

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

PROTECTED "A" ONCE COMPLETED

1.1 BASIC INFORMATION

Producer Name (herein referred to as the "Producer")			APP ID		
List of Agricultural Products (herein referred to as the "Agricultural Product(s)"):					
Product #1 HONEY	Product #2	Product #3	Product #4	Product #5	Product #6

1.2 DEFINITIONS

BRM means the Business Risk Management program(s) listed in the *Agricultural Marketing Programs Act* that can be used to secure an Advance.

1.3 BANK INFORMATION

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

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

In consideration of an advance being issued under the APP by **Alberta Beekeepers Commission** (herein referred to as 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 issued, or the 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(s) or any BRM program payment(s) relating to the Agricultural Product(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 issued under the APP up to the lesser of the principal amount of \$1,000,000 or the amount of \$_____, as set out in the Repayment Agreement entered into between the Producer and Administrator on _____ (YYYY-MM-DD), plus interest on that amount and any potential collection and legal costs. Any BRM program proceeds payable to the Producer from the date this Agreement is signed until full payment of the above-mentioned amounts shall be sent to the Administrator.

Notwithstanding the priorities set out in this Agreement, the Administrator acknowledges that the Producer will operate bank accounts with the Creditor into which proceeds of property subject to the Administrator's security interest may be deposited. With the exception of any monies deposited in any accounts designated as trust accounts by the Producer for the benefit of the Administrator, the Creditor shall have no obligation to the Administrator with respect to any monies in any other account of the Producer maintained with the Creditor, or any monies that may be deposited therein or disbursed from any such other accounts, except for monies deposited therein after the Creditor has received notice from the Administrator and that the Administrator is thereafter exercising its rights in and to proceeds of the property subject to its security.

Prior to proceeding to enforce its security, the Administrator or the Creditor, 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 Producer's _____ (name of BRM program) payments related to the Agricultural Product(s).

Where the Creditor has a lien or security on the Agricultural Product(s) and/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:

- ☐ A) Jointly to the Producer and the Creditor and be remitted to the Creditor forthwith by the Producer and shall be applied in total or in part by the Creditor to reduce the Producer's indebtedness to the Creditor; or
- ☐ B) To the Producer.

If neither options are selected, the parties are deemed to have agreed that the advance payment is to be made jointly in accordance with Option A

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 either the Agricultural Product(s) or the BRM program proceeds related to the Agricultural Product(s)

_____ located at _____ (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 **Alberta Beekeepers Commission** (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(s) or to the BRM program payment(s) related to the Agricultural Product(s) 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 **Alberta**.

IN WITNESS WHEREOF all parties hereunto set their hands

Name of the **Creditor**

Name and Title of Authorized Officer of Creditor

Signature of Authorized Officer of Creditor

Date (YYYY-MM-DD)

Name of the **Administrator**

Name and Title of the Authorized Officer of Administrator

Signature of Authorized Officer of Administrator

Date (YYYY-MM-DD)

Name of the **Producer**

Signature of Producer or its Authorized Officer

Date (YYYY-MM-DD)