



REVISED January 14, 2010



Advance Payments Program Application

ONTARIO GREENHOUSE VEGETABLES

2010-2011 Program

www.accfarmersfinancial.ca

<u>Application Deadline:</u>	Applications must be post-marked by April 30, 2010.
<u>Fees:</u>	A \$550 management fee will be deducted from the cheque issued and includes costs for applicable credit check(s), lien search(es), lien registration(s), and inspection charges. An additional \$250 will be deducted from the cheque issued as a refundable compliance fee. If all program regulations are complied with by the Producer(s), the Producer(s) will be refunded the \$250 upon full repayment of the advance.
<u>Holdback Amount:</u>	Since ACC Farmers' Financial only has a 99% guarantee, there is a holdback amount of 1%. This means that the Eligible Advance(s) cheque for the first \$100,000 will be \$98,200 (i.e., \$100,000 less 1% holdback amount less \$800). For those interest-bearing Eligible Advance(s) greater than \$100,000 this also means \$99,000 will be advanced per \$100,000 above the first \$100,000.
<u>Sales Receipts:</u>	All repayment must be supported by proof of sales documents. Repayments will first be applied against any interest-free advances.

Producer(s) can qualify for up to a maximum of \$400,000, with the first \$100,000 interest-free. The interest-free provision and maximum Eligible Advance is cumulative over all commodities. The interest rate for the portion of the Eligible Advance(s) over \$100,000 will be at the BMO Bank of Montreal prime lending rate, calculated daily and compounded monthly.

Interest Payments: For interest-bearing Eligible Advance(s), interest will be added to the final repayment. ACC reserves the right to collect interest for interest-bearing Eligible Advance(s) on a monthly or quarterly basis subject to thirty days written notice to the Producer(s).

Information and Instructions for Completing Application Form

THE PAGES YOU MUST SIGN ARE: PAGES 11, 12, 13, 14, AND 18.

THE OPTIONAL PAGES YOU MAY SIGN: PAGE 22.

THE PAGES YOUR FINANCIAL INSTITUTION OR CREDITOR MUST COMPLETE AND SIGN ARE: PAGES 17 AND 18 (PRIORITY AGREEMENT - FINANCIAL INSTITUTION), PAGE 20 (PRIORITY AGREEMENT – INPUT SUPPLIERS)

IMPORTANT POINTS

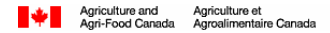
1. **IF YOU ARE A NEW APPLICANT** attach photocopies of: Birth Certificates for all involved parties (i.e.; individuals, partners, shareholders, co-operative members), plus partnership agreements and partnership registration (master business license) if a partnership. Corporations must include copies of the articles of incorporation, shareholder and director registers, proof of signing authorities and borrowing by-laws.
2. Please ensure name used matches throughout application and is consistent with CAIS/AGRISTABILITY enrolment, and name used at your financial institution.
3. All applicants must complete the Pre-Authorized Debit form, including signature of all signing authorities on your bank or credit union account and **ATTACH YOUR VOID CHEQUE**. Be sure to use an account which allows automatic debit. Please ask your bank or credit union if you are not sure.
4. **PLEASE COMPLETE YOUR ENTIRE APPLICATION FORM. INCOMPLETE AND INCORRECT APPLICATIONS WILL BE RETURNED FOR CORRECTION OR COMPLETION AND WILL SIGNIFICANTLY DELAY PROCESSING OF YOUR APPLICATION.**

	How to reach ACC Farmers' Financial	Our mailing address
	Phone: toll free 1-888-278-8807 Local phone: 1-519-766-0544 (<i>Guelph area</i>) Fax # 1-519-766-1845 Website: www.accfarmersfinancial.ca Email: info@accfinancial.ca	<i>ACC Farmers' Financial #101 – 100 Stone Road W. Guelph ON N1G 5L3</i>
Office Hours: Monday through Friday, 7:45 am to 4:30 pm. EST <i>Voice-mail messaging is available after hours.</i>		

ALL PRODUCER(S) MUST COMPLETE THIS PAGE



**ONTARIO GREENHOUSE VEGETABLES
ADVANCE PAYMENTS PROGRAM (APP)
2010-11 APPLICATION FOR AN ADVANCE (CROPS)**



**Application Deadline:
Must be postmarked by
April 30, 2010**

The Producer(s) hereby apply/applies to ACC for an Eligible Advance(s) under the APP as set out in this APP Application upon and subject to the terms and conditions of this APP Application. Each of the appendices form part of this APP Application.

Fees: A \$550 management fee and \$250 refundable compliance fee (as detailed on the cover page) will be deducted from the first cheque issued.
Holdback Amount: Please see sections 7.17 and 7.18 of the Terms and Conditions on page 10 of this APP Application. For all Eligible Advances a 1% holdback will apply.

**SECTION 1
PRODUCER(S) INFORMATION
(All Producer(s) Need To Complete)**

1. Sole Proprietors:

Full Legal Name of Individual, as on Birth Certificate (First Name, Middle Names, Surname)	Birth Date - MM/DD/YY / /
Full Legal Name of Spouse (if applicable)	Birth Date - MM/DD/YY / /

2. Partnerships, Corporations or Co-operatives

Legal Name of Partnership, Corporation or Co-operative
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3. Address

Civic Address (Fire/911 Identifier #)	RR#	Township
County	Village/Town/City	Province ONTARIO
		Postal Code

4. Contact Information

Home Phone # () -	Business or Cell Phone # () -	Fax # () -	Email Address
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5. For Partnership, Corporations or Co-operative (Additional Information Required):

Full Legal Names(s) (For ALL Partners/Shareholders/Members) as on Birth Certificates (First Name, Middle Names, Surname)	Birth Date MM / DD / YY	Full Mailing Address (if different from above) Attach separate page if insufficient space provided	Telephone Number	Partnership/ Corporation % of shares (mandatory)
	/ /		() -	%
	/ /		() -	%
	/ /		() -	%
	/ /		() -	%
TOTAL =				%

6. List of Financial Institutions (i.e. bank / trust company / credit union / caisse populaire / etc.)

Remember to Complete Page 17 and 18: (Priority Agreement – Financial Institution) for any Financial Institution you deal with		
Name of Institution	Address	Email Address:
Contact Name	Phone # + Extension () - Ext.	Fax # () -

7.

Remember to Complete Page 20: (Priority Agreement with Other Creditor) if there is a lien on your Crop(s) being financed other than by above financial institutions					
Name of Supplier / Creditor	Contact Name	Location	Telephone #	Approx. Annual Payment	Balance Owing
			() -	\$	\$
			() -	\$	\$

ALL PRODUCER(S) MUST COMPLETE THIS PAGE

SECTION 2

CAIS/AGRISTABILITY WORKSHEET

1. Maximum aggregate APP Eligible Advance(s) available is \$400,000.00.
2. A copy of your most recent CAIS/AGRISTABILITY records showing sales revenue, inventory, and/or production history must accompany this application.
3. Your Reference Margin and PIN # (ID #) must be identified with this documentation.
4. Producer(s) are responsible for sending a copy of this documentation to ACC.
5. You must inform ACC of any change in your reference margin or program coverage.
6. Advance Rates are subject to change without notice.

