**LA FINANCIÈRE AGRICOLE DU QUÉBEC**

**AGREEMENT RESPECTING A MOVABLE HYPOTHEC**

**BETWEEN**

SAISIE

hereinafter called the **"Creditor"**,

**AND**

SAISIE

hereinafter called the **"Grantor"**,

Who have entered into the following declaration and agreement, namely:

1- **DECLARATION**

***LOAN******WITHOUT RISK SHARING, without*** *constant and on-going hypothec clause, which hypothec* ***is not*** *destinated to secure the future needs of the debtor provided for in the* ***Global Investment Plan*** *(If not applicable, remove the subparagraphs* ***a)****,* ***b)*** *and* ***c)****).*

**a)** The Grantor acknowledges that SAISIE, hereinafter called the "Debtor", owes the Creditor the sum of SAISIE dollars ($ SAISIE), hereinafter called the "loan", for a loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan dated SAISIE, a copy of which is attached hereto, La Financière agricole du Québec being hereinafter called "La Financière agricole";

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

**b)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the entire loan has been repaid in capital, interest, costs and accessories;

**c)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

***LOAN******WITHOUT RISK SHARING, with*** *constant and on-going hypothec clause, which hypothec* ***is not*** *destinated to secure the future needs of the debtor provided for in the* ***Global Investment Plan*** *(If not applicable, remove the subparagraphs* ***a)****,* ***b)*** *and* ***c)****).*

*IF THE HYPOTHEC IS REQUIRED ONLY FOR ONE LOAN, that is to say the initial loan. (If not applicable, remove the subparagraphs* ***a)****,* ***b)*** *et* ***c)****).*

**a)** The Grantor acknowledges that SAISIE, hereinafter called the "Debtor", owes the Creditor the sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan dated SAISIE, a copy of which is attached hereto, La Financière agricole du Québec being hereinafter called "La Financière agricole";

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

**b)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the loan mentioned in the above subparagraph a) and every loan made to the Debtor according to the paragraph entitled "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, have been fully repaid in capital, interest, costs and accessories, all these loans hereinafter called "THE LOAN";

**c)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

*IF THE HYPOTHEC IS REQUIRED FOR MORE THAN ONE LOAN, that is to say for the initial loan, for possibly one or many loans made according to the constant and on-going hypothec and for a new loan to be made according to the same constant and on-going hypothec. In the case where one or many loans have already been made according to the same hypothec, the third* ***paragraph*** *of the subparagraph* ***a)*** *shall be repeated as often as necessary in order to enumerate all the loans. (If not applicable, remove the subparagraphs* ***a)****,* ***b)*** *et* ***c)****).*

**a)** The Grantor acknowledges that SAISIE, hereinafter called the "Debtor", owes the Creditor, as result of the deeds below, the following sums:

- the original sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan, dated SAISIE accompanied with a collateral underwriting deed signed on SAISIE and published at the Registry Office of the Registration Division of SAISIE and at the Register of personnal and movable real rights under the number(s) SAISIE, La Financière agricole du Québec being hereinafter called "La Financière agricole";

- the original sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act, as a result of the deed of loan, dated SAISIE, which loan is also guaranteed by the hypothecs granted by the collateral underwriting deed published at the Registry Office of the Registration Division of SAISIE and at the Register of personnal and movable real rights under the number(s) SAISIE.

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

**b)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the loans mentioned in the above subparagraph a) and every loan made to the Debtor according to the paragraph entitled "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, have been fully repaid in capital, interest, costs and accessories, all these loans hereinafter called "THE LOAN";

**c)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

***LOAN******WITHOUT RISK SHARING, with*** *constant and on-going hypothec clause, which hypothec* ***is*** *destinated to secure the future needs of the Debtor provided for in the* ***Global Investment Plan*** *(if not applicable, remove the subparagraphs* ***a)****,* ***b)****,* ***c)*** *and* ***d)****).* ***The amount*** *to write down in subparagraph* ***b)*** *below is equal to* ***the difference*** *between the amount required for the hypothec and the amount of the loan. (ex.: Hypothec of $150 000 - Loan of $ 100 000 = GIP of $ 50 000).*

*IF THE HYPOTHEC IS REQUIRED ONLY FOR ONE LOAN, that is to say the initial loan. (If not applicable, remove the subparagraphs* ***a)****,* ***b)****,* ***c)*** *et* ***d)****).*

**a)** The Grantor acknowledges that SAISIE, hereinafter called the "Debtor", owes the Creditor the sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan dated SAISIE, a copy of which is attached hereto, La Financière agricole du Québec being hereinafter called "La Financière agricole".

