

CLA CANADIAN LIVESTOCK ADVANCE ASSOCIATION (CLA CLAA) ADVANCE PAYMENT PROGRAM APPLICATION AND REPAYMENT AGREEMENT FOR 2009/2010

FOR

BRITISH COLUMBIA AND SASKATCHEWAN

*This application is for cow-calf operations in Saskatchewan and British Columbia only.
You must own your animals at all times to qualify. No Advances will be issued for breeding stock.
The due dates in this application will be strictly enforced.*

THIS CASH ADVANCE PROGRAM IS MADE AVAILABLE TO YOU THROUGH THE MINISTER OF AGRICULTURE AND AGRI-FOOD CANADA UNDER THE AGRICULTURAL MARKETING PROGRAMS ACT (AMPA).

Repayment must be made from agricultural products sold to auctions/buyers or otherwise as set forth in this agreement and received by the "due dates", failing which the producer will be declared in default.

The maximum amount a producer can receive under this application, individually or in combination with other partners, corporations, cooperatives, or related producers, is \$400,000.00 with the first \$100,000.00 being interest free and the remaining \$300,000.00 being interest bearing. The interest rate, for the portion that will be interest bearing, will be at the Canadian Imperial Bank of Commerce prime lending rate, calculated daily and compounded monthly.

At no point can a producer's balance of 2008 advances, combined with the 2009 advance exceed \$400,000.00.

Cheques to producers will be ISSUED by CLAA less the following:

- A. CLAA will charge an administration fee for the delivery of the program. Those fees are as follows:

The application fee is \$ 150.00. If cancellation of the application takes place after cheque is printed, the administration fee will remain payable to CLAA.

A \$75.00 fee per application will be applied for each subsequent application.

- B. CLAA, in order to meet its obligations to Agriculture and Agri-Food Canada and to cover its liability, will withhold from the advance the following:

3% on all advance amounts.

The interest-bearing advance accounts will have the interest added monthly to their accounts. The 3% withhold will be issued back to the applicant (less any outstanding interest charges) upon the full repayment of this advance provided it has not gone into default. In the event that this advance goes into default, the withhold amount will be applied against the interest and principal amounts of this advance as specified in AMPA. All interest earned on the withhold amounts is used to offset administration costs.

The amount you must repay to the CLAA is the total of your cash advance cheque(s), plus the 3% withhold amount, plus the administration fee and any interest, if owing. Your withhold will be paid to you, less any interest or costs payable under this contract, when your account is paid in full and not in default.

Producers ** MUST submit their 2008 AgriStability Enrolment Notice and proof of inventory using 2 years of Livestock Inventory Valuation or a copy of Statement A through CAIS or inventory sales receipts from the past 2 years with their advance application.**

Only AgriStability and the producer's agricultural products may be used as security. Sales Receipts – all repayments must be supported by sales receipts. Payment will be applied first against interest free advances.

If you or any related producer have an outstanding Default on a previous crop year advance with any organization, you are then ineligible for an advance under the Agricultural Marketing Programs Act (AMPA).

**CANADIAN LIVESTOCK ADVANCE ASSOCIATION (CLAA)
2009/2010 APPLICATION AND REPAYMENT AGREEMENT
INFORMATION AND INSTRUCTIONS FOR COMPLETING APPLICATION FORM**

ALL PRODUCERS MUST SIGN PAGES 7, 13 AND 15

ALL PRODUCERS BEING IN A PARTNERSHIP, CORPORATION OR COOPERATIVE
MUST FILL IN PAGE 10 AND SIGN PAGE 11

FOR SASKATCHEWAN RESIDENTS YOU MUST ALSO SIGN PAGE 4

ALL PRODUCERS MUST FILL IN PART 1 – PAGE 4
WHEN APPLYING FOR SPRING ADVANCE

ALL PRODUCERS MUST FILL IN AND SIGN PART 2 – PAGE 14
WHEN APPLYING FOR FALL ADVANCE OR WHEN CONFIRMING PART 1

FOR PRODUCERS WISHING FOR FUNDS TO BE ELECTRONICALLY TRANSFERRED
SIGN PAGE 6 FOR DIRECT DEPOSIT AUTHORIZATION AND INCLUDE A VOID CHEQUE

THE PAGES YOUR FINANCIAL INSTITUTION OR
CREDITOR/INPUT SUPPLIER MUST COMPLETE AND SIGN ARE:
PAGE 5 PRIORITY AGREEMENT FOR AGRICULTURAL INPUTS SUPPLIER &
PAGE 6 PRIORITY AGREEMENT FOR FINANCIAL INSTITUTIONS

IF THE PRODUCER HAS DEFAULTED TWICE SINCE AND INCLUDING 2007,
THE PRODUCER WILL BE INELIGIBLE FOR ANY NEW ADVANCES FOR ONE (1) YEAR
FROM THE DATE THAT ALL DEFAULTED ADVANCES HAVE BEEN REPAYED IN FULL.
IF A PRODUCER HAS DEFAULTED THREE (3) TIMES SINCE AND INCLUDING 1998,
THE PRODUCER WILL BE INELIGIBLE FOR ANY NEW ADVANCES FOR ONE (1) YEAR
FROM THE DATE THAT ALL DEFAULTED ADVANCES HAVE BEEN REPAYED IN FULL.

IF THE PRODUCER DEFAULTS DURING THE CURRENT PROGRAM PRODUCTION PERIOD,
THE PRODUCER WILL NOT BE ELIGIBLE TO RECEIVE ADDITIONAL ADVANCE FUNDS
DURING THE REMAINDER OF THAT CURRENT PROGRAM.

REPAYMENTS — REPAYMENTS MUST BE MADE BY THE PRODUCER,
DIRECTLY TO CLAA, SUPPORTED BY COPIES OF ALL SALES RECEIPTS.

**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.**

PLEASE ALLOW ADEQUATE TIME FOR MAIL AND
PROCESSING OF THE APPLICATION WHEN APPLYING.

CLAA # ▸

APP ID # ▸

CANADIAN LIVESTOCK ADVANCE ASSOCIATION (CLAA)

2009/2010 APPLICATION AND REPAYMENT AGREEMENT

THE APPLICANT MUST HAVE OWNERSHIP OF THE AGRICULTURAL PRODUCT BEING APPLIED ON IN THIS ADVANCE.

PRODUCER INFORMATION:

1. SOLE PROPRIETORS: The following documentation **MUST** be attached: **PROOF OF CANADIAN CITIZENSHIP / PERMANENT RESIDENCY, PROOF OF AGE** (Copy of Birth Certificate)

FULL LEGAL NAME OF INDIVIDUAL, AS ON BIRTH CERTIFICATE (FIRST NAME, MIDDLE NAMES, SURNAME):	BIRTHDATE: MM / DD / YYYY
FULL LEGAL NAME OF PERSON(S) AUTHORIZED TO EXCHANGE ACCOUNT INFORMATION:	RELATIONSHIP:

2. PARTNERSHIPS, CORPORATIONS OR COOPERATIVES: The following documentation **MUST** be attached: **PROOF OF CANADIAN CITIZENSHIP / PERMANENT RESIDENCY, PROOF OF AGE** (Copy of Birth Certificate) and **CERTIFICATE OF INCORPORATION / PROOF OF PARTNERSHIP**

LEGAL NAME OF PARTNERSHIP, CORPORATION OR COOPERATIVE (PLEASE INCLUDE A COPY OF REGISTRATION DOCUMENTS):
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3. OTHER PRODUCER INFORMATION:

CWB PERMIT #:	APP ID #:	APPLICATION DATE:
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4. ADDRESS:

STREET/BOX#:	CITY/TOWN:	PROVINCE:	POSTAL CODE:
HOME RESIDENCE: (SECTION, TOWNSHIP, RANGE, STREET):	HOME TELEPHONE #:	ALTERNATE TELEPHONE #:	E-MAIL ADDRESS:

5. AUCTION / BUYER INFORMATION:

COMPANY NAME:	MAILING ADDRESS: STREET / BOX NUMBER:	CITY / TOWN:	PROVINCE:
POSTAL CODE:	TELEPHONE #:	ALTERNATE TELEPHONE #:	EMAIL ADDRESS:

6. SECURITY OF ADVANCE:

ELIGIBLE BRM PROGRAM (AGRISTABILITY) CONTRACT # (PIN #):	YEAR:
WHERE DO YOU PURCHASE YOUR AGRICULTURAL INPUTS:	TELEPHONE #:

IMPORTANT DATES:

APRIL 1, 2009: PROGRAM START DATE

SEPTEMBER 14, 2009: LAST DATE FOR APPLICATION FOR SPRING ADVANCE (PART 1)

DECEMBER 31, 2009: LAST DATE FOR APPLICATION TO TRANSFER
SPRING ADVANCE (PART 1) TO FALL ADVANCE (PART 2)

MARCH 1, 2010: LAST DATE FOR APPLICATION OF FALL ADVANCE (PART 2)

SEPTEMBER 30, 2010: LAST DATE FOR REPAYMENT OF 2009/2010 ADVANCE

PLEASE FORWARD COMPLETED APPLICATION TO :
CANADIAN LIVESTOCK ADVANCE ASSOCIATION
400 – 1661 PORTAGE AVENUE
WINNIPEG, MANITOBA R3J 3T7

For local inquiries: **204-788-0090**

You can reach us at:

All inquiries: **TOLL FREE: 1-866-745-2256** or **FAX: 204-788-0039**

Email: **livestock@ccga.ca** Website: **www.ccca.ca**

PART 1: SPRING ADVANCE RATES

SASKATCHEWAN		BRITISH COLUMBIA	
Feeder Calf (400-700 lbs.)	\$343.00	Feeder Calf (400-700 lbs.)	\$327.00
Feeder Cattle (700-900 lbs.)	\$402.00	Feeder Cattle (700-900 lbs.)	\$385.00
Finished Cattle (Up to 1250 lbs.)	\$505.00	Finished Cattle (Up to 1250 lbs.)	\$490.00
Finished Cattle (Over 1250 lbs.)	\$600.00	Finished Cattle (Over 1250 lbs.)	\$560.00

Agricultural Product(s) against which this application is taken.

Producers **MUST Submit Your 2008 AgriStability Enrolment and Proof of Inventory using 2 Years of Livestock Inventory Valuation or copy of Statement A through CAIS or Inventory Sales Receipts from the Past 2 Years with this Advance Application**

CONFIRMATION OF LIVESTOCK FOR SPRING ADVANCE

PROVINCE	AGRICULTURAL PRODUCT	NUMBER OF HEAD	ADVANCE RATE	ELIGIBLE ADVANCE \$
			X	= \$
			X	= \$
			X	= \$
			X	= \$
			X	= \$
TOTAL OF ABOVE PRODUCT: (maximum \$400,000.00)				\$

TOTAL ADVANCE REQUESTED	
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Producer's Outstanding Balances and Advances Issued

2008 APP Outstanding Advances with CLAA.....

2008 APP Outstanding Advances from **any other organization** (includes CWB & CCGA Advances).....

2009/2010 APP Advances **issued** from **any other organization** (includes CWB & CCGA Advances).....

List organization names and amounts for each of the above: _____

Legal description of land where you intend to pasture livestock: _____

FOR CLAA USE ONLY	Advance Approved by Administration	<input style="width: 100px; height: 20px;" type="text"/>
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ALL SASKATCHEWAN PRODUCERS MUST SIGN THIS WAIVER SASKATCHEWAN FARM SECURITY WAIVER OF EXEMPTION PROTECTION FOR SPECIFIC CHATTELS [Clause 68(3)(a) of *The Saskatchewan Farm Security Act*]

I, _____,
(The Producer)

pursuant to clause 68(3)(a) of *The Saskatchewan Farm Security Act*, permanently waive and revoke all right or entitlement to my exemption protection under subsection 68(1) of *The Saskatchewan Farm Security Act* with respect to the following specific chattel(s):

All agricultural products of the producer, including after acquired agricultural products as defined in the repayment agreement between CLAA and the producer.

for the purpose of using the above noted chattel(s) to secure the following specific debt, the lesser of \$400,000.00 or the amount advanced by CLAA together with interest and costs, until such time as the above noted specific debt has been fully paid.

Dated this _____ day of _____, 20_____.

(Signature of Producer)

PRIORITY AGREEMENT FOR AGRICULTURAL INPUTS SUPPLIER

Every producer must have this Priority Agreement filled out by his/her/their main Agricultural Inputs Supplier.

A separate Priority Agreement must be completed for each Agricultural Input Supplier that has, or could have a security interest in or lien on the Agricultural Product(s) for which the advance is to be made.

PRODUCER

APP ID #

PART 1 – IF SUPPLIER HAS LIEN OR COULD HAVE LIEN:

(NAME OF AGRICULTURAL INPUT SUPPLIER)

does hereby consent that in consideration of an advance being issued by CLA Canadian Livestock Advance Association (herein called the "Administrator") to the Producer, the Agricultural Inputs Supplier 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 this application, or any BRM Program payments now held or to be held by the Administrator, shall rank prior to any security interest (or right to have) held by the Agricultural Inputs Supplier, whether such security was pursuant to the Personal Property Security legislation in force or by operation of any other law or agreement 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 actually advanced, plus interest and costs on that amount. For the purposes of giving effect to this Priority Agreement, the Agricultural Inputs Supplier shall execute and deliver to the Administrator any documents the Administrator may reasonably request to give effect to this postponement.

PART 2 – IF SUPPLIER HAS NO LIEN:

(NAME OF AGRICULTURAL INPUT SUPPLIER)

(herein referred to as the "Secured Party"), does hereby confirm that in consideration of an advance being issued by CLA Canadian Livestock Advance Association (herein called the "Administrator"), the Secured Party does not have any lien or security interest pursuant to Section 427 of the *Bank Act*, or pursuant to any other law of Canada or of the provinces, related to the Agricultural Product(s) or to the AgriStability Program payment(s) or any BRM Program payment for the above named Producer.

PART 3 – THE AGRICULTURAL INPUT SUPPLIER/SECURED PARTY:

The Secured Party HAS HAS NOT (please check one) taken an assignment on AgriStability contact number _____ payments related to the Agricultural Product(s) or any BRM program payment.

PART 4 –

The Producer has been dealing with your company for _____ years.

The Producer is in good standing (please circle one) **YES** **NO**

PART 5 – TO BE SIGNED BY THE AGRICULTURAL INPUT SUPPLIER 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 I hereunto set our hands and seals:

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

Name of Authorized Officer of Agricultural Inputs Supplier (Please Print)

Signature of Authorized Officer of Agricultural Inputs Supplier

Position

Full address of Agricultural Inputs Supplier:

Street/Box: _____ Town/City: _____ Prov: _____ Postal Code: _____

Telephone number of Agricultural Inputs Supplier: _____

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

1.1 BASIC INFORMATION

PRODUCER NAME			APP ID #
List of Agricultural Products (the "agricultural product(s)"): 			
PRODUCT #1	PRODUCT #2	PRODUCT #3	PRODUCT #4

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 1A — 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 CLA Canadian Livestock Advance Association (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 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, 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.