Sole Proprietors or Corporations/Co-operatives

<i>Security Calculation</i>			
CAIS/AGRISTABILITY ID Number	Reference Margin	Government portion of Producer's coverage	Maximum Security Available (\$)
	X	.665 =	

Partnership – To be completed only for Partnerships

<i>Security Calculation</i>				
Partner Name	CAIS/AGRISTABILITY ID#	Reference Margin	Government portion of Producers' coverage	Maximum Security Available (\$)
		X	.665 =	
		X	.665 =	
		X	.665 =	
		X	.665 =	
Total Maximum Security Available				

NOTICE TO PRODUCER(S) WHO ARE ASSIGNING CAIS/AGRISTABILITY PROGRAM PROCEEDS TO SECURE YOUR ELIGIBLE ADVANCE(S). AT TIME OF APPLICATION PRINTING, AGRICULTURE AND AGRI-FOOD CANADA REGULATIONS STATE THAT CAIS/AGRISTABILITY PAYMENTS FOR THE 2010 CAIS/AGRISTABILITY PROGRAM YEAR MUST BE APPLIED AGAINST YOUR OUTSTANDING ADVANCE, EVEN IF IT IS BEFORE THE REPAYMENT DUE DATE OR BEFORE THE CROP(S) IS/ARE MARKETED. YOUR DECISION TO MAKE APPLICATION FOR AN ELIGIBLE ADVANCE(S) SHOULD BE GUIDED ACCORDINGLY. PREVIOUS YEARS' CAIS/AGRISTABILITY PAYMENTS WILL NOT BE APPLIED AGAINST THE CURRENT ADVANCE UNLESS THE PRODUCER(S) IS/ARE IN A DEFAULT SITUATION.

ALL PRODUCER(S) MUST COMPLETE THIS PAGE

ELIGIBLE ADVANCE(S) CALCULATION WORKSHEET

ADVANCE RATES SUBJECT TO CHANGE WITHOUT NOTICE

Crop	Advance Rate (A)	Production from plantings that are planted in the greenhouse in the December 1, 2009 to May 31, 2010 period (B) *	Eligible Advance (A x B) \$
English Cucumbers (Seedless)	\$2.50 per dozen	dozens	\$
Mini Cucumbers	\$0.35 per pound	pounds	\$
Beefsteak Tomatoes	\$0.24 per pound	pounds	\$
Cluster Tomatoes	\$0.57 per kg.	kilograms	\$
Orange Bell Peppers	\$1.23 per kg.	kilograms	\$
Yellow Bell Peppers	\$1.22 per kg.	kilograms	\$
Red Bell Peppers	\$1.20 per kg.	kilograms	\$
Total			\$

***EXAMPLE – PRODUCTION THAT YOU EXPECT BASED ON YOUR PRODUCTION IN PREVIOUS ONE OR TWO YEARS**

ADDITIONAL ADVANCES FOR 2010-11 PROGRAM

Additional advances will also be available for the following “six-month planting window”

Six-Month “Planting Window” (Production from Plantings in this Period)	Applications Available	Application Deadline Post-marked by:
June 1, 2010 to November 30, 2010	April 2010	October 31, 2010

NOTE: 2011-12 program will commence in December 2010 for December 1, 2010 to May 31, 2011 plantings and follow same pattern thereafter

<p>AMOUNT OF ELIGIBLE ADVANCE(S) REQUESTED =</p> <p>\$ _____</p>
<p>Maximum CAIS/AGRISTABILITY Security Available (from Page 2) =</p> <p>\$ _____</p>
<p>Lesser of Eligible Advance(s) Requested or Maximum CAIS/AGRISTABILITY</p> <p>Security Available = \$ _____</p>

ALL PRODUCER(S) MUST COMPLETE THIS PAGE

SECTION 3

FARM OPERATION PARTICULARS

LOCATION OF GREENHOUSES

The Crop(s) referred to are at the following location(s) (add an additional sheet where needed):

Crop	Lot	Concession	Township	County

LIST OF BUYER(S) TO WHICH YOU INTEND TO SELL CROP(S) ARE (must be completed by ALL applicants):

BUYER	LOCATION

List of other farming operations from which Producer(s) is/are required by the Income Tax Act to report Income:

Farming Operation Description	% Interest I have in the Total Farming Operation
	%
	%
	%

ALL PRODUCER(S) MUST COMPLETE THIS PAGE

Section 4

ADVANCE PAYMENTS PROGRAM REPAYMENT SCHEDULE

The Producer(s) shall repay, via Pre-Authorized Debit, the amount of the Eligible Advance(s) within 15 calendar days after 6 months of the Eligible Advance(s) being issued, and no later than November 15, 2010. Repayment must be accompanied by sales receipts (proof of sales document). The proof of sales document can be a summary page submitted at the time of the last repayment, rather than with each repayment. The summary needs to show product, dates of sale, number of units sold, and buyers. The summary must be signed by the Producer(s). The proof of sales summary need only document the number of units on which the advance was received. For example, if you received an advance on 20,000 units, we need the summary to identify the sale of at least 20,000 units.

EXAMPLE: Producer(s) may list only one repayment date for the full amount of Eligible Advance(s) or several repayment dates if Producer(s) wish to repay over several months as long as full repayment is made within 6 months of the Eligible Advance(s) being issued. Please notify ACC Farmers' Financial if pre-authorized debit dates need to be changed. Otherwise, the pre-authorized debits will occur as scheduled.

Interest payments: For interest-bearing Eligible Advance(s), interest will be added to the final repayment. ACC reserves the right to collect interest for interest-bearing advances on a monthly or quarterly basis subject to thirty days written notice to the Producer(s).

Automatic Debit Date	Crop Name	Crop Name	Crop Name	Crop Name	Crop Name	Total Payment
	\$	\$	\$	\$	\$	
June 15/10						
July 15/10						
Aug 15/10						
Sept 15/09						
Oct 15/10						
Nov 15/10						
TOTAL						

PLEASE NOTE: FOR ELIGIBLE ADVANCE(S) ISSUED FOR THE SECOND SIX-MONTH PERIOD (JUNE 1 TO NOV. 30, 2010) THE PRODUCER(S) SHALL REPAY WITHIN 15 CALENDAR DAYS AFTER 6 MONTHS OF THE ELIGIBLE ADVANCE(S) BEING ISSUED AND NO LATER THAN MAY 15, 2011.

PRODUCER(S) WHO HAVE RECEIVED OR WILL BE APPLYING FOR ELIGIBLE ADVANCE(S) FROM OTHER PRODUCER ORGANIZATIONS MUST COMPLETE THE TOP OF THIS PAGE

DECLARATION OF APP ADVANCE(S) RECEIVED OR THAT WILL BE APPLYING FOR FROM OTHER PRODUCER ORGANIZATIONS			
Name of Individual, Partnership, Corporation, Co-operative, Shareholder, Member or Partner Receiving Advance	Name of Producer Organization from which an Eligible Advance(s) was received or will be received	Product for which an Eligible Advance(s) was received or will be received	Amount of Eligible Advance(s)
			\$
			\$
			\$
			\$

**SECTION 5
DECLARATION**

DECLARATION OF THE PRODUCER(S)

The person(s) signing this APP Application hereby declare(s) that:

- 1) I/we am/are applying as an individual/individuals or on behalf of the Partnership/Corporation/Cooperative which I/we represent for an Eligible Advance(s) pursuant to the APP;
- 2) I/we am/are, or at least one of the Partners/Shareholders/Members of the Partnership/Corporation/Cooperative which I/we represent is/are, of the age of majority and Canadian citizen(s) or permanent resident(s) of Canada;
- 3) I/we am/are, or at least one of the Partners/Shareholders/Members of the Partnership/Corporation/Cooperative which I/we represent is/are, principally occupied in the farming operation;
- 4) I/we am/are, or at least one of the Partners/Shareholders/Members of the Partnership/Corporation/Cooperative which I/we represent is/are, the producer of the Crop(s) for which this APP Application is made, or I/we am/are, or one of such Partners/Shareholders/Members is, entitled to the Crop(s) as landlord, vendor, mortgagee or hypothecary creditor;
- 5) **no other person has an interest in the Crop(s) with respect to which this APP Application is made and the Crop(s) will be sold in my/our name or the name of the Partnership/Corporation/Cooperative which I/we represent, whichever applies;**
- 6) for the purposes of applying as an individual producer/producers, I/we am/are not required by the Income Tax Act (Canada) to report income from other farming operations or other corporations carrying on a farm business, other than the one(s) named in this APP Application, otherwise I/we have listed in this APP Application all other farming operations and corporations carrying on farm operations in which I/we have an interest;
- 7) for the purposes of applying as a Partnership/Corporation/Cooperative all Partners/Shareholders/Members who have an interest in the entity are listed in this APP Application;
- 8) neither I/we, nor any of the farming operations listed in this APP Application, nor the Partnership/Corporation/Cooperative, which I/we represent, nor any of the Partners/Shareholders/Members listed in this APP Application, have/has outstanding Eligible Advance(s) from previous Production Periods for Crop(s) of the same designation and neither I/we, nor any of those farming operations, nor the Partnership/Corporation/Cooperative which I/we represent, nor Partners/Shareholders/Members, are in default under any repayment agreement pursuant to the Advance Payments for Crops Act (APCA), the Prairie Grain Advance Payments Act (PGAPA), SCAP, ESCAP, or AMPA;
- 9) neither I/we, nor the Partnership/Corporation/Cooperative which I/we represent, is ineligible under an advance guarantee agreement made pursuant to AMPA, SCAP, or ESCAP for the Production Period for which this APP Application is made;
- 10) I, or the Partnership/Corporation/Cooperative which I represent, as the case may be, am participating in a BRM program as outlined in this APP Application;
- 11) the only liens or encumbrances on the Crop(s) are those listed in this APP Application;
- 12) in the event of a default I/we, or the Partnership/Corporation/Cooperative which I/we represent, acknowledge that I/we or the Partnership/Corporation/Cooperative which I/we represent, may be denied access to other federal agricultural support programs or, alternatively, the Minister reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs;
- 13) this APP Application is consistent with the purpose of the APP;
- 14) all of the information provided in this APP Application is true and correct in every respect;
- 15) failing to comply with APP Application requirements may delay the processing of the APP Application or may render me/us or the Partnership/Corporation/Cooperative which I/we represent ineligible for receiving Eligible Advance(s) under the APP;
- 16) I/we have read all the terms and conditions which are attached to and form part of this APP Application, including those in this Section 5 and I/we and the Partnership/Corporation/Co-operative which I/we represent agree to comply with all such terms and conditions;
- 17) if I/we am/are a current or former public office holder, public servant or Member of the House of Commons, I/we am/are not prohibited to derive benefits from the APP under any applicable federal conflict of interest or ethical principles and I/we am/are in compliance with applicable federal conflict of interest or ethical principles, rules and obligations; and
- 18) I/we have submitted the duly completed priority agreements required for every secured creditor that has an assignment on the proceeds of the BRM program(s) used to secure the Eligible Advance(s) as applicable, and/or that holds a lien or encumbrance on crop(s) listed on page 3 of this APP Application.
- 19) I/we agree, pursuant to section 23 (4) of the AMPA, to the limitation period of six (6) years from the day on which the Minister is subrogated as per section 5 the Terms and Conditions of this APP Application for the purpose of initiating actions or proceedings to recover any amounts owed to the Crown.

- 20) I/We acknowledge that, in cases where the Producer(s) is/are declared in default and the Minister makes payment under the guarantee, the Minister is subrogated to ACC's rights against the Producer(s) in default and against persons who may be personally liable under this repayment agreement.
- 21) I/We declare that I/we have not recently filed a notice of intention to make a proposal or made a proposal under the *Bankruptcy and Insolvency Act*, I/We 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*.
- 22) I/we acknowledge that the information provided on this APP Application is complete and accurate and that providing false or misleading information will result in an automatic default with the loss of all benefits related to the APP.

FOR SOLE PROPRIETORS ONLY (NOTE – if any of 23, 24, and 25 are not correct, please notify ACC to complete further requirements)

RELATED PRODUCERS

- 23) I do not share the reporting of income or losses of any other farming operation with a related producer (i.e., a producer with whom I do not deal at arm's length, including siblings; parents; or children, by blood, marriage, or adoption; spouses, including common-in-law; or individuals with whom the applicant is cohabitating);
- 24) A related producer(s) has not applied for an APP advance in this Production Period or does not have an outstanding APP advance from a previous Production Period; and
- 25) A related producer is not ineligible for an APP advance as a result of a default under APP, SCAP, or ESCAP

TERMS AND CONDITIONS

In consideration of ACC granting Eligible Advance(s) pursuant to the provisions of the APP, the parties hereunto agree as follows:

1.0 Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada;
- 1.2 "ACC" means ACC Farmers' Financial;
- 1.3 "Advance Rate(s)" means the rate(s) as set out on the Worksheets for calculating Eligible Advance(s) issued on or after December 1, 2009, as may be amended from time to time;
- 1.4 "AMPA" means Agricultural Marketing Programs Act;
- 1.5 "APP" means the Advance Payments Program;
- 1.6 "APP Application" means this APP Application for an Advance (Crops), all appendices forming part thereof and all amendments thereto;
- 1.7 "BMO Bank of Montreal prime lending rate" shall mean the floating annual rate of interest, including any charges of an equivalent nature thereto or such other measurement of rate of return or return on investment or substitute therefore, established from time to time by BMO Bank of Montreal as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada;
- 1.8 "BRM" means Business Risk Management;
- 1.9 "Crop(s)" means the agricultural products described in section 1.15 of these Terms and Conditions and any Crop(s) planted in any subsequent years;
- 1.10 "Eligible Advance(s)" means the advance Producer(s) is/are entitled to as calculated in the APP Application or any amendment thereto;
- 1.11 "ESCAP" means the Enhanced Spring Credit Advance Program;
- 1.12 "Guarantee" means the guarantee given by the Minister to ACC pursuant to the APP for the repayment of Eligible Advance(s);
- 1.13 "Her Majesty" means Her Majesty the Queen in Right of Canada;
- 1.14 "Minister" means the minister of AAFC or any person authorized to act on his or her behalf;
- 1.15 "Non-storable Agricultural Crop(s)" means those agricultural products listed on page 3 of this APP Application;
- 1.16 "Obligations" means all money, liabilities, and obligations of every kind and description of the Producer(s) to ACC, whether now or hereafter due or owed, or any future liability or advance, whether direct, indirect or contingent and whether the Producer(s) be bound alone or with others and whether as principal or surety, including the Eligible Advance(s), any unpaid balance of the Eligible Advance(s), interest and costs, including costs of enforcement of the rights of ACC pursuant to this APP Application, the Related Documents any other agreement or agreements between the Producer(s) and ACC or AMPA;
- 1.17 "Producer(s)" means the producer or producers named on page 1 of Section 1 of this APP Application;
- 1.18 "Production Period" is the period defined in 7.1 of these terms and conditions;
- 1.19 "Related Documents" means, any promissory note, loan agreement, account agreement, guarantees, trust deeds, mortgages, security agreement, or any other documents executed in connection with or forming part of this APP Application or any other application for Eligible Advance(s) by ACC to the Producer or related thereto, whether already existing or executed now or later and whether in electronic or other format;
- 1.20 "SCAP" means the Spring Credit Advance Program;
- 1.21 "Worksheet" means the template used to calculate the Eligible Advance(s) for the purpose of APP and being Section 2 of this APP Application.
- 1.22 "Guarantor(s)" means the person(s) who guaranteed the Obligations of the Producer(s) to ACC under this APP Application

2.0 Issuance of the Advance

- 2.1 ACC shall make an Eligible Advance(s) calculated in accordance with the Worksheet and using the Advance Rate(s), upon the execution of this APP Application by ACC.
- 2.2 Producer(s) securing the Eligible Advance(s) with CAIS/AGRISTABILITY shall provide a copy of a document confirming the final security level/amount used to secure Eligible Advance(s) as applicable.
- 2.3 Should the confirmation of the final security level/amount demonstrate that the amount of stored Crop(s) or the security level/amount, as applicable, is not sufficient to justify the outstanding Eligible Advance(s) to Producer(s), ACC shall notify Producer(s) that he/she/it/they has/have thirty (30) calendar days to repay the part of the outstanding amount of the Eligible Advance(s) that exceeds the reduced coverage amount by more than six thousand dollars (\$6,000) or ten percent (10%) or, if eligible, make application for Eligible Advance(s) on another commodity and have the proceeds applied to the deficit. Failing this, Producer(s) will be declared in default.
- 2.4 Should the Eligible Advance(s) on Non-storable Agricultural Crop(s) demonstrate that, through no fault of the Producer(s), the coverage amount under the eligible BRM program or the value of the Crop(s), once produced, is/are not sufficient to justify the outstanding Eligible Advance(s), ACC shall notify Producer(s) that he/she/it/they has/have thirty (30) calendar days to repay the part of the outstanding amount of the Eligible Advance(s) that exceeds the reduced coverage amount by more than six thousand dollars (\$6,000) or ten percent (10%) or, if eligible, make application for Eligible Advance(s) on another commodity and have the proceeds applied to the deficit. Failing this, Producer(s) will be declared in default.
- 2.5 Any Eligible Advance(s) shall be issued after December 1, 2009.