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them.

**b)** Besides the possibility for the Debtor to borrow again following part or full repayment of the above loan, as provided for in the paragraph "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, the parties also want to provide the possibility for the Debtor, without any prior repayment, to borrow from the Creditor additional sums under the Act which could reach a total amount of SAISIE dollars ($ SAISIE), loans which would be secured by this hypothec, without obligation in all cases for the Creditor to grant new loans and for the Debtor to contract them;

**c)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the loan mentioned in the above subparagraph a) and those which should be made in accordance to the above subparagraph b) or in accordance to the paragraph entitled "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, have been fully repaid in capital, interest, costs and accessories, all these loans hereinafter called "THE LOAN";

**d)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

*IF THE HYPOTHEC IS REQUIRED FOR MORE THAN ONE LOAN, that is to say for the initial loan, for possibly one or many loans made according to the constant and on-going hypothec (or a* ***Global******Investment Plan****) and for a new loan to be made according to the same constant and on-going hypothec. In the case where one or many loans have already been made according to the same hypothec, the third* ***paragraph*** *of the subparagraph* ***a)*** *shall be repeated as often as necessary in order to enumerate all the loans. (If not applicable, remove the subparagraphs* ***a)****,* ***b)****,* ***c)*** *and* ***d)****).*

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- the original sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan, dated SAISIE accompanied with a collateral underwriting deed signed on SAISIE and published at the Registry Office of the Registration Division of SAISIE and at the Register of personnal and movable real rights under the number(s) SAISIE, La Financière agricole du Québec being hereinafter called "La Financière agricole";

- the original sum of SAISIE dollars ($ SAISIE), for a loan made to him under the Act, as a result of the deed of loan, dated SAISIE, which loan is also guaranteed by the hypothecs granted by the collateral underwriting deed published at the Registry Office of the Registration Division of SAISIE and at the Register of personnal and movable real rights under the number(s) SAISIE.

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

**b)** Besides the possibility for the Debtor to borrow again following part or full repayment of the above loans, as provided for in the paragraph "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, the parties also want to provide the possibility for the Debtor, without any prior repayment, to borrow from the Creditor additional sums under the Act which could reach a total amount of SAISIE dollars ($ SAISIE), loans which would be secured by this hypothec, without obligation in all cases for the Creditor to grant new loans and for the Debtor to contract them;

**c)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the loans mentioned in the above subparagraph a) and those which should be made in accordance to the above subparagraph b) or in accordance to the paragraph entitled "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, have been fully repaid in capital, interest, costs and accessories, all these loans hereinafter called "THE LOAN";

**d)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

***LOAN WITH RISK SHARING*** *using more than one loan which only one is granted by La Financière agricole* ***with*** *constant and on-going hypothec clause (if not applicable, remove the subparagraphs a), b) and c)).*

*N.B.: If, according to the loan certificate, the risk sharing must be done only with one loan partly granted by La Financière agricole, you must use the unit "****LOAN******WITHOUT RISK SHARING*** *which hypothec* ***is not*** *destinated to secure the future needs provided for in the* ***Global Investment Plan****"**above.*

**a)** The Grantor acknowledges that SAISIE, hereinafter called the "Debtor", owes the Creditor the total sum of SAISIE dollars ($ SAISIE), according to the following loans:

- loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan, dated SAISIE, a copy of which is attached hereto, La Financière agricole du Québec, hereinafter called "La Financière agricole";

- loan made to him as a result of the deed of loan dated SAISIE, a copy of which is attached hereto;

