**ON THE** SAISIE of SAISIE

**BEFORE** Mtre SAISIE Notary at SAISIE, Province of Québec,

**APPEARED:**

SAISIE

hereinafter called the **"Creditor"**,

**AND**

SAISIE

hereinafter called the **"Debtor"**,

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

1- **DECLARATION**

***LOAN******WITHOUT RISK SHARING*** *which hypothec* ***is not*** *destinated to secure the future needs provided for in the global investment plan (if not applicable, remove the subparagraphs* ***a)****,* ***b)*** *and* ***c)****).*

**a)** The Debtor acknowledges that he 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 received before Mtre SAISIE notary, bearing No. SAISIE of his minutes, La Financière agricole du Québec being hereinafter called "La Financière agricole";

**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 Debtor offers the Creditor to grant him the following guarantees.

***LOAN******WITHOUT RISK SHARING*** *which* ***is*** *destinated to secure the future needs 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).*

**a)** The Debtor acknowledges that he 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, hereinafter called the "loan", dated SAISIE received before Mtre SAISIE notary, bearing No. SAISIE of his minutes, La Financière agricole du Québec being hereinafter called "La Financière agricole";

**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 granted 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 Debtor 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 (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 Debtor acknowledges that he owes the Creditor the total sum of SAISIE dollars ($ SAISIE), according to the following deeds of loan:

- 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, received before Mtre SAISIE, notary, bearing No. SAISIE of his minutes, La Financière agricole du Québec being hereinafter called "La Financière agricole";

- loan made to him as a result of the deed of loan dated SAISIE, received before Mtre SAISIE, notary, bearing No. SAISIE of his minutes;

**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 Debtor provides the Creditor with the following guarantees.

2- **GUARANTEES**

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

**DESCRIPTION OF CLAIMS**

The universality of the present and future claims of the Debtor from any source whatsoever, including interest, dividends, and the income arising therefrom, with the right for the Creditor to benefit from the real or personal securities, whether present or future, securing such claims. Excluded therefrom are claims exempt from seizure, those resulting from the sale of the Debtor's other property by a third person in the exercice of that person's rights, and those under contracts of insurance on the Debtor's other property, the whole in accordance with sections 2668 and 2676 of the Civil Code of Québec. Also excluded therefrom are the proceeds of any possible sale, in whole or in part, of any agricultural quota.

**HYPOTHEC IN CASE OF INDIVISION**

If the Debtor is only an undivided co-owner of all or part of the property securing the loan, the Debtor 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 Debtor 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- **COLLECTION OF HYPOTHECATED CLAIMS AND IMPUTATION OF PAYMENTS**

Until notice to the contrary is given by the Creditor, the Debtor may collect the claims, including capital, interest, dividends, and the income arising therefrom. The Debtor binds and obliges himself to act promptly and as directed by the Creditor. He also undertakes to promptly inform the Creditor of any payment of the hypothecated claims that is late. He shall use the sums so collected to reimburse the loan, in accordance with the credit arrangements agreed to with the Creditor and may use the surplus to pursue his activities.

The Creditor may, at his discretion, with the approval of La Financière agricole, withdraw from the Debtor the authorization to collect the hypothecated claims. He shall inform both the latter and his debtors by means of the notice required by law and duly registered. The Creditor shall collect the capital, interest, dividends and income of the claims, and he alone shall grant acquittance therefore. The Debtor shall remit to the Creditor all documents which are useful or necessary for this purpose, shall sign any useful or necessary documents without delay, and, as the case may be, shall collaborate in collecting the claims. The Creditor shall inform the Debtor of any delay in payment of the claims, and that, from the time where the formalities consecutive to the withdrawal of authorization to collect shall have been fulfilled.

In that event, the Creditor is irrevocably authorized, as the Debtor's mandatary, and with the approval of La Financière agricole to :

- endorse all cheques, drafts, bills, or other negotiable instruments issued in payment of the hypothecated claims;

- take protective measures and approriate procedures to obtain payment of the said claims;

- negotiate and settle out of court with the debtors of the said claims, their trustees if there is a bankruptcy or insolvency, or any other legal representatives, the whole as he deems appropriate;

- grant acquittance for the amounts collected.

4- **RECOURSE AGAINST THE DEBTOR**

If the Debtor of a claim defaults in the performance of his obligations and the Debtor does not prompty exercice the recourses and guarantees available to him in virtue of the law or of the acts relating to the claim, the Creditor shall be entitled to exercice such recourses and guarantees in his place. The Creditor may require that the sums collected be remitted to him to be imputed in accordance with the agreement.

5- **IMPUTATION OF COLLECTED PAYMENTS**

If the Creditor collects part or all of the claims, he shall impute it, always with the approval of La Financière agricole, to the payment of expenses incurred, interest, and the amount loaned, whether this last amount is exigible or not.

6- **CONSENT OF DEBTOR**

The Debtor agrees that the moneys loaned may be used to pay any hypothecary or prior claim or any charge whatsoever ranking higher than the hypothecs contemplated in the certificate authorizing the loan, hereinafter called the "certificate", and delivered by La Financière agricole. Should the amounts be insufficient, the Creditor shall be entitled, without restricting his other rights and remedies, to demand repayment of the amounts already disbursed, notwhitstanding the term agreed upon.

7- **COMMITMENTS OF THE DEBTOR**

Until the loan has been repaid in full, the Debtor 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, on 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) immediately pay to the lessor the rent of any farm operation the lease of which is required in the certificate, and pay any taxes, assessments, apportionments, and other land taxes encumbering the rented property, if such is a condition of the lease, and hand over to the Creditor the receipts attesting payment thereof within fifteen (15) days of the due date;

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 Debtor, take all necessary measures to ensure that the immovable complies with environmental standards;

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

8- **DEFAULT**

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

a) if he does not comply with the obligations resulting from this agreement;

b) if the emphyteusis of the Debtor is ended in circumstances other than by the union of the qualities of owner and emphyteutic lessee in the same person, the extinction of usufruct or termination of superficies;

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

d) if he 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 he 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 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 Debtor in his place and stead, at the Debtor'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.

9- **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.

10- **DECLARATIONS OF THE DEBTOR**

The Debtor declares that:

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

SAISIE

b) all taxes, assessments, apportionments established by any competent authority and generally all other taxes encumbering the hypothecated property have been paid without subrogation;

c) his business is in conformity with the laws, regulations and by-laws respecting the protection of the environment, that no notice or order under these laws, regulations and by-laws has been served on him or has been registered against the immovables of his business, and that he is currently facing no proceedings or pending proceedings involving these laws, regulations and by-laws.

11- **CONSTANT AND ON-GOING HYPOTHEC**

Notwithstanding all contrary provisions, the parties agree that in spite of the expiration of the above loan and of its reimbursement, the Debtor shall ask the Creditor to grant him a new loan under the Act, as long as the balance of the loans secured by this agreement does not exceed the initial amount of the loan. The Debtor shall 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.

12- **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 Debtor 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.

13- **CIVIL STATUS AND MATRIMONIAL REGIME**

The Debtor states:

SAISIE

14- **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.

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

SAISIE