PART 1B — The Financial Institution 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 AgriStability 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, unless otherwise stated by the Financial Institution.

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 — 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 SECURED PARTY)

located at _____ (herein referred to as the "Creditor"), hereby consents that: In consideration of an advance being issued by CLA Canadian Livestock Advance Association (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.

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

Name of Creditor

By: _____
Signature of Authorized Officer of Creditor

Date

Name and Title: _____

INFORMATION REQUEST FROM FINANCIAL INSTITUTION

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

Producer is in good standing (please circle one) **YES** **NO**

The Financial Institution (please circle one): **DOES** **DOES NOT** require the cheque to be issued jointly.

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

Name of Financial Institution: _____

Full address of Financial Institution:

Street/Box: _____ Town/City: _____ Prov: _____ Postal Code: _____

Telephone number of Financial Institution: _____

DIRECT DEPOSIT AUTHORIZATION

If you wish to have the advance directly deposited into your account, please attach a VOID cheque from your specific account and financial institution. If you used direct deposit with CLAA previously for exactly the same account and financial institution branch, you only need to sign below. If the financial institution requires the advance to be issued jointly, direct deposit is not possible.

SIGNATURE OF PRODUCER

DATE

CHECK BOX IF USED
DIRECT DEPOSIT PREVIOUSLY

All Producers must fill out and sign.

This form is required to be filled in only if the producer **did not** take a 2007 or 2008 advance with CLAA.

**CLA CANADIAN LIVESTOCK ADVANCE ASSOCIATION
Producer's Declaration Form**

This declaration will continue for advances made to this entity now and in the future unless changes are made to corporate structure or program.

Under the Agriculture Marketing Programs Act (AMPA), the Spring Credit Advance Program (SCAP), Enhanced Spring Credit Advance Program (ESCAP), Advance Payments Program (APP) and the New Advance Payments Program (NAPP), the Producer is responsible for ensuring that all individual producers, related producers, associates with interest in the Agricultural Product in question and associated advances are clearly identified.

Producers's full legal name(s): _____
(MUST MATCH NAME ON APPLICATION UNDER PRODUCER INFORMATION)

List Producer(s) as well as all related Producer(s) to this application, including **Name (full legal names), APP ID# and Date of Birth.**
Full legal name consists of First name, Middle name and Last name. If Producer has no Middle name please indicate. **Please list Date of Birth by MM/DD/YYYY.**

Name _____	APP ID# _____	Date of Birth: _____ MM DD YYYY
Name _____	APP ID# _____	Date of Birth: _____ MM DD YYYY
Name _____	APP ID# _____	Date of Birth: _____ MM DD YYYY
Name _____	APP ID# _____	Date of Birth: _____ MM DD YYYY

Please check one of the following statements:

- a) For the purposes of applying as an individual producer, I am not required by the Income Tax Act to report income from other farming operations or other corporations carrying on a farm business, other than the one named in this Application or,
- b) Enclosed is a list and percentages of shares or interests, of all other farming operations and Corporations carrying on farm operations in which I have an interest.

MANDATORY — Check either AGREE or DISAGREE to the following:

I/We are declaring that I/We have not filed a notice of intention to make a proposal OR made a proposal under the Bankruptcy and Insolvency Act, or are subject to a receiving order under that act, or are 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*.

AGREE DISAGREE

ADVANCES PREVIOUSLY RECEIVED

List all your, and applicable related Producer's, cash advances taken on commodities for the current production year through all other advance organizations (including CWB):

PRODUCER'S NAME	% INTEREST IN COMPANY	DATE	INTEREST-FREE ATTRIBUTED	TOTAL AMOUNT ATTRIBUTED	DATE	INTEREST-FREE ATTRIBUTED	TOTAL AMOUNT ATTRIBUTED
			\$	\$		\$	\$
			\$	\$		\$	\$
			\$	\$		\$	\$
TOTALS			\$ (1)	\$ (2)		\$ (3)	\$ (4)
INTEREST-FREE AMOUNT			\$ (5)		TOTAL AMOUNT		\$ (6)
(1+3 ABOVE)						(2+4 ABOVE)	

I certify the above to be true and correct. I agree to report any future changes in the producer's structure. I am aware that to make a false statement is an offence.

SIGNATURE OF PRODUCER	DATE

RELATED PRODUCER SECTION

In this section:

RELATED PRODUCERS are producers with whom the applicant **DOES NOT** deal at arm's length. These can include: siblings, parents or children (by blood, marriage or adoption); spouses (including common-law); OR individuals with whom the applicant is cohabitating.

COMMON-LAW PARTNERSHIP means the relationship between two persons who are cohabitating in a conjugal relationship, having so cohabitated for a period of at least one year.

BUSINESS ENTITY means any corporation, partnership, cooperative or other association of persons of which you or a related individual (as defined above) is a shareholder, partner or member, as the case may be.

Relatedness affects the applicant's eligibility to receive an advance, as well as the amount of an advance.

If you answer yes to questions 1 or 2 below, either complete the Related Producers section which is a declaration of relatedness OR the Rebuttal of Relatedness which may allow you to rebut the presumption of relatedness.

If you answer yes to question 3, you may not be eligible to receive an APP advance, unless you are able to rebut the presumption of relatedness.

1. Do you share the reporting of income or losses of any other farming operation with a related producer? YES NO
2. Has a related producer a) applied for an APP advance in this production period or b) have an outstanding APP advance from a previous production period? YES NO
3. Is any related producer ineligible as a result of a default under APP, SCAP or ESCAP? YES NO

RELATED PRODUCERS

List all related individual producers who received an advance for this or previous production periods, including advances issued by other APP Administrators.

Attach a separate sheet if required.

NAME OF THE RELATED INDIVIDUAL PRODUCER THAT RECEIVED AN ADVANCE	APP ID	NAME OF ADMINISTRATOR WHICH ISSUED THE ADVANCE	PRODUCTION PERIOD
			20
			20
			20
			20

REBUTTAL OF RELATEDNESS

Answer the questions below for each related producer listed in the Related Producer section.

If you respond no to any of the questions below, you have not rebutted the presumption of relatedness with the producer in question.

If you respond yes to all the statements below, you have established that you deal at arm's length with the producer(s) in question, and the Administrator may request the appropriate documentation to support your responses, such as articles of incorporation, financial statements, leases, receipts, etc.

Attach a separate sheet if required.

1. NAME OF THE RELATED INDIVIDUAL PRODUCER THAT RECEIVED AN ADVANCE:

- a. You and the related producer file separate tax returns and/or produce separate financial statements..... YES NO
- b. You and related producer are not employees or do not act as agents of the other. YES NO
- c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. YES NO

2. NAME OF THE RELATED INDIVIDUAL PRODUCER THAT RECEIVED AN ADVANCE:

- a. You and the related producer file separate tax returns and/or produce separate financial statements..... YES NO
- b. You and related producer are not employees or do not act as agents of the other. YES NO
- c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. YES NO

3. NAME OF THE RELATED INDIVIDUAL PRODUCER THAT RECEIVED AN ADVANCE:

- a. You and the related producer file separate tax returns and/or produce separate financial statements..... YES NO
- b. You and related producer are not employees or do not act as agents of the other. YES NO
- c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. YES NO

4. NAME OF THE RELATED INDIVIDUAL PRODUCER THAT RECEIVED AN ADVANCE:

- a. You and the related producer file separate tax returns and/or produce separate financial statements..... YES NO
- b. You and related producer are not employees or do not act as agents of the other. YES NO
- c. You and the related producer conduct all business transactions (e.g. sharing of equipment and/or land) at fair market value and such transactions are documented. YES NO

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.