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

b) The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the loan and every loan made to the Debtor according to the paragraph entitled "CONSTANT AND ON-GOING HYPOTHEC" hereinafter, have been fully repaid in capital, interest, costs and accessories, all these loans hereinafter called "THE LOAN";

c) To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

***LOAN WITH RISK SHARING*** *using more than one loan which only one is granted by La Financière agricole* ***without*** *constant and on-going hypothec clause (if not applicable, remove the subparagraphs a), b) and c)).*

*N.B.: If, according to the loan certificate, the risk sharing must be done only with one loan partly granted by La Financière agricole, you must use the unit "****LOAN******WITHOUT RISK SHARING*** *which hypothec* ***is not*** *destinated to secure the future needs provided for in the* ***Global*** *I****nvestment Plan****"**above.*

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- loan made to him under the Act respecting La Financière agricole du Québec (R.S.Q., chapter L‑0.1), hereinafter called the "Act", as a result of the deed of loan, dated SAISIE, a copy of which is attached hereto, La Financière agricole du Québec, hereinafter called "La Financière agricole";

- loan made to him as a result of the deed of loan dated SAISIE, a copy of which is attached hereto;

The Grantor acknowledges to have read all clauses and conditions of the loan and to understand them;

**b)** The parties agree that the guarantees granted below shall remain collateral securities, constant and continuous. They shall have full effect until the entire loan has been repaid in capital, interest, costs and accessories, all these loans hereinafter called " THE LOAN";

**c)** To secure repayment of the loan, the Grantor offers the Creditor to grant him the following guarantees.

2- **GUARANTEES**

To secure repayment of the loan in capital, interest, costs and accessories, as well as the execution of all the obligations entered into under this agreement and the loan agreement, the Grantor hypothecates up to the sum of SAISIE dollars ($ SAISIE), bearing interest at the annual rate of twenty-five percent (25 %), in favour of the Creditor, the following properties:

**QUOTA AND PROCEEDS OF ITS DISPOSAL**

COMPLETE THE PARAGRAPH DEPENDING ON WHAT IS REQUIRED IN THE LOAN CERTIFICATE using the appropriate subparagraphs and removing the others.

* An existing quota of SAISIE issued by SAISIE for the benefit of SAISIE and any proceeds of its possible disposal, in whole or in part.
* The universality of any quota for milk production, present and future, issued by Les Producteurs de lait du Québec and held or may be held in the future by the Grantor, and any proceeds of its possible disposal, in whole or in part.
* The universality of any quota for poultry production, present and future, issued by Les Éleveurs de volailles du Québec and held or may be held in the future by the Grantor, and any proceeds of its possible disposal, in whole or in part.
* The universality of any quota for laying hens, present and future, issued by la Fédération des producteurs d’oeufs de consommation du Québec and held or may be held in the future by the Grantor, and any proceeds of its possible disposal, in whole or in part.
* The universality of any quota for laying hens, present and future, issued by le Syndicat des producteurs d’oeufs d’incubation du Québec and held or may be held in the future by the Grantor, and any proceeds of its possible disposal, in whole or in part.

The proceeds of any disposal of a quota mentioned above shall be remitted by the Grantor to the Creditor or directly collected by the latter and deposited in his hands. With the authorization of La Financière agricole, the Creditor will be entitled to use all or part of these proceeds to reimburse the loan or to remit them to the Grantor, for the purposes and in the manner determined by La Financière agricole.

The Grantor undertakes not to dispose of all or any part of any quota mentioned above without the written consent of the Creditor and La Financière agricole.

The Grantor also authorizes the organization mentioned above not to transfer the quota without the Creditor's written consent, subject to the quota’s regulation.

*COMPLETE THE PARAGRAPH DEPENDING ON WHAT IS REQUIRED IN THE LOAN CERTIFICATE OR IN THE AUTORISATION. The following text is provided in the event where* ***only*** *the quota must be hypothecated. In these cases, remove the above subparagraphs, the proceed of disposal of the quota being already hypothecated.*

**QUOTA**

* An existing quota of SAISIE issued by SAISIE for the benefit of SAISIE.
* The universality of any quota for milk production, present and future, issued by Les Producteurs de lait du Québec and held or may be held in the future by the Grantor.
* The universality of any quota for poultry production, present and future, issued by Les Éleveurs de volailles du Québec and held or may be held in the future by the Grantor.
* The universality of any quota for laying hens, present and future, issued by la Fédération des producteurs d’oeufs de consommation du Québec and held or may be held in the future by the Grantor.
* The universality of any quota for laying hens, present and future, issued by le Syndicat des producteurs d’oeufs d’incubation du Québec and held or may be held in the future by the Grantor.