3.0 Repayment of the Advance

- 3.1 Producer(s) shall repay Eligible Advance(s) as specified in this APP Application to ACC by May 15, 2011 for Non-storable Agricultural Crop(s) by one or a combination of the following methods:
 - a) by selling the portion of the Crop(s) in respect of which the Eligible Advance(s) is/are made to buyer(s) named by ACC, and authorizing buyer(s) to

withhold from the amount payable to Producer(s) by buyer(s), in respect of each unit of Crop(s), an amount at the applicable Advance Rate(s) in effect at the time of repayment until all Eligible Advance(s) made to Producer(s) and the interest payable by Producer(s) on Eligible Advance(s) is/are repaid;

- b) by selling or otherwise disposing of that portion of the Crop(s) in respect of which the Eligible Advance(s) is/are made and paying directly to ACC for each unit of Crop(s) within fifteen calendar days after six months of the Eligible Advance(s) being issued, an amount at the applicable Advance Rate(s) in effect at the time of repayment until all Eligible Advance(s) made to Producer(s) and the interest payable by Producer(s) on those Eligible Advance(s) is/are repaid;
 - c) by making a cash payment without proof of sale on or before the last day of the Production Period up to the greater of \$1,000 or ten percent (10%) of the total amount of the Eligible Advance(s); or
 - d) by paying directly to ACC any amount received under an eligible BRM program.
- 3.2 If Producer(s) choose(s) to repay in cash an amount in excess of the amounts specified in paragraph 3.1c) without proof of sale of the Crop(s), Producer(s) will be charged interest at the rate of prime plus 3%, calculated daily and compounded monthly, on the excess amount from the day the Eligible Advance(s) is/was issued to the day the repayment is/was made.
- 3.3 In the event that Producer(s) repay(s) the amount of the Eligible Advance(s) to ACC by selling the Crop(s) or part of the Crop(s) in the manner described in subsection 3.1 a), Producer(s) shall:
- a) indicate in writing to ACC to which buyer(s) named by ACC the Crop(s) will be sold prior to selling the Crop(s) to such buyer(s);
 - b) notify ACC immediately upon receiving any information to the effect that the named buyer(s) is/are not promptly remitting to ACC the amount so withheld; and
 - c) remain liable to ACC for repayment of any part of Eligible Advance(s) where the said buyer(s) has/have failed to remit to ACC that part of the Eligible Advance(s) withheld by it pursuant to its agreement with ACC.
- 3.4 For interest-bearing Eligible Advance(s), interest will be added to the final repayment. ACC reserves the right to collect interest for interest-bearing advances on a monthly or quarterly basis subject to thirty days written notice to the Producer(s).

4.0 Security Interests

- 4.1 Producer(s) hereby grant(s) to ACC a security interest in the Crop(s), and in the proceeds of any eligible BRM program as identified in Sections 2.1 to 2.3 of this APP Application, including all CAIS/AGRISTABILITY proceeds to secure repayment of Eligible Advance(s) plus interest and costs. Producer(s) further agree(s) that ACC's interest shall rank prior to the interest of any other creditor or security holder and Producer(s) shall obtain any and all priority agreements to perfect this security and ranking. Producer(s) also agree(s) that upon default, ACC has the right to seize the Crop(s) wheresoever situated and to sell the Crop(s) as ACC sees fit in order to repay Eligible Advance(s) plus interest and any costs of seizure and other enforcement, including legal fees on a full indemnity basis.

5.0 Default

- 5.1 Producer(s) is/are in default if Producer(s):
- a) has/have not met all his/her/its/their obligations under the APP Application by the end of the Production Period;
 - b) file(s) a notice of intention to make a proposal or makes a proposal under the *Bankruptcy and Insolvency Act*, is/are subject to a receiving order under that Act, become(s) bankrupt or seeks protection under any other insolvency or bankruptcy related statute;
 - c) is/are otherwise declared in default by ACC in accordance with this APP Application;
 - d) make(s) any representation, warranty, statement, or disclosure in connection with this APP Application that is false or erroneous in any material respect;
 - e) has/have failed to supply information that is material; or
 - f) fail(s) to perform or observe any of the covenants contained in this APP Application or is/are in jeopardy of so doing.
- 5.2 ACC shall declare Producer(s) in default and inform Producer(s) of the same, if Producer(s):
- a) has/have not met any of the obligations under this APP Application within twenty (20) days after the day on which ACC mails or delivers a notice to the Producer(s) setting out the particulars of any obligation the Producer(s) has/have failed to meet;
 - b) at any time breaches irremediably any substantial obligation under the APP Application; or
 - c) provide(s) false or misleading information to ACC for the purpose of obtaining Eligible Advance(s), or evading compliance with an undertaking to repay it/them.
- 5.3 Upon default, the Producer(s) is/are liable to ACC for:
- a) the outstanding amount of Eligible Advances(s);
 - b) interest at the rate specified in Section 6.0 of these terms and conditions on the outstanding amount of Eligible Advance(s), calculated from the date Eligible Advance(s) were issued until Eligible Advance(s) is/are repaid; and,
 - c) costs incurred by ACC to recover the outstanding Eligible Advance(s) and interest including legal costs on a full indemnity basis.
- 5.4 If Producer(s) is/are declared in default and the Minister makes payment under the Guarantee, the Minister is subrogated to all rights of ACC against the Producer(s) and against any other persons liable under this APP Application. Producer(s) is/are, in addition to the amounts stated in subsection 4.1 and 5.3 of these terms and conditions, liable to the Minister for interest at the rate specified in paragraph 6.1(b) of these terms and conditions on the amount of the liability under the said subsection 4.1 and 5.3 and the costs incurred by the Minister to recover the amount, including legal costs on a full indemnity basis.