Also, please check the following:

SIGNATURES REQUIRED

All producers:

- For Part 1 — Pages 3, 7, 13, 15.....
- For Part 2 — Also Page 14.....
- Signature from Agricultural Inputs — Page 5.....
- Signature from Financial Institutions — Page 6.....
- Producers being in a Partnership,
Corporation or Cooperative — Pages 10 & 11.....

COPIES OF DOCUMENTS REQUIRED

Security on cash advance is AgriStability:

YOU MUST INCLUDE:

Proof of Canadian Citizenship / Permanent Residency

Proof of Age (copy of birth certificate)

2008 Enrolment Notice and Reference Margin from AgriStability
WITH Proof of inventory using 2 years of Livestock Inventory Valuation
or a copy of Statement A through CAIS/AgriStability
or Inventory sales and purchase receipts from the past 2 years.

Producers being in a Partnership, Corporation or Cooperative
please enclose a copy of Partnership Agreement and Registration
and for Corporations the Articles of Incorporation.

This Form is required to be filled in **ONLY if the Producer did not take an advance with CLAA in 2007 or 2008** or if there has been a change to Corporate structure.

CLA CANADIAN LIVESTOCK ADVANCE ASSOCIATION

AGRICULTURAL MARKETING PROGRAMS ACT (AMPA), ADVANCE PAYMENTS PROGRAM (APP)

JOINT AND SEVERAL LIABILITY CONTINUING GUARANTEE

PARTNERSHIP/CORPORATION/COOPERATIVE

*****This guarantee will continue for advances made to this entity now and in the future unless changes are made to corporate structure or program*****

Indicate if Producer is a: PARTNERSHIP CORPORATION COOPERATIVE

The following documentation MUST be attached: PROOF OF CANADIAN CITIZENSHIP / PERMANENT RESIDENCY, PROOF OF AGE (Copy of Birth Certificate) and CERTIFICATE OF INCORPORATION / PROOF OF PARTNERSHIP

Name of Producer:

(SHOULD MATCH NAME ON PAGE 3)

Eligible Producers for an advance are: for Corporations, a majority of whose voting shares are held by Canadian Citizens or permanent residents; for Cooperatives, a majority of whose members are Canadian Citizens or permanent residents; for a Partnership or other associations of persons where partners or members, who are Canadian Citizens or permanent residents, are entitled to at least 50% of the profits of the partnership or association.

All Individuals/Shareholders/Partners/Members who have an interest in the Partnership, Corporation or Cooperative, are listed below for the purpose of this application:

Name (Full Legal Name)	Complete Mailing Address For Each Partner or Shareholder	Home Telephone # For Each Partner or Shareholder	Position in Company (if applicable)	% Interest in Company/Operation

None of the above producers have outstanding liability under any previous cash advance.

I/We, being Individual(s)/Partner(s)/Shareholder(s)/Member(s), as the case may be of the Producer (collectively referred to as the "Guarantors", in consideration of an advance being made to the Producer, by the CLA Canadian Livestock Advance Association for the eligible amount in any production period and the Minister of Agriculture and Agri-Food Canada (the "Minister") guaranteeing repayment of such advance and interest thereon, unconditionally guarantee to the CLA Canadian Livestock Advance Association and the Minister of Agriculture and Agri-Food Canada, the due payment of all amounts owing by the Producer, pursuant to the terms and conditions of the CLA Canadian Livestock Advance Association Cash Advance Application, the AMPA and regulations, including the amount advanced, interest, and any collection costs, on any advance made to the Producer now or in the future.

Upon Default in payment of any sum owing by the Producer to CLAA or the Minister at any time, or upon Default in the performance of the obligations by the Producer, CLAA or the Minister may treat the whole of the indebtedness hereby guaranteed as due and payable and may forthwith collect from the Guarantors the total amount hereby guaranteed. The obligations of the Guarantors hereunder shall be continuing obligations and a new cause of action shall be deemed to arise in respect of each Default.

The Guarantors recognize that the Minister and the CLAA, pursuant to AMPA, may stay a Default of the Producer, and we agree to such stay if the Minister and the CLAA deem it advisable.

The Guarantors waive notice of acceptance of this Guarantee.

The Producer and all related parties meets all the requirements listed in the application for a cash advance from the CLAA under the Agricultural Marketing Programs Act (AMPA), and Advance Payments Program (APP) and neither the Producer or related parties is in Default under any prior repayment agreement under APP, SCAP OR ESCAP.

The Producer will fulfill all obligations as outlined in the application for a cash advance from the CLAA under the Agricultural Marketing Programs Act (AMPA) or the Advance Payments Program (APP).

Please continue on reverse side of this paper.

In the event that the Producer does not fully repay the advance, interest, and any costs involved in collecting the account, the Guarantors will be responsible individually for repaying the debt, including interest and all costs now and in the future. We as individuals agree to be liable individually to repay the obligations including interest and costs now and in the future.

CLAA shall not be bound to exhaust its recourse against the Producer or other parties before being entitled to payment from the Guarantors under the Guarantee.

This Agreement shall continue to be binding upon the undersigned Guarantor(s), their heirs, executors, Administrators, and assigns and shall remain in force and effective as against the Guarantors until such time as the Producer has repaid all amounts owing by it to CLAA and the Minister, on account of the Repayment Agreement or otherwise. The Guarantors agree that this Guarantee is a continuing guarantee. The Guarantors acknowledge that consideration has been given and agree that same may only be limited, upon giving written notice to CLAA at 400 – 1661 Portage Avenue, Winnipeg, Manitoba, R3J 3T7, of the Guarantors' intent to limit this guarantee.

Any notice given will only be effected for advances subsequent to the notice.

I/We have read, understand and agree to be bound by all terms of this declaration and the CLAA's Repayment Agreement and that all information set forth in these documents is true and correct.

Please note that by signing this document, you understand and agree that action may be taken against you personally to repay the full amount of any Defaulted advance, plus interest and costs.

IN WITNESS WHEREOF we, being all of the above-named Guarantors, hereunto set our hand(s).

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

DO NOT USE CORPORATE SEALS ON THIS DOCUMENT

All individual members or partners must sign personally (do not include any company name or position held) and must have a non-relative sign as a witness. **If a resident of Alberta or Saskatchewan, a Notary Public / Lawyer must witness this form as well as fill in and sign the attached Guarantee Acknowledgement Certificate.**

SIGNATURE OF SHAREHOLDER, MEMBER OR PARTNER

SIGNATURE OF WITNESS (MUST NOT BE A RELATIVE)

NAME OF SHAREHOLDER, MEMBER OR PARTNER (PLEASE PRINT)

NAME OF WITNESS (PLEASE PRINT)

BOX CITY PROV. POSTAL CODE
ADDRESS OF WITNESS

SIGNATURE OF SHAREHOLDER, MEMBER OR PARTNER

SIGNATURE OF WITNESS (MUST NOT BE A RELATIVE)

NAME OF SHAREHOLDER, MEMBER OR PARTNER (PLEASE PRINT)

NAME OF WITNESS (PLEASE PRINT)

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NAME OF WITNESS (PLEASE PRINT)

BOX CITY PROV. POSTAL CODE
ADDRESS OF WITNESS

ADVANCE PAYMENTS PROGRAM (APP) BUSINESS RISK MANAGEMENT PROGRAM PROCEEDS – ASSIGNMENT AGREEMENT LIVESTOCK

1.1 PRODUCER AND ADMINISTRATOR INFORMATION

AGREEMENT DATED THIS _____ DAY OF _____, 20 _____

Between _____ (Individual/Partner/Corporation/Cooperative), hereinafter referred to as the "Assignor"

And CLA Canadian Livestock Advance Association hereinafter referred to as the "Administrator"

This assignment agreement is for all proceeds, up to the amount set in Part 2 below, payable to the Assignor under AgriStability contract number _____ and is being used to secure advances issued under the Repayment Agreement (i.e., APP Application) between the Producer and the Administrator dated _____ and pursuant to the Advance.

