

APPENDIX E

COMMODITY LOAN PROGRAM (CLP) - PRIORITY AGREEMENT – SUPPLIER/OTHER CREDITOR *For Liens OTHER THAN at a Financial Institution (e.g. Input Supplier-Based Creditors and/or Vegetable Processors)*

Producer Name (the "Producer"): _____
(Name of Individual, Partnership, or Corporation)

Agricultural Crop(s): _____ (the "Crop(s)") Amount of Loan(the "Producer Loan"): \$ _____

PART 1 – To be completed where the Supplier/Other Creditor HAS security interest or lien in current year crops

In the name of _____ located at _____ (the "Creditor"), does hereby consent that:
Name of Secured Creditor

FOR VALUE RECEIVED and in order to induce Agricultural Credit Corporation ("ACC") to make loans to the Producer, the undersigned Creditor:

1. subordinates its security interest to and gives priority to any security interest of ACC now held or to be held by ACC in the Crop(s) and proceeds therefrom and in the production insurance payments and Business Risk Management Program payments of the Producer (the "Security");
2. limits the above subordination and priority to securing repayment to ACC of the Producer Loan plus interest and costs;
3. declares that the Producer is and/or is expected to be indebted to the Creditor in the amount of (\$ _____)
Total Creditor Security
4. agrees that ACC may pay the Producer Loan in advances, less a 2.0% holdback and any fees payable by the Producer to ACC, payable jointly to the Producer and the Creditor and to such other creditors who hold a security interest in the Security;
5. **agrees not to apply any monies loaned by ACC to the Producer and paid to the Creditor by the Producer for any purpose other than payment for input supplies sold by the Creditor to the Producer for the Crop(s) being seeded in the current Crop(s) year;**
6. agrees that the Producer's assignment of production insurance payments and Business Risk Management Program payments, (if applicable), to ACC and ACC's security interest therein shall rank prior to the Creditor's claim on such payments, but only to the extent of securing repayment to ACC of any monies loaned by ACC to the Producer plus interest and costs; and
7. authorizes and hereby appoints ACC, through each of its signing officers (who are hereby appointed the Creditor's lawful attorneys in this regard) to negotiate on the Creditor's behalf cheques payable to the Creditor and the Producer and/or other creditors, and to apply the proceeds of same to any monies loaned by ACC to the Producer plus interest and costs.
8. Although we the creditor/supplier do have a security interest or lien registered on the aforementioned security of the producer, we hereby declare that we do not require our name to appear as a payee on any advances that may become available from ACC to the producer unless formally requested in writing to ACC and such request attached with this document.

PART 2 – To be signed by all Creditors

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 an authorized person/officer

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

Print Name of Authorized Officer of Creditor

Print Title

Print Address

X _____
Signature of Authorized Officer of Creditor
I have the authority to bind the Creditor

Name of Creditor

FOR OFFICE USE ONLY

Agricultural Credit Corporation

Name of Administrator

DD/MM/YYYY

Name and Title of Authorized Officer of Administrator

Signature of Authorized Officer of Administrator

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