6.0 Interest Rates

- 6.1 The interest rate payable by Producer(s) during the Production Period in compliance with the AMPA and this APP application will be:
- a) 0% on the amount under \$100,000; and,
 - b) BMO Bank of Montreal prime lending rate calculated daily and compounded monthly, on the amount over \$100,000.
- 6.2 In the event that Producer(s) is/are declared in default, the interest payable by Producer(s) will be:
- a) at the rate of BMO Bank of Montreal prime lending rate plus 3%, calculated daily and compounded monthly, on the amount of the outstanding balance from the date Eligible Advance(s) was/were issued to the date the Producer(s) was/were declared in default; and
 - b) at the rate of BMO Bank of Montreal prime lending rate plus 3%, calculated daily and compounded monthly, on the amount of the outstanding liability from the date of default until Eligible Advance(s), interest and all costs of collection are repaid in full.
- 6.3 ACC reserves the right and the Producer(s) hereby agree(s) that ACC shall be entitled to change the rate of or manner in which interest is calculated on the Eligible Advance(s) (the "Rate Change") to such rate as ACC shall decide upon from time to time. ACC shall give the Producer not less than thirty days written notice before such Rate Change comes into effect specifying the new rate of or manner in which interest is calculated, the effective date of the Rate Change (the "Effective Date") and the Producer shall thereafter have thirty days from the date of such notice to inform ACC in writing that the Producer accepts or rejects such Rate Change. If the Producer rejects such Rate Change within the thirty days then the Eligible Advance(s) and interest accrued and any other monies owed to ACC shall become due and payable on the Effective Date which, if not paid, shall entitle ACC to all its remedies hereunder as if payment of the Eligible Advance(s) were in default. If the Producer accepts the Rate Change then the Rate Change shall come into effect as of the Effective Date and the Eligible Advance(s) shall thereafter bear interest in the manner and at the rate specified in the notice of the Rate Change. If the Producer fails to inform ACC in writing within the time specified of the Producer's acceptance or rejection of the Rate Change the Producer(s) shall be deemed to have accepted the Rate Change and the Rate Change shall come into effect as of the Effective Date and the Eligible Advance(s) shall thereafter bear interest in the manner and at the rate specified in the notice of the Rate Change.

7.0 General

- 7.1 A Production Period for all Crop(s) commences on December 1, 2009, and terminates on May 31, 2011.
- 7.2 Eligible Advance(s) is/are deemed to have been received on that portion of the Crop(s) first sold. Producer(s) shall not dispose of any other part of the Crop(s), in any manner, before disposing of that portion of the Crop(s) for which Eligible Advance(s) was/were received.

- 7.3 This APP Application shall commence upon approval of this APP Application by ACC, and shall terminate upon repayment of all Eligible Advance(s) provided for in this APP Application.
- 7.4 ACC or its authorized agent has the right to inspect the Crop(s) at any time.
- 7.5 Producer(s) shall give immediate notice to ACC of any material loss, destruction or damage to the Crop(s).
- 7.6 If the Crop(s) or a portion of the Crop(s) for which Eligible Advance(s) was/were made ceases to be in marketable condition, the Producer(s) shall immediately inform ACC and the Producer(s) become(s) liable to repay to ACC for that the portion of Eligible Advance(s), together with interest on it/them from the date Eligible Advance(s) was/were made, that is attributable to the unmarketable portion of the Crop(s).
- 7.7 This APP Application shall be interpreted in accordance with the laws of the province of Ontario and the laws of Canada applicable therein and the Producer attorns to the exclusive jurisdiction of the court of Ontario.
- 7.8 Producer(s) shall have insurance on the entire Crop(s) for which Eligible Advance(s) was/were made to the full extent of Eligible Advance (s) for all insurable perils until Producer's(s') liability is repaid. Producer(s) further agree(s) that any payout of this insurance will first be used to repay any outstanding Eligible Advance(s).
- 7.9 Whenever the singular or masculine is used throughout this APP Application, it shall be construed as including the plural, feminine or neutral whenever the context and/or the parties hereto require.
- 7.10 In the event that any part of this APP Application is found to be invalid by a court of law, then such part shall be deemed to be severed from this APP Application and Producer(s) agree(s) to be bound by the terms and provisions of the balance of this APP Application.
- 7.11 This APP Application shall not terminate by reason of death or disability of Producer(s), but shall continue to be binding upon the personal representative(s) who shall execute any instruments which may be necessary or proper to carry out the purposes and intent of this APP Application.
- 7.12 The Producer(s) agree(s) to provide ACC with any information requested by ACC to substantiate the statements made in this APP Application or to further satisfy eligibility requirements. Failure to provide such information as requested by ACC may result in a rejection of the APP Application or in the Producer(s) being declared in default if Eligible Advance(s) has/have been issued.
- 7.13 For the purposes of giving effect to any of the Producer's(s') undertakings under the APP Application, notably concerning the priority agreement, the security and assignment of rights, Producer(s) shall make, execute and deliver to ACC any documents or agreements as ACC may reasonably request, including security agreements, assignments and financing statements.
- 7.14 All parties herein agree that should there be any discrepancies between this APP Application and the AMPA and its regulations, the AMPA and its regulation will supersede this APP Application.
- 7.15 **PRIVACY AND CONSENT TO DISCLOSURE OF INFORMATION**

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to the obtaining by ACC and its agent CRM Canada Ltd. of credit information, including, but not limited to a credit report, relating to the Producer(s) and Guarantor(s) from affiliated and subsidiary companies of ACC, credit bureaus, agencies, banks, credit unions, trust companies, financial institutions, creditors, lenders, grain elevators, producer organizations, Farm Credit Canada (FCC), suppliers, government ministries, departments and agencies (federal, provincial or territorial) and such other third parties as ACC shall decide upon from time to time (all of the foregoing hereinafter "Third Parties") and to the collection, use and disclosure by ACC from and to such Third Parties of the personal, business and commercial information about Producer(s) and Guarantor(s) for the purpose of: (i) verifying and determining the Producer's(s') eligibility and continuing eligibility for Eligible Advance(s); (ii) verifying and determining the status of Eligible Advance(s); (iii) realizing on the security for Eligible Advance(s); and, (iv) verifying and determining the indebtedness of Producer(s) to Third Parties.

A signed copy of this APP Application can be relied upon by Third Parties as Producer's(s') and Guarantor's(s') authorization and consent for the Third Parties to disclose credit information about the Producer(s) and Guarantor(s) to ACC.

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to the collection, use and disclosure by ACC from and to all such persons listed as Producer(s) and Guarantor(s) hereunder and all such persons listed in the authorization form attached hereto ("Authorized Persons") and to AAFC and OMAFRA (if applicable) of the personal, business and commercial information about Producer(s) for the purpose of: (i) verifying and determining the Producer's(s') eligibility and continuing eligibility for Eligible Advance(s); (ii) verifying and determining the status of Eligible Advance(s); (iii) realizing on the security for Eligible Advance(s); and, (iv) verifying and determining the indebtedness of Producer(s) to Third Parties.

Unless Producer(s) withdraw(s) consent by completing the withdrawal of consent form attached hereto, Producer(s) hereby authorize(s) and consent(s) to the use by ACC of the personal, business and commercial information about Producer(s) for the purpose of contacting the Producer to provide information in relation to other programs offered or administered by ACC.

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to:

- a) the disclosure by AAFC, OMAFRA (if applicable) and/or AGRICORP (if applicable) to ACC and AAFC of such information regarding Producer(s) as either may have in their respective files, including but not limited to those of any BRM Program;
- b) the disclosure by ACC of such information as is contained in or related to this APP Application to AAFC, OMAFRA (if applicable) and/or AGRICORP (if applicable) and the use of such information by OMAFRA (if applicable) and/or AGRICORP (if applicable) as authorized by the Ministry of Agriculture, Food and Rural Affairs Act, R. S. O. 1990, c. M. 16, as amended or re-enacted from time to time. (Producer acknowledges that information held by OMAFRA (if applicable) and/or AGRICORP (if applicable) may be disclosed to Third Parties pursuant to the provisions of the Freedom of Information and Protection of Privacy Act. Questions and concerns regarding such collections, use and disclosure by OMAFRA (if applicable) and/or AGRICORP (if applicable) should be directed to: The Director, Farm Assistance Programs Branch, OMAFRA and/or AGRICORP, 1 Stone Road West, Guelph, Ontario (N1G 4Y2); and
- c) the obtaining from and disclosure by Third Parties to ACC and AAFC, of the Producer's(s') sales reports.

Producer(s) and Guarantor(s) hereby authorize(s) and consent(s) to ACC and AAFC:

- a) collecting the information contained in, with, or pursuant to this APP Application;
- b) using the information for the purposes of assessing the APP Application, administering, auditing, analyzing and evaluating the APP;
- c) conveying the information contained in this APP Application and 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; and
- d) conveying the information contained in this APP Application and associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP.