(MM/DD/YYYY)

Payments Program and the *Agricultural Marketing Program Act*. Advances have been issued on the following Agricultural Product(s):

PRODUCT #1	PRODUCT #2	PRODUCT #3	PRODUCT #4	PRODUCT #5

1.2 DEFINITIONS AND ASSIGNMENT AGREEMENT

1. DEFINITIONS AND INTERPRETATIONS:

"APP Electronic Delivery System" means the on-line 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 cooperative that applied for an advance under the Advance Payments Program.

"Livestock" means Feeder calf, Feeder cattle, Finished cattle up to 1250 pounds, and Finished cattle over 1250 pounds.

2. THE PARTIES HERETO AGREE THAT:

Should the Producer become in default under the repayment agreement signed on _____ (date), the Assignor hereby agrees to transfer, assign and set over to the Administrator all of his/her/their right, title and interest in the proceeds to be received from the BRM program in the current year and all future years until such a time as the Producer's liability under the defaulted advance(s), has been paid in full, and a liability to the Administrator no longer exists. 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 the Administrator, any documents or agreements as the BRM Administrator may reasonably request.

The amount of the Producer's liability under the defaulted advance(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 the Administrator via the APP Electronic Delivery System or an alternative method agreed upon by AAFC and the BRM Administrator.

Sealed, delivered and attested by:

NAME AND TITLE OF PRODUCER (PLEASE PRINT)

SIGNATURE OF PRODUCER

NAME AND TITLE OF PRODUCER (PLEASE PRINT)

SIGNATURE OF PRODUCER

NAME AND TITLE OF PRODUCER (PLEASE PRINT)

SIGNATURE OF PRODUCER

NAME AND TITLE OF PRODUCER (PLEASE PRINT)

SIGNATURE OF PRODUCER

NAME AND TITLE OF ADMINISTRATOR (PLEASE PRINT)

SIGNATURE OF ADMINISTRATOR

PART 2: POST PRODUCTION REPORT / FALL ADVANCE

All producers having a CLAA Advance for Part 1 must send in the Part 2 to verify stock still on hand by December 31, 2009 or they will be declared in default.
Prices will change as of SEPTEMBER 15, 2009. New prices can be found on the CLAA website, or by calling: 1-866-745-2256 or email: livestock@ccga.ca

RATES

SASKATCHEWAN		BRITISH COLUMBIA	
Feeder Calf (400-700 lbs.)	\$000.00	Feeder Calf (400-700 lbs.)	\$000.00
Feeder Cattle (700-900 lbs.)	\$000.00	Feeder Cattle (700-900 lbs.)	\$000.00
Finished Cattle (Up to 1250 lbs.)	\$000.00	Finished Cattle (Up to 1250 lbs.)	\$000.00
Finished Cattle (Over 1250 lbs.)	\$000.00	Finished Cattle (Over 1250 lbs.)	\$000.00

Agricultural Product(s) against which this application is taken.

Producers **MUST Submit Your 2008 AgriStability Enrolment Notice and Proof of Inventory using 2 Years of Livestock Inventory Valuation or copy of Statement A through CAIS or Inventory Sales Receipts from the Past 2 Years with this Advance Application**

VERIFICATION AND/OR CONFIRMATION OF LIVESTOCK FOR FALL ADVANCE

PROVINCE	AGRICULTURAL PRODUCT	NUMBER OF HEAD	ADVANCE RATE	ELIGIBLE ADVANCE \$
			X	= \$
			X	= \$
			X	= \$
			X	= \$
			X	= \$
TOTAL OF ABOVE PRODUCT: (maximum \$400,000.00)				\$

TOTAL ADVANCE REQUESTED

Please indicate your intentions for Part 3 by Selecting one of the following:

- A Transfer Part 1 to Part 2 Only,
No Additional Funds..... YES
- B Transfer Part 1 to Part AND
Issue Maximum Additional Funds Eligible For YES
- C Transfer Part 1 to Part 2 AND Issue Additional Funds
Only in the Amount of \$
- D Applying for 2009/2010 APP Advance
(when applying for fall program **only**) - requested amount \$

Producer's Outstanding Balances and Advances Issued:

- 2008 APP outstanding advances
with CLAA.....
- 2008 APP outstanding advances
from any other organizations (includes CWB & CCGA)
- 2009/2010 APP Advances issued
from any other organizations (included CWB & CCGA).....

List organization names and amount for each of the above: _____

Legal description of land where you pasture livestock: _____

For Sole Producers and Persons having Signing Authority for a Corporation or Cooperative:

SIGNATURE OF PRODUCER / SIGNING OFFICER FOR CORPORATION / COOPERATIVE	SIGNATURE OF WITNESS (MUST NOT BE A RELATIVE)	DATE
NAME OF PRODUCER / SIGNING OFFICER FOR CORPORATION / COOPERATIVE (PLEASE PRINT)	NAME OF WITNESS (PLEASE PRINT)	

For Applications pertaining to Partnerships:

SIGNATURE OF SHAREHOLDER / PARTNER	SIGNATURE OF WITNESS (MUST NOT BE A RELATIVE)	DATE
NAME OF SHAREHOLDER / PARTNER (PLEASE PRINT)	NAME OF WITNESS (PLEASE PRINT)	
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NAME OF SHAREHOLDER / PARTNER (PLEASE PRINT)	NAME OF WITNESS (PLEASE PRINT)	

FOR CLAA USE ONLY	Approved Amount by Administration.....	<input style="width: 80px; height: 20px;" type="text"/>
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DECLARATION OF PRODUCER & REPAYMENT AGREEMENT