The Grantor undertakes not to dispose of all or any part of any quota mentioned above without the written consent of the Creditor and of La Financière agricole.

The Grantor also authorizes the organism mentioned above not to transfer the quota without the Creditor's written consent, subject to the quota’s regulation.

**HYPOTHEC IN CASE OF INDIVISION**

If the Grantor is only an undivided co-owner of all or part of the property securing the loan, the Grantor states to hypothecate not only the undivided part of the property but also any part of it that he acquires in the future from any partition, voluntary disposal or otherwise.

**ADDITIONAL HYPOTHEC**

To secure repayment of all sums payable to the Creditor under this agreement and under the loan agreement, such as insurance premiums and fees, expenses incurred for the preservation, protection and recovery of the claim, costs, disbursements or advances, as well as the interest on those amounts, interest accrued for more than three (3) years and during the current year, interest on the interest, the Grantor hypothecates up to an additional sum fixed at twenty percent (20 %) of the amount of the loan the property designated above for the special benefit of the Creditor.

3- **COMMITMENTS OF THE GRANTOR**

Until the loan has been repaid in full, the Grantor shall:

a) ensure that the hypothecated property, above, is free at all times from any priority, hypothec or charge that may rank higher than the rights of the Creditor, except, as the case may be, those stated below, and to remit to the Creditor and La Financière agricole, upon request and at his own expense, any waiver, cession of rank, discharge or release that they may deem necessary to maintain the primacy of the rights of the Creditor over the hypothecated property;

b) if La Financière agricole makes a request, require that the purchaser assume, in whole or in part, personally and solidarily with him and, if necessary, solidarily with any co-owner, the payment of the loan as well as the obligations of the original Debtor, without novation. The Grantor undertakes to provide took by the Creditor, at his own expense, a copy bearing a registration certificate, if necessary, of any deed of transfer of the property. The Grantor undertakes to provide to the Creditor, at his own expense, a certified copy of a notice of preservation of hypothec under the purchaser's name and proof that it was sent to him, registered within the time prescribed under article 2700 of the Civil Code of Québec;

c) obtain prior authorization from La Financière agricole to validate the release, with or without consideration, of any security taken for the loan under this agreement, to be granted subsequently by the Creditor;

d) comply with all laws, regulations or by-laws pertaining to the protection of the environment, be they federal, provincial or municipal, and in particular:

* obtain, where necessary, any permit, licence or authorization certificate issued under these laws, regulations or by-laws;
* take all necessary measures to ensure that the immovable is at all times in conformity with those laws, regulations and by-laws, and provide the Creditor and La Financière agricole, upon request, with any certificate of conformity issued for such purpose;
* allow the Creditor and La Financière agricole to inspect or have the building inspected to ensure compliance of environmental standards and allow them access to the immovable for this purpose, upon request;
* notify the Creditor and La Financière agricole as soon as a notice or an order issued in accordance with such laws, regulations or by-laws is served on him or registered against the immovable and provide them with a copy of such notice or order;
* immediately take all the necessary measures to remedy the default specified in the notice or order or to obtain, as the case may be, the cancelling of the claim against the immovable;
* notify the Creditor and La Financière agricole as soon as civil or criminal proceedings are instituted against him because he did not fulfil his environmental obligations;
* take the necessary measures to ensure that his activities are in compliance with the various standards stipulated in those laws, regulations and by-laws;
* pay, in all cases, the costs resulting from the obligations set out in this paragraph. The Creditor may, also at the expense of the Grantor, take all necessary measures to ensure that the immovable complies with environmental standards;

e) provide the Creditor and La Financière agricole, at the Grantor's expense, with all the information and documents deemed necessary.