ACC and AAFC agree that (i) the personal information provided will be protected under the federal Privacy Act and the provisions of the federal Access to Information Act; and, (ii) the personal information retained by AAFC will be held in Personal Information Bank PPU140. Producer(s) and Guarantor(s) may access its/their personal information held by AAFC by making a formal request under the Privacy Act in writing or by completing a Personal Information Request Form which is available through Info Source or at Web Site http://www.tbs-sct.gc.ca/tbsf-fsct/350-58_e.asp. Producer(s) request(s) should be mailed to: Agriculture and Agri-Food Canada, Coordinator, Access to Information and Privacy, 930 Carling Avenue, Room 282, Ottawa, Ontario K1A 0C5. Tel. 613-759-6602, Fax: 613-759-6547.

ACC and AAFC hereby give notice that 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. Producer(s) and

- Guarantor(s) may access its/their personal information held by ACC, obtain a copy of ACC's Privacy Policy or to pose questions or concerns regarding privacy issues relating to ACC by contacting the ACC's Privacy Compliance Officer at 1-888-278-8807.
- 7.16 In the event ACC is notified by the holder of a registered Purchase Money Security Interest (PMSI) that it has security from Producer(s) for crop inputs supplied by such holder to Producer(s), Producer(s) acknowledge(s) and confirm(s) that ACC may, in its uncontrolled and unfettered discretion, include the name of the holder(s) of such PMSI as payee(s) on Eligible Advance(s) advanced by ACC pursuant to this APP Application.
- 7.17 a) Producer(s) hereby irrevocable authorize(s) and direct(s) ACC to:
- i) deduct 1% of the actual Eligible Advance(s) when Eligible Advance(s) is/are issued and to hold this amount as a holdback;
 - ii) deduct the management fee and compliance fee as established by ACC, from the proceeds of the Eligible Advance(s); and,
 - iii) in the event of default or shortfall by Producer(s), to apply any monies held by ACC as a holdback to said Producer's(s') liability for repayment of the Eligible Advance(s) interest and costs.
- b) Producer(s) acknowledge(s) and agree(s) that no interest is payable by ACC to the Producer(s) on any holdback.
- 7.18 Producer(s) acknowledge(s) and agree(s) that Producer's(s') total indebtedness and repayment obligation applies to the amount actually advanced plus the holdback, management and compliance fee and all interest thereon.
- 7.19 Producer(s) hereby constitute(s) and irrevocably appoint(s) ACC, or any of its officers or directors as the Producer's (s') lawful attorney for the purposes of:
- a) making any amendments, deletions or additions to this APP Application that may be required to correct any errors or omissions that may be discovered in same;
 - b) endorsing on Producer's (s') behalf any cheques payable jointly to Producer(s) and ACC, and this shall be the Producer's(s') irrevocable authority for so doing.
- 7.20 Producer(s) consent(s) to ACC receiving a sales report from Third Parties which may contain the Producer's(s') date of receipt of payment (date of cheque issuance), and quantity sold for any Crop(s). Producer(s) consent(s) to ACC initiating a pre-authorized debit for the corresponding repayment due on the seventh calendar day after the date of receipt of payment (date of cheque issuance) for the Crop(s) covered by this APP Application.
- 7.21 In order to ensure compliance with the repayment requirements of this APP Application, it is agreed that ACC may utilize its authority under the Pre-Authorized Debit Agreement executed by Producer(s) as part of this APP Application to make Eligible Advance(s) loan repayments including any applicable interest, costs, and fees as detailed in this APP Application. In the event there remains outstanding Eligible Advance(s) balance(s) on September 15, 2010 it is acknowledged that ACC will utilize its authority under the Pre-Authorized Debit Agreement executed by Producer(s) as part of this overall APP Application to repay the remaining balance of Eligible Advance(s) and any applicable interest and costs as detailed in this APP Application.
- 7.22 No amendment to this APP Application 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.
- 7.23 Unless authorized by the Minister, any amendment to the APP Application as per Subsection 7.22 of these terms and conditions will not be retroactive and will come into force on the day that the amendment is signed and will substantially conform with the Advance Payments Program Administration Guidelines for 2009-10. The parties recognize that any interest benefit received as a result of paragraph 6.1.(a) of these terms and conditions before the coming into force of the amendment does not need to be reimbursed.
- 7.24 Producer(s) shall respect the terms of the BRM program used as security as per section 4.0 of these terms and conditions and shall ensure that any payments from the BRM program related to the Crop(s) are forwarded to ACC up to the extent of Eligible Advance(s) and the Producer(s) must notify ACC if further requests for an assignment of the BRM program proceeds are made, granted or registered.
- 7.25 Producer(s) shall not enter into any deferred payment arrangement/contract with a buyer without the prior written approval/authorization of ACC.
- 7.26 Where ACC determines that the Producer(s) is/are 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)'s application must be rejected.

ALL PRODUCER(S) MUST DATE AND SIGN THIS PAGE

IF A SOLE PROPRIETOR, SOLE PROPRIETOR MUST SIGN, IF A PARTNERSHIP OR CORPORATION ALL PARTNERS OR ALL CORPORATION SHAREHOLDERS MUST SIGN

Signed, and delivered by the Producer(s) this _____ day of _____, 20__.

X _____
Producer Signature
I/WE have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Producer Signature
I/WE have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Producer Signature
I/WE have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Producer Signature
I/WE have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

FOR OFFICE USE ONLY

Delivered and attested to for ACC

ACC declares having taken all necessary steps, in accordance with the *AMPA*, its Regulations, the Advance Guarantee Agreement and APP administrations guidelines, to ensure, to the best of ACC's abilities, that the current APP Application by the Producer(s) is accurate and complete before granting the above mentioned Eligible Advance.

This _____ day of _____, 20__.

X _____
Officer Signature

ALL SOLE SHAREHOLDER CORPORATIONS MUST COMPLETE, DATE AND SIGN PART A

A. PERSONAL GUARANTEE (only applicable if the Producer(s) is/are a Corporation with a Sole Shareholder)

The undersigned, being the sole shareholder of Producer(s), in consideration of Eligible Advance(s) being made to it by ACC for the APP Production Period specified in the APP Application, and the Minister guaranteeing the repayment of such Eligible Advance (s) and interest thereon, do hereby agree to personally guarantee the payment to ACC and the Minister of any amount owing by Producer(s) pursuant to the APP and this APP Application, which guarantee shall survive the bankruptcy or insolvency of Producer(s) and to the provisions of section 7.15 of the Terms and Conditions of the APP Application.

Please note: By signing this document, you understand and agree that action may be taken against you personally.

Dated at _____ the _____ day of _____, 20____.
Location

X _____
Signature of Shareholder

X _____
Witness (Must Not Be A Relative)

ALL MULTIPLE SHAREHOLDER CORPORATIONS AND ALL PARTNERSHIPS MUST COMPLETE, DATE AND SIGN PART B

B. JOINT AND SEVERAL GUARANTEE – (for Partnership, Corporation or Co-Operative)

We, being Partners/Shareholders/Members, as the case may be of the Producer(s) in consideration of Eligible Advance(s) being made to it by ACC for the APP Production Period specified in the APP Application and the Minister guaranteeing the repayment of such Eligible Advance(s) and interest thereon, do hereby agree to be jointly and severally liable to ACC and the Minister for any amount owing by Producer(s) pursuant to the APP and this APP Application, which guarantee shall survive the bankruptcy or insolvency of the Producer(s).

As general and continuing security for the Obligations of the undersigned hereunder, the undersigned hereby grants a security interest in and assigns to ACC any and all amounts owed or to be owed by the Producer to the undersigned.

Please note: By signing this document, you understand and agree that action may be taken against you personally.