1. I am applying as an individual or, on behalf of the Partnership/Corporation/Cooperative for which I represent, and have authority to make an application for an advance payment pursuant to APP.
2. I am, or at least one of the Partners/Shareholders/Members is of the age of majority, and I/the majority of the Members/Partners/Shareholders am/are a Canadian citizen or a permanent resident or at least 50% of the partnership profits will be received by Canadian citizens or residents.
3. I am, or at least one of the Partners/Shareholders/Members in the case of a business applicant, is principally occupied in the farming operation.
4. I am, or at least one of the Partners/Shareholders/Members is the producer of the Agricultural Products for which this application is made, or I am, or one of the Partners/Shareholders/Members is entitled to the Agricultural Products as Landlord, Vendor, Mortgagee or Hypothecary Creditor.
5. **No other person has an interest in the Agricultural Product with respect to which this Application is made, and the Agricultural Product will be sold in my name or the name of the Partnership/Corporation/Cooperative for which I represent. I am/We are the owner(s) of and am/are responsible for marketing the Agricultural Products pledged in this Application.**
6. I am not required by the Income Tax Act to report income from other farming operations or other corporations carrying on a farm business, other than the one named in this Application, otherwise I have listed on the Producer's Declaration all other farming operations and corporations carrying on farm operations in which I have an interest, and all related producers.
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 Application on the Joint & Several Liability Form.
8. Neither I, nor any of the farming operations listed on the Producer's Declaration Form, the Partnership/Corporation/Cooperative or any of the Partners/Shareholders/Members listed in this Application, have outstanding advances from previous years for an agricultural product of the same designation and neither I, nor any of those farming operations, or 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), the Spring Credit Advance Program (SCAP), the Enhanced Spring Credit Advance Program (ESCAP), or the Agricultural Marketing Programs Act (AMPA).
9. I am, or the Partnership/Corporation/Cooperative that I represent, is not ineligible under an advance guarantee agreement made pursuant to AMPA/SCAP/ESCAP for the production year for which this Application is made.
10. I, or the Partnership/Corporation/Cooperative that I represent am/is participating in the AgriStability Program as outlined in this Application.
11. I, or the Partnership/Corporation/Cooperative that I represent, and who is/are requesting an advance on the Livestock, have sufficient Livestock to justify the amount advanced in this Application.
12. The only assignments of the security proceeds or those entitled to a security interest are those listed in this Application form.
13. The only Secured Parties or entities entitled to security by advancing inputs on the Agricultural Products are those stated on this Application.
14. I agree that a credit check and an inspection/audit of the Agricultural Products may be performed at any time while an application is pending or the advance is outstanding.
15. I acknowledge that, in the event of a Default, I may, or the Partnership/Corporation/Cooperative may be denied access to other federal agricultural support programming or, alternatively the Minister of Agriculture and Agri-Food Canada reserves the right to off-set from such support a sum equal to the outstanding amount and related interest charges and recovery costs, and I agree to this.
16. I declare that this Application is consistent with the purpose of the Program.
17. **I understand that failing to comply with Application requirements may delay the processing of the Application or may render me or the Partnership/Corporation/Cooperative that I represent, ineligible for receiving an advance under the Program or cause the producer to be placed in Default.**
18. I or the Partners, as applicable, 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 of the Terms and Conditions of the Application and Repayment Agreement for the purpose of initiating actions or proceedings to recover any amounts owed to the Crown.
19. I authorize CLA Canadian Livestock Advance Association and AAFC to collect the information contained in, with,

- or pursuant to this Application. AAFC may use the information to verify and/or assess the Application, as well as to administer, audit, analyze, and evaluate or collect the Advance Payments Program. The personal information provided will be protected under the federal Privacy Act and the provisions of the federal Access to Information Act. The personal information retained by AAFC will be held in Personal Information Bank PPU140. All non-federal government organizations are obligated to protect personal information in accordance with the Personal Information and Electronic Documents Act (PIPEDA) or under legislation applicable within their jurisdiction. You may access your 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. Your request 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.
20. I authorize Canadian Livestock Advance Association and AAFC to convey the information contained in this Application, as well as associated documentation, both personal and otherwise, to the Federal and Provincial Governments and their agencies; and the Lender (CIBC) for the purposes of verifying APP entitlements, verification, assignment and realization of security.
 21. I authorize Canadian Livestock Advance Association and AAFC and organizations administering BRM Programs to convey the information contained in this Application, as well as associated documentation, both personal and otherwise, to other organizations administering the APP, for the purposes of verifying benefits under the APP.
 22. I consent to the right of the Minister of AAFC to contact me/us for purposes of evaluating AMPA.
 23. If I am a current or former public office holder, public servant or Member of the House of Commons, I am not prohibited to derive benefits from the APP under applicable-federal conflict of interest or ethical principles, and I am in compliance with applicable federal conflict of interest or ethical principles, rules and obligations.
 24. I acknowledge that, in cases where the applicant is declared in Default and the Minister makes payment under the guarantee, the Minister is, subrogated to the Administrator's Rights against the applicant in Default and against persons who may be personally liable under this Repayment Agreement.
 25. In the event that funding levels to the Department of Agriculture and Agri-Food Canada are changed by Parliament due to extraordinary circumstances, the Minister reserves the right to terminate interest payments under the agreement. The Administrator shall provide, in writing, 60 days notice to the producer of the intended termination date of the interest free provision. The producer will be responsible to the Administrator for any subsequent interest free provision. The producer will be responsible to the Administrator for any subsequent interest associated with the agreement irrespective of the stated program guidelines or overall objective of this agreement.
 26. That in order to determine my/our financial situation, I/we authorize CLAA or its Credit Bureau, to obtain information from my/our suppliers or the manager of any community pasture or buyer or from other financial institutions and from references I/we have provided in this application and authorize the giving to CLAA of the information requested. I/we authorize the release of information provided in this agreement to my/our supplier or financial institutions with whom I/we do business with. We agree to the collection and release of information by CLAA at their discretion and waive our rights under the PIPED Act.
 27. "I acknowledge that the CLAA, or the federal government, may register assignment with AgriStability for payments without further notice, giving CLAA or the Minister priority on any Program payouts up to the amount owing on the advance, plus any interest and costs."
 28. **In the case of livestock, I agree to maintain them in marketable form until disposed of and to notify CLAA and repay the advance within 30 days if they become unmarketable.**
 29. I agree to the attached Inserts.
 30. **I can confirm that there have been no changes to the producer's structure since the previous filing of the Producer's Declaration, if applicable.**
 31. I declare that I, or the Partners/Shareholders/Members, or the Partnership/Corporation/Cooperative as applicable: have not recently filed a notice of intention to make a proposal or made a proposal under the Bankruptcy and Insolvency Act; 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.

In witness whereof the producer has attested to by his/her/its hand and CLAA has set the hand of its duly authorized officer.

This agreement shall be governed by and interpreted in accordance with the laws of Manitoba. The Producer agrees that any action, proceeding, claim or other court activity arising from the enforcement or interpretation of this contract, if commenced by the Producer, must be commenced in the Province of Manitoba.

NOTE: Providing false or misleading information will result in an automatic default, with the loss of all benefits related to the Advance Payments Program.

I have read and understood the terms of this Application including the Declaration of Producer, the Terms and Conditions of the Repayment Agreement, and the details of the Advance Payments Program (APP) and confirm all declarations are true and complete and agree to be bound by the terms and conditions and program rules including repaying the advance plus interest and costs. I agree that the application, instructions, guarantee, priority agreement and all relevant attachments form part of this contract.

For Sole Producers and Persons having Signing Authority for a Corporation or Cooperative:

SIGNATURE OF PRODUCER / SIGNING OFFICER FOR CORPORATION / COOPERATIVE	SIGNATURE OF WITNESS (MUST NOT BE A RELATIVE)	DATE
NAME OF PRODUCER / SIGNING OFFICER FOR CORPORATION / COOPERATIVE (PLEASE PRINT)	NAME OF WITNESS (PLEASE PRINT)	

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NAME OF SHAREHOLDER / PARTNER (PLEASE PRINT)	NAME OF WITNESS (PLEASE PRINT)	

FOR OFFICE USE ONLY

I declare 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 my abilities, that the current Application and Repayment Agreement by the producer is accurate and complete before granting the above mentioned advance.

