A separate Priority Agreement must be completed from all agricultural input suppliers and financial institutions that potentially have a lien on the commodity included in the application. The Priority Agreement shall be continual for a five (5) year period.

Please appropriate box Financial Institution Supplier/Other Creditor

(Please Print) Producer's Name Producer/Applicant Name (must match name on page 1 of the Application)					
(Please Print) Bank/Agricultural Input Supplier Information (must match name(s) on page 1 of the Application)				Email Address	
Street/Box#	Street Name	City/Town	Province	Postal Code	Telephone #

The Creditor or Input Supplier must either Part 1 and 3 OR Part 2 and 3

PART 1: Complete this part if the Creditor or Input Supplier 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 or Agricultural Input Supplier (as the case may be), does hereby consent that in consideration of an advance being issued under the Commodity Loan Program (CLP) by Agricultural Credit Corporation (herein called the "Administrator") to the Producer, the Creditor or Agricultural Input Supplier (as the case may be) agrees to postpone its security interest to the Administrator's security interest so that the security interest in the Producer's Agricultural Product(s), as defined in the application, or any Business Risk Management (BRM) Program payment(s) now held or to be held by the Administrator, shall rank prior to any security interest (or right to have) held by the Creditor or Agricultural Input Supplier (as the case may be), whether such security was given by the Producer to the Creditor or Input Supplier (as the case may be), whether such security was given under the authority of the *Bank Act* or under the authority of a Personal Property Security legislation in force 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 \$750,000 or the amount actually advanced, plus interest and costs, any potential collection and legal costs as set out in the Producer Loan 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, (and applicable only to the Creditor of a Financial Institution), 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, or Input Supplier, 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, the Input Supplier (as the case may be) or the Administrator, any documents or Agreements as the BRM Program Administrator may reasonably request.

PART 2: Complete this part if the Credit or Input Supplier 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 or Agricultural Input Supplier (as the case may be), does hereby consent that in consideration of an advance being issued by Agricultural Credit Corporation (herein called the "Administrator") to the Producer, the Creditor or Input Supplier (as the case may be) confirms that it does not have any lien or security interest pursuant to section 427 of the *Bank Act* (if applicable), 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 for the above mentioned Producer.

PART 3: The Creditor or Input Supplier must CHECK ONE of the ratings below and complete Yes or No Questions

Rating	Description
3	<input type="checkbox"/> Repaid one bank loan without any problems; cooperative, honest client; good relationship with bank.
2	<input type="checkbox"/> Repaid at least one bank loan with no problems or a few days delays due to external factors; good client.
1	<input type="checkbox"/> New client. <input type="checkbox"/> Had loan(s) with significant problems.

1.	How many years has the Producer been dealing with your company/financial institution?	# of Years
2.	The Producer is in good standing/payments are received on a timely basis?	YES <input type="checkbox"/> NO <input type="checkbox"/>
3.	Has the client defaulted on any payment in the past 3 years	YES <input type="checkbox"/> NO <input type="checkbox"/> OR was legal action ever threatened/initiated? YES <input type="checkbox"/> NO <input type="checkbox"/>
4.	Do you consider the client a safe credit risk?	YES <input type="checkbox"/> NO <input type="checkbox"/>

The Priority Agreement will remain in effect for a period of five (5) years from the date of signing. 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

Signature of Authorized Officer of Creditor/Input Supplier	(Print Name) of Authorized Officer of Creditor/Input Supplier	Date
ACC Signature of Authorized Individual	ACC USE (Print Name) of Authorized Individual	Date