ALL SHAREHOLDERS AND/OR PARTNERS AND/OR MEMBERS MUST DATE AND SIGN THIS DOCUMENT

Dated at _____ the _____ day of _____, 20____.
Location

X _____
Signature of Shareholder/Partner
I/We have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Signature of Shareholder/Partner
I/We have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Signature of Shareholder/Partner
I/We have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

X _____
Signature of Shareholder/Partner
I/We have authority to bind the Producer

X _____
Witness (Must Not Be A Relative)

ALL PRODUCERS MUST COMPLETE AND SIGN THIS PAGE

SECTION 6

**CAIS/AGRISTABILITY ASSIGNMENT AGREEMENT
ADVANCE PAYMENTS PROGRAM (APP)
BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS – ASSIGNMENT AGREEMENT**

AGREEMENT DATED THIS _____ DAY OF _____, 20____ Between _____ (hereinafter referred to as the “Assignor”) and ACC Farmers’ Financial (hereinafter referred to as “ACC”)	PLEASE ENTER DATE YOU ARE COMPLETING APPLICATION
--	--

This assignment agreement is for all proceeds, up to the amount set in Part 2 below, payable to the Assignor under the Canadian Agricultural Income Stabilization (CAIS) /AGRISTABILITY program (BRM program) and is being used to secure advances issued under the Repayment Agreement (i.e., APP Application) between the Producer and ACC, dated the same date noted above, and pursuant to the Advance Payments Program and the *Agricultural Marketing Program Act (the “Act”)*.
 Advances have been issued on the following crops: **GREENHOUSE VEGETABLES**

1. DEFINITIONS AND INTERPRETATIONS

- “APP Electronic Delivery System” means the online 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” refers to any program listed in the schedule of the Act 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 Act;
- “Producer” means the individual, partnership, corporation or co-operative that applied for an advance under the Advance Payment Program.

2. THE PARTIES HERETO AGREE THAT:

PLEASE ENTER AMOUNT YOU ARE APPLYING FOR

The Assignor hereby transfers, assigns and sets over to ACC all of his/her/their right, title and interest in the proceeds to be received from the CAIS/AgriStability program in the current year and all future years until such a time as the advance in the amount of \$_____ and for which this BRM program is used as security has been paid in full, and a liability to ACC no longer exists. This assignment of proceeds is not affected should the Producer become in default under the Repayment Agreement. 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 ACC, any documents or agreements as the BRM Administrator may reasonably request.

The amount of the advances(s) will be confirmed to the BRM Administrator by AAFC via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

The Assignor allows the BRM administrator to share information with AAFC and ACC via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

Delivered and attested to for the named Producer By	➤ ➤ ➤ ➤	Producer’s Name(s) (SOLE PROPRIETOR, PARTNERS, OR SHAREHOLDERS) _____ _____ _____	Producer’s Signature(s) (SOLE PROPRIETOR, PARTNERS, OR SHAREHOLDERS) X _____ X _____ X _____
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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 Personal Information Bank AAFC-PPU-140.

FOR OFFICE USE ONLY
Delivered and attested to for ACC X _____ Officer Signature

SECTION 7

ALL PRODUCERS MUST COMPLETE OR WILL BE RETURNED FOR COMPLETION AND APPLICATION PROCESSING WILL BE DELAYED. PLEASE ATTACH A VOID CHEQUE

PRE-AUTHORIZED DEBIT (PAD) FORM

“Authorization for Automatic Debit”

PAYOR’S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS FOR BUSINESS/PERSONAL PURPOSES (PAD)

I/We warrant and represent that the following information is accurate.

Name of financial institution (processing institution)		
Address (Including Civic number)		
City	Postal code	Account #

I/We have attached a specimen cheque marked “VOID” to this pavor authorization (the Authorization).

I/We will inform the payee, in writing, of any change in the information provided in this section of the Authorization prior to the next due date of the PAD.

- 1) Payee: ACC Farmers’ Financial
Address: 100 Stone Road West, Suite 101, Guelph, Ontario. N1G 5L3.
Telephone #: 1-519-766-0544 or toll free 1-888-278-8807
- 2) I/We acknowledge that the Authorization is provided for the benefit of the Payee and the Processing Institution and is provided in consideration of the Processing Institution agreeing to process debits against my/our account, as listed above,(the “Account”) in accordance with the Rules of the Canadian Payment Association.
- 3) I/We warrant and guarantee that all persons whose signatures are required to authorize withdrawals from the Account have signed the Authorization below and/or that all persons signing this Authorization are our authorized signing officers and are empowered to enter into this agreement.
- 4) I/We hereby authorize the Payee to issue Pre-Authorized Debits (as defined in H4 of the Rules of the Canadian Payments Association) (the “PAD”) drawn on the Account, for the following purpose:

REPAYMENT OF ALL ADVANCE PAYMENTS PROGRAM (APP) ADVANCES INCLUDING ANY APPLICABLE INTEREST AND COSTS PAID BY THE PAYEE ON BEHALF OF THE PAYOR.
- 5) I/we may cancel Authorization at any time upon providing 30 days written notice to Payee.
- 6) I/We acknowledge that provision and delivery of the Authorization to the Payee constitutes delivery by me/us to the Processing Institution. Any delivery of the Authorization to the Payee regardless of the method of delivery, constitutes delivery by me/us.
- 7) The Payee will provide me/us, at the address provided in section 1:
 - a) with respect to fixed amount PAD’s, written notice of the amount to be debited (the "Payment Amount") and the date(s) on which the Payment Amount debited will be posted to my/our Account (the "Payment Date") and such notice shall be provided every time there is a change in the Payment Amount or the Payment Date(s): (Refer paragraph 8)
 - b) with respect to a PAD plan that provides for the issuance of PAD in response to a direct action of mine/ours (such as, but not limited to, a telephone instruction) requesting the Payee to issue a PAD in full or partial payment of a billing received by me/us for the payment obligation that meets the requirement of Section 2 of Rule H4, no notice is required.
- 8) The payee may issue a PAD in order to comply with the APP Application.
- 9) I/We acknowledge that the Processing Institution is not required to verify that a PAD has been issued in accordance with particulars of the Authorization including, but not limited to, the amount, or that any purpose of payment for which the PAD was issued has been fulfilled by the Payee as a condition to honouring a PAD issued or caused to be issued by the Payee on the Account.
- 10) Revocation of the Authorization does not terminate any contract for goods or services that exists between me/us and the Payee. The Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
- 11) I/We may dispute a PAD only under the following conditions:
 - (i) the PAD was not drawn in accordance with the Authorization
 - (ii) the Authorization was revoked

I/We acknowledge that in order to be reimbursed a declaration to the effect that either (i) or (ii) took place, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.
I/We acknowledge that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between us and the Payee, outside the payments system.
- 13) I/We agree that the information contained in the Authorization may be disclosed to BMO Bank of Montreal as required to complete any PAD transaction.
- 14) I/We understand and accept the terms of participating in this PAD plan.

X _____ X _____ X _____
 (Authorized Signature) (Authorized Signature) (Authorized Signature)

NB. REMEMBER TO ATTACH A VOID CHEQUE.



SECTION 8

PRIORITY AGREEMENTS

- **ALL PRODUCERS MUST HAVE APPENDIX 1 – “ADVANCE PAYMENTS PROGRAM (APP) PRIORITY AGREEMENT WITH A SECURED CREDITOR” COMPLETED BY YOUR BANK OR CREDIT UNION**
- **PART 1 OR PART 2 MUST BE COMPLETED (NOT BOTH)**
- **PART 3 MUST BE COMPLETED AND SIGNED BY OFFICER OF BANK OR CREDIT UNION**

THERE ARE SAMPLE PAGES INCLUDED FOR YOUR BANK OR CREDIT UNION REFERENCE. THIS FORM WAS DEVELOPED BY THE CANADIAN BANKERS’ ASSOCIATION AND AGRICULTURE & AGRI-FOOD CANADA. PLEASE ENSURE THAT NO INFORMATION IS MISSING OR ACC WILL HAVE NO CHOICE BUT TO RETURN FOR COMPLETION, CAUSING CONSIDERABLE DELAY.