SIGNATURE OF ADMINISTRATOR

DATE

TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT

In consideration of the Administrator granting an advance pursuant to the provisions of the Advance Payments Program, the parties hereunto agree as follows:

1.0 Important Terms

- 1.1 "AAFC" means Agriculture and Agri-Food Canada.
- 1.2 "Administrator" means Canadian Livestock Advance Association.
- 1.3 "Repayment Agreement" means the completed Program Application, including Terms and Conditions signed by the producer and an authorized representative of the Administrator.
- 1.4 "Terms and Conditions" means the content of this application and repayment agreement.
- 1.5 "AMPA" means Agricultural Marketing Programs Act.
- 1.6 "Minister" means the Minister of Agriculture and Agri-Food Canada or any person authorized to act on his or her behalf.
- 1.7 "APP" means the Advance Payments Program.
- 1.8 "SCAP" means the Spring Credit Advance Program.
- 1.9 "ESCAP" means the Enhanced Spring Credit Advance Program.
- 1.10 "Agricultural Products" means an animal or plant or a product, including any food or drink that is wholly or partly derived from an animal or plant, and includes all after acquired Agricultural Products of the producer, or any proceeds therefore.
- 1.11 "Her Majesty" means Her Majesty the Queen in Right of Canada.
- 1.12 "Livestock" means Feeder calf, Feeder cattle, Finished cattle up to 1250 pounds and Finished cattle over 1250 pounds.
- 1.13 "Advance on Livestock" means an Eligible Advance based on inventory of livestock.
- 1.14 "Advance Rate on Livestock" means the rate of issuance applicable to advances issued between April 1, 2009 and September 14, 2009 with new rates again between September 15, 2009 and March 2, 2010.
- 1.15 "Eligible Advance" means the advance the producer is entitled to as calculated in the Application for an Advance Worksheet.
- 1.16 "Application for an Advance Worksheet" means the template used to calculate the Eligible Advance for the purposes of the APP.
- 1.17 "Production Period" commences on April 1, 2009 and terminates September 30, 2010.
- 1.18 "CLAA" means Canadian Livestock Advance Association.
- 1.19 "Eligible BRM Program" means an eligible business risk management program as listed in the schedule of AMPA used by producer as security against an advance on livestock.
- 1.20 "BRM Program Coverage Report" means a report from the agency responsible for the administration of the BRM program used as security wherein the producer identifies the enrolment of and amount of security available under the BRM program.
- 1.21 "Producer" means a producer of an Agricultural Product as identified in the application who is:
 - a) a Canadian citizen or a permanent resident of the age of majority of the province where the farming is carried on, whose principal occupation is farming or is entitled to own the Agricultural Product as a landlord and who is entitled to make the marketing decisions on the Agricultural Product; or
 - b) a corporation, a majority of whose voting shares are held by Canadian citizens or permanent residents, one of whom is a shareholder, the age of majority in the province where the farming is carried on and one of whose shareholder's principal occupation is farming or is entitled to own the Agricultural Product as landlord and is entitled to make the marketing decisions on the Agricultural Product; or
 - c) a cooperative, a majority of whose members are Canadian citizens or permanent residents, one of whom is a member the age of majority in the province where the farming is carried on and one of whose member's principal occupation is farming or is entitled to own the Agricultural Product as landlord and is entitled to make the marketing decisions on the Agricultural Product; or
 - d) a partnership or other association of persons where partners or members who are Canadian citizens or permanent residents are entitled to at least 50% of the profits of the partnership or association, one of whom is a member, the age of majority in the province where the farming is carried on and one of whose member's principal occupation is farming or is entitled to own the Agricultural Product as landlord and is entitled to make the marketing decisions on the Agricultural Product.

2.0 Issuance of the Advance

- 2.1 Producers must provide a BRM coverage report (AgriStability) and have sufficient security available related to the agricultural product to justify the eligible advance in accordance with the amount stated in this application and using the advance rate on the livestock. The producer agrees to maintain sufficient BRM program coverage until the advance is repaid.

- 2.2 Should the advance on livestock demonstrate that, through no fault of the producer, the coverage amount under the BRM program (AgriStability) or the value of the Agricultural Products, once produced, are not sufficient to justify the outstanding advance based upon fall prices, the Administrator shall notify the producer that the producer has thirty (30) calendar days to repay the part of the outstanding amount of the advance that exceeds the eligible advance by more than six thousand dollars (\$6000.00) or ten percent (10%), whichever is greater or, if eligible, make an application for an advance on another commodity and have the proceeds applied to the deficit, failing which, the producer will be declared in Default.
- 2.3 Any advance on all eligible Agricultural Products or any installment on such advance shall be issued as per the dates specified in Subsection 1.14.
- 2.4 The Administrator may withhold three (3) percent from the advance.

3.0 Repayment of the Advance

- 3.1 The producer shall repay the amount of the advance as specified in this Repayment Agreement to the Administrator to be received on or before September 30, 2010, by one or a combination of the following methods:
 - a) by selling or otherwise disposing of that portion of Agricultural Products in respect of which the advance is made and paying directly to the Administrator for each unit of Agricultural Products within seven (7) days of receipt of payment or within forty-five (45) days of delivery to the Buyer whichever is earlier, an amount at the Advance Rate in effect at the time of repayment until all the advances made to the producer and the interest payable by the producer on those advances is repaid; or
 - b) by making a cash payment without proof of sale prior, on, or before the last day of the Production Period up to the greater of one thousand dollars (\$1000.00) or ten percent (10%) of the total amount of the advance; or
 - c) by paying directly to the administrator any amount received under an eligible BRM program; or
 - d) by assigning to the administrator amounts payable to the producer under a program listed in the AMPA schedule. Upon realization of that payment, the Administrator will apply to repay the advance but not exceeding the amount of outstanding advance, within three (3) days of the receipt of the BRM payment. The Administrator will reimburse any amount received from a BRM program in excess of the outstanding advance to the producer within 7 days.
 - e) if the producer is eligible to receive a payment under a BRM Program which was used as security for this advance by payment directly from that BRM program payment.
 - f) by paying directly to the Administrator any amount received by the Producer, not exceeding the proceeds evidenced by proof of sale.
- 3.2 If the Producer chooses to repay in cash an amount in excess of the amount stated in 3.1 b) or c) without proof of sale of the Product, the Producer will be charged interest at the CIBC Prime rate on the excess amount from the day the advance was issued to the day the repayment was made, and the Producer agrees to pay all interest on the cash repayment by October 15, 2010.
- 3.3 All proof of sales must be received by CLAA by September 30, 2010.

4.0 Security Interests

- 4.1 The Producer grants a continuing security interest on the Producer's "Agricultural Products" as general and continuing security to the "Administrator" to secure repayment of all monies owing by the Producer to the Administrator under 5.3 of this Repayment Agreement. The Producer agrees that the Administrator's interest shall rank prior to the interest of any other creditor or secured party and confirms that the Producer has obtained signed priority agreements from all entities who have or may be entitled to have an interest in the "Agricultural Products" ranking ahead of the "Administrator". The Producer agrees that upon Default, the Administrator has the right to seize the Producer's "Agricultural Products" wherever situated and sell the agricultural product as it sees fit in order to realize upon any amount outstanding under this repayment agreement including interest and any legal costs and apply the proceeds against the Producer's liability (as defined in 5.3) until fully repaid.
- 4.2 To further secure the repayment, the Producer has irrevocably assigned the Producer's BRM Program repayments to the Administrator to secure repayment of all monies owing by the Producer to the Administrator as defined in 5.3 until fully repaid. The Producer acknowledges that all BRM Program repayments will be paid automatically to the Administrator until payment in full (as defined in 5.3) is received. The Producer further agrees that the Producer has obtained all signed priority agreements such that the Administrator's interest in the BRM Program payments shall rank prior to the interest of any other creditor or security holder. Such assignment becomes effective and will be registered only when the Producer becomes in default. If the advance is for agricultural products that have not been produced or are in the process of being produced, the Producer agrees to grant security interest on the proceeds of a program listed in the Schedule as collateral to the Administrator in the amount of the advance plus interests and costs as provided in this Agreement.