4- **DEFAULT**

In addition to the circumstances provided for in the loan, the Debtor shall also be in default:

a) each time the Grantor, his heirs, legatees and legal representatives do not comply with the obligations resulting from this agreement;

b) if the Grantor transfers his property, is placed in bankruptcy, liquidates his assets, becomes insolvent or takes advantage of the Companies' Creditors Arrangement Act (R.S.C., 1985, ch. C‑36);

c) if the Grantor does not obtain the release from any seizure of the hypothecated property ordered by a court;

d) if the Grantor does not obtain the release of any prior notice for the exercise of hypothecary rights or other right encumbering the hypothecated property or does not remedy any default under the terms of any other hypothec or charge affecting the hypothecated property;

e) if the Grantor makes a false or inaccurate statement in this agreement, or if rights likely to change the declared and accepted situation are discovered.

Time is of the essence and the Debtor and the Grantor shall be in default without the requirement of formal notice. In such a case, the Creditor shall be entitled, without restricting his other rights and remedies, to:

1) claim immediate repayment of the entire loan, in principal, interest, cost and accessories;

2) perform any obligation not respected by the Grantor in his place and stead, at the latter's expense;

3) exercise the hypothecary rights recognized by the Civil Code of Québec, after filing and serving a prior notice of the exercise of such rights and having respected the period specified in the notice for the surrender of the property, in accordance with sections 2748 and following of the said Code.

5- **BORROWING COSTS**

The Debtor shall pay the costs and honorary fees incurred by this agreement, any publication, surveying, appraisal and inspection costs, including those related to any renewal, notice, hypothec, waiver, cession of rank, discharge or release related to the agreement. The Creditor shall be authorized to retain, from the amount of the loan, sufficient funds to cover these costs.

6- **DECLARATIONS OF THE GRANTOR**

The Grantor declares that:

a) he has full ownership of the hypothecated property or owns it by emphyteutic lease and that it is not encumbered by any priority, hypothec or charge other than:

SAISIE

*CONSTANT AND ON-GOING HYPOTHEC CLAUSE (remove the entire paragraph if constant and on-going hypothec is not required)*

7- **CONSTANT AND ON-GOING HYPOTHEC**

Notwithstanding all contrary provisions, the parties and the intervenant agree that in spite of the expiration of the above loan and of its reimbursement, the Debtor may ask the Creditor to grant him a new loan under the Act. The Debtor may also ask for another loan within a shared risk loans agreement between La Financière agricole and the Creditor.

If La Financière agricole and the Creditor agree to it and to the payment of administrative fees required by them, as well as the registration fees for any renewal notice for the foreseen hypothecs in the current agreement, these hypothecs will assure the Creditor of the reimbursement of this or these new loans in capital, interest, costs and accessories, and all the clauses in the present agreement will continue to be applicable.

SAISIE- **ELECTION OF DOMICILE**

For the execution of this agreement and in particular for the exercise of the rights resulting from it, the Creditor elects domicile at the address indicated above and the Grantor at the office of the Superior Court for the district of SAISIE, the whole in conformity with section 83 of the Civil Code of Québec.

SAISIE- **RENUNCIATION**

The Grantor acknowledges to renounce the benefits of division and discussion and the exception of discussion.

SAISIE- **CIVIL STATUS AND MATRIMONIAL REGIME**

The Grantor states:

SAISIE

SAISIE- **INTERVENTION**

To these presents hereto came and intervened SAISIE, the Debtor, who acknowledges to have taken communication of and to understand all the clauses and conditions of the present agreement, in particular the clause "Default", and to consent to them for all legal purposes.

SAISIE- **INTERPRETATION**

Whenever the context so requires, any word written in the singular also includes the plural and vice versa, and the masculine form is taken to include the feminine.

SAISIE - **APPLICABLE LAW**

This deed of the hypothecary security shall be governed by the laws of Quebec. Its administration and the interpretation of its terms, and any person party to this agreement are subject to the jurisdiction of Quebec.

This agreement was drafted in English at the request of the parties.

Executed in two (2) copies signed by the parties at SAISIE, this SAISIE

(the Creditor)

(the Grantor)

(the Debtor)