THANK YOU



ADVANCE PAYMENTS PROGRAM (APP) PRIORITY AGREEMENT WITH A SECURED CREDITOR

PLEASE COMPLETE PAGE 17

PROTECTED "A" ONCE COMPLETED

1.1 BASIC INFORMATION

Producer Name (the "Producer") John & Mary Smith APP ID ACC WILL COMPLETE APP ID #

Table with 6 columns: Product #1 (Greenhouse Vegetables), 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).

Bank of Montreal located at Chatham (herein referred to as the "Creditor"), does hereby consent that:

In consideration of an advance being issued by ACC Farmers' Financial (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 \$400,000 or the amount of \$ 200,000, as set out in the Repayment Agreement entered into between the Producer and Administrator on December 1, 2009, 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. Amount Applying For

Notwithstanding the priorities sent out in this agreement, 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 Creditor has received notice from 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, Administrator or 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.

The Creditor has not (please check one) taken an assignment of the applicant's CAIS/AGRISTABILITY (name of BRM Program) payments related to the agricultural product. Please check ONE box

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.

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: Bank of Montreal Transit: Enter Transit #

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.



ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR

PROTECTED "A" ONCE COMPLETED

1.1 BASIC INFORMATION

Producer Name (the "Producer") APP ID

List of Agricultural Products (the "agricultural product(s)"):

Table with 6 columns: Product #1, Product #2, Product #3, Product #4, Product #5, Product #6. Product #1 contains 'Greenhouse Vegetables'.

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).

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

In consideration of an advance being issued by ACC Farmers' Financial (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 \$400,000 or the amount of \$, as set out in the Repayment Agreement entered into between the Producer and Administrator on, 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 sent out in this agreement, 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 Creditor has received notice from 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, Administrator or 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.

The Creditor has has not (please check one) taken an assignment of the applicant's CAIS/AGRISTABILITY (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 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.

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:

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.



ADVANCE PAYMENTS PROGRAM (APP) PRIORITY AGREEMENT WITH A SECURED CREDITOR

Please Complete Part 1 OR Part 2 NOT BOTH

PROTECTED "A" ONCE COMPLETED

PART 2 – Complete this part 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)

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

In consideration of an advance being issued by ACC Farmers' Financial (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.

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 ONTARIO

IN WITNESS WHEREOF all parties hereunto set their hands

Name of Creditor

By: Signature of Authorized Officer of Creditor Date

Name and Title:

ACC Farmers' Financial Name of Administrator

By: Signature of Authorized Officer of Administrator Date

Name and Title:

Name of Producer

Signature of Producer or its Authorized Officer Date

Witness_(where Producer is an individual) Date

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.



SAMPLE

PLEASE COMPLETE PAGE 18

**ADVANCE PAYMENTS PROGRAM (APP)
PRIORITY AGREEMENT WITH A SECURED CREDITOR**

Please Complete
Part 1 **OR** Part 2
NOT BOTH

PROTECTED "A" ONCE COMPLETED

PART 2 – Complete this part 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)

Bank of Montreal located at Chatham (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 ACC Farmers' Financial (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.

Lending Institution: Bank of Montreal Transit: Enter 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 ONTARIO

IN WITNESS WHEREOF all parties hereunto set their hands

**PART 3 MUST
BE COMPLETED**

Bank of Montreal
Name of Creditor

By: Joan Brown's Signature December 10, 2009
Signature of Authorized Officer of Creditor Date

Name and Title: Joan Brown, Bank Manager/Credit Officer

ACC Farmers' Financial
Name of Administrator

By: _____
Signature of Authorized Officer of Administrator Date

Name and Title: _____

John & Mary Smith
Name of Producer

Signature of Producer or its Authorized Officer Date

Witness (where Producer is an individual) Date

To be completed
By ACC

**PRODUCER MUST
COMPLETE AND
SIGN HERE**

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.

THIS PAGE MUST BE COMPLETED BY CREDITOR IF THERE IS AN INPUT SUPPLIER LIEN ON THE CROP(S)

SECTION 9

PRIORITY AGREEMENT – OTHER CREDITOR

ADVANCE PAYMENTS PROGRAM (APP)

Producer Name: _____ **Amount of Advance \$** _____
(Name of Individual, Partnership or Corporation)

A separate Priority Agreement must be completed for any Other Creditor that has a security interest or lien on the Agricultural Crop(s) being financed to be eligible for an advance under the program.

Agricultural Crop(s): GREENHOUSE VEGETABLES

Please Complete Part 1 & 2

PART 1 – Complete this part when the Creditor HAS a lien or security on the agricultural crop(s) being financed or the BRM Program Proceeds related to the agricultural crop(s)

In the name of _____ located at _____ (herein referred to as the “Creditor”), does hereby consent that:

In consideration of an advance being issued by ACC Farmers’ Financial (herein called the “Administrator”), the Administrator and the Creditor agree that the security interest in the agricultural crop(s) for which the advance was made or the Business Risk Management (BRM) program payment(s) related to the aforementioned agricultural crop(s) now held or to be held by the Administrator, shall rank prior to any lien or security on the said agricultural crop(s) 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 \$400,000 or the amount of the advance, in accordance with the repayment agreement entered into with the Administrator, plus interest on that amount and costs of collection. 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.

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.

The Lender and/or Creditor has has not (please check one) taken an assignment of the applicant’s CAIS/AGRISTABILITY payments related to the agricultural crop(s).

Where the Creditor has a lien or security on the agricultural crop(s) or the BRM program related to the agricultural crop(s), this Agreement is subject to the condition that the above mentioned advance, less any amounts legally held as an administrative fee or holdback(s), 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 Creditor hereby acknowledges that the operating credit, where applicable, granted by the Creditor to the Producer is equal to or greater than the amount of the above described advance.

The authorized line of credit at our establishment, in the name of the above mentioned Producer extends to \$ _____.

In the case of a Secured Creditor:

Name of Company: _____ Address: _____

PART 2 – To be signed by Creditor, regardless of security interest or Lien

This agreement shall be governed by and interpreted in accordance with the laws of the province of Ontario.

IN WITNESS WHEREOF the undersigned Creditor has caused these presents **TO BE SIGNED BY A PERSON/OFFICER WHO HAS THE AUTHORITY TO BIND THE COMPANY.**

Dated at _____ the _____ day of _____, 20 ____.

Print Name of Authorized Officer of Creditor Print Title Print Address

X

Signature of Authorized Officer of Creditor

CHECKLIST

In order to expedite issuance of your advance payment, before sending in this application, please check to see that it is complete by re-checking the instructions at the top of each page.

Also, please check the following:

SIGNATURES REQUIRED

- Pages 11, 12, 13, 14, and 18 (your signature(s))
- Page 18 (Bank or Credit Union signatures)
- Page 20 (Input Supplier signature, if applicable)

COPIES OF DOCUMENTS REQUIRED

- Copy of Void Cheque for Pre-Authorized Debit
- Copy of most recent CAIS/AGRISTABILITY Records showing sales revenue, inventory, and/or production history

FOR NEW APPLICANTS

Copies of:

- Birth Certificate(s)
- Partnership Agreement and Registration
- Articles of Incorporation
- Shareholder and Director Registers
- Borrowing By-Laws & Proof of Signing Authorities

	How to reach ACC Farmers' Financial:	Our mailing address:
	Phone: toll free 1-888-278-8807 Local phone: 1-519-766-0544 (Guelph area) Fax # 1-519-766-1845 Website: www.accfarmersfinancial.ca Email: info@accfinancial.ca	ACC Farmers' Financial #101 – 100 Stone Road W. Guelph ON N1G 5L3

Office Hours: Monday through Friday, 7:45 am to 4:30 pm. EST
Voice-mail messaging is available after hours.