TERMS AND CONDITIONS OF THE REPAYMENT AGREEMENT (cont'd)

5.0 Default

- 5.1 The producer is in Default if the producer:
- has not met all of the producer's obligations under the Repayment Agreement by September 30, 2010;
 - files a notice of intention to make a proposal or makes a proposal under the *Bankruptcy and Insolvency Act*, is subject to a receiving order under that Act, becomes bankrupt or seeks protection under any other insolvency or bankruptcy related statute; or
 - is otherwise declared in Default by the Administrator in accordance with this Repayment Agreement.
- 5.2 The Administrator shall declare a producer in Default and immediately inform the producer of the same, if the producer:
- has not met any of the obligations under the Repayment Agreement within twenty (20) days after the day on which the Administrator mails or delivers a notice to the producer stating that the producer has had, in the opinion of the Administrator, adequate opportunity to meet the obligation, requesting that the producer meet it;
 - at any time breaches irremediably any substantial obligation under the Repayment Agreement; or
 - provides false or misleading information to the Administrator for the purpose of obtaining a guaranteed advance, or evading compliance with an undertaking to repay it.
- 5.3 Upon Default, the producer is liable to the Administrator for:
- the outstanding amount of the guaranteed advance;
 - the interest at the rate specified in Section 6.2 on the outstanding amount of the advance, calculated from the date the advance was issued until the advance is repaid;
 - costs incurred by the Administrator to recover the outstanding amount and interest, including legal costs approved by the Minister.
- 5.4 If the producer is declared in Default and the Minister makes payment under the guarantee, the Minister is subrogated to all rights of the Administrator against the Defaulted producer and against any other persons liable under this Repayment Agreement. The producer is, in addition to the amounts stated in Subsection 5.3, liable to the Minister for interest at the rate specified in paragraph 6.2 b) on the amount of the producer's liability under Subsection 5.3 and the costs incurred by the Minister to recover the amount, including legal costs.
- 5.5 Where applicable, the producer agrees, pursuant to Section 7 of the *Limitations Act of Alberta*, to the extension of the limitation period for seeking a remedial order for claims arising from this Agreement to six years from the date the Administrator knew, or in the circumstances, ought to have known, of the claim.
- 5.6 Where applicable, the producer agrees, pursuant to Section 7 of the *Limitations Act of Saskatchewan*, to the extension of the limitation period for seeking a remedial order for claims arising from this Agreement to six years from the date the Administrator knew, or in the circumstances, ought to have known, of the claim.
- 5.7 If the producer has defaulted twice since and including 2007, the producer will be ineligible for any new advances for one (1) year from the date that all defaulted advances have been repaid in full. If a producer has defaulted three (3) times since and including 1998, the producer will be ineligible for any new advances for one (1) year from the date that all defaulted advances have been repaid in full.
- If the producer defaults during the current program production period, the producer will not be eligible to receive additional advance funds during the remainder of that current program.
- 7.3 This Repayment Agreement shall commence upon approval and execution of this Agreement by the Administrator, and shall terminate upon repayment of all amounts provided for in this Agreement.
- 7.4 The Administrator or its authorized agent has the right to inspect the Agricultural Products or audit documents and request information from third parties and perform a credit check on the producer or any of the producer's Partners/Shareholders/Members at any time during the term of this Agreement.
- 7.5 The producer shall give immediate notice to the Administrator of any material loss, destruction or damage to the Agricultural Products.
- 7.6 If the Agricultural Products or a portion of the Agricultural Products for which an advance was made ceases to be in marketable condition, through no fault of the producer, the producer shall immediately inform the Administrator. The producer becomes liable to the Administrator for the portion of the guarantee of the advance, together with interest on it from the date of the advance, that is attributable to the unmarketable portion of the Agricultural Products.
- 7.7 The producer shall respect the terms of the BRM Program used as security and shall ensure that any payments from the BRM Program related to the Agricultural Products are forwarded to the Administrator up to the extent of the Eligible Advance, and the producer must notify the Administrator if further requests for an assignment of the BRM Program proceeds are made, granted or registered.
- 7.8 This Repayment Agreement shall be interpreted in accordance with the laws of the Province of Manitoba, Canada.
- 7.9 Whenever the singular or masculine is used throughout this Repayment Agreement, it shall be construed as including the plural, feminine or neuter whenever the context and/or the parties hereto so require.
- 7.10 In the event that any part of this Repayment Agreement is found to be invalid by a court of law, then the producer agrees to be bound by the terms and provisions of the balance of this Repayment Agreement.
- 7.11 This Repayment Agreement shall not terminate by reason of death or disability of the producer, but shall continue to be binding upon personal representatives to execute any instruments that may be necessary or proper to carry out the purpose and intent of this Agreement.
- 7.12 The producer agrees to provide the Administrator with any information requested by the Administrator to substantiate the statements made within this application to further satisfy eligibility requirements. Failure to provide such documentation as requested by the Administrator may result in a rejection of the application or in being declared in Default if the advance has been issued.
- 7.13 For the purposes of giving effect to any of the producer's undertakings under the Repayment Agreement, notably concerning the priority agreement, the security and assignment of rights, the producer shall make, execute and deliver to the Administrator any documents or agreements as the Administrator may reasonably request, including security agreements, assignments and financing statements.
- 7.14 If AgriStability is being used to secure the advance and loss on the agricultural product for which an advance is provided is offset by gain in other agricultural products such that no AgriStability payment is triggered, the producer must repay the outstanding balance within 30 days without penalty or be declared in default.
- 7.15 Where the Administrator determines that the Producer is 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 application must be rejected.

6.0 Interest Rate

- 6.1 Interest payable by the producer during the production period while in compliance with AMPA and this repayment agreement will be:
- 0% on amounts up to and including \$100,000.00.
 - CIBC prime on amounts over \$100,000.00.
- 6.2 In the event that the producer is declared in Default, the interest payable by the producer will be:
- CIBC Prime plus 3% on the amount of the outstanding balance from the date the advance was cashed to the date the producer was declared in Default, calculated daily and compounded monthly.
 - CIBC Prime plus 3% on the amount of the outstanding producer's liability from the date of Default until the advance, interest and all costs of collection are repaid in full, calculated daily and compounded monthly.
 - Advance monies that are interest bearing will be charged interest at the Canadian Imperial Bank of Commerce prime rate, calculated daily and compounded monthly.
- 7.16 All parties herein agree that should there be any discrepancies between this Agreement and the AMPA and its regulations the AMPA and its regulations will supersede this repayment agreement.
- 7.17 No Amendment to this agreement which may result in the reduction of the value of the security pursuant (Section 4.0) of these terms and conditions, other than an amendment to correct a clerical or mathematics error shall be made without written permission of the minister.
- 7.18 Unless authorized by the minister, any amendment to the repayment agreement as per subsection 7.16 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 APP administrator's guidelines for January 2009 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.
- 7.19 The producer shall have insurance covering the entire Agricultural Product to the extent available, for which the advance was made, to the full extent of the advance, for all insurable perils, until the producer's liability is repaid. The producer further agrees that any payout of this insurance will first be used to repay any outstanding advance.

7.0 General Provisions

- 7.1 Production period for agricultural product commences on April 1, 2009 and terminates September 30, 2010.
- 7.2 The advance referred to in section 1.13 of these Terms and Conditions is deemed to have been received on that portion of the producer's Agricultural Products first sold. The producer
- 7.20 It is agreed that all pages of this application form part of the terms and conditions of the Repayment Agreement, including the fees and deductions stated on page 1.

