



Hog Farm Transition Program APPENDIX 4 FUNDING ALLOCATION AGREEMENT

THIS AGREEMENT is made _____, 20__.

BETWEEN:

_____ [Insert name of Producer] (the "Eligible Producer")

- and -

_____ [Insert name of Barn Owner] (the "Owner")

RECITALS:

- A.** The Hog Farm Transition Program (the "**Program**") was established to facilitate the transition of some Canadian hog producers out of the industry.
- B.** The Program is administered by the Canadian Pork Council (the "**Administrator**").
- C.** Under the Program, a producer who does not own the barns that are the subject of an application must enter into an agreement with the owner of the barn in a form acceptable to the Administrator.
- D.** The Eligible Producer intends to submit an application (the "**Application**") to the Administrator under the tendering procedures of the Program for funding to facilitate the Eligible Producer's transition out of the industry.
- E.** For the Application to be accepted, the owner of the barns in which the Eligible Producer carries on hog production must agree to keep the barns empty of all hogs for a minimum of three years following the emptying of the barns of hogs by the Eligible Producer.
- F.** The Owner is the owner of the barns described in Schedule A (the "**Barns**").
- G.** The Eligible Producer and the Owner wish to enter into this Agreement to provide for the allocation of funds between them if the Application is successful, and to provide for the Owner's undertaking to keep the Barns empty of hogs as required by the Program.

THEREFORE, the parties agree as follows:

1. INFORMATION ABOUT BARNs

- (a)** The Owner confirms that the Owner has reviewed the Application and confirms that the information relating to the Barns is accurate and complete.
- (b)** The Eligible Producer agrees not to provide any information relating to the Barns in connection with the Application unless, prior to the submission of such information, the Owner has confirmed that such information is accurate and complete.

2. ALLOCATION OF FUNDING

(a) If the Application is accepted, the Eligible Producer and the Owner agree to allocate the funding provided under the Program as follows:

(i) The Owner will be entitled to receive interim and/or final funding as specified in Schedule A (the "Owner's Allocation"); and

(ii) The Eligible Producer will be entitled to receive any amounts in excess of the Owner's Allocation.

(b) The Eligible Producer will not submit an Application if the amount to which the Owner will be entitled to receive if the Application is accepted is less than the Owner's Allocation.

(c) Upon the Application being accepted, the Eligible Producer will provide to the Administrator a direction in the form attached as Schedule B directing the Administrator to pay the Owner's Allocation directly to the Owner.

3. OWNER'S UNDERTAKING

If the Application is successful, the Owner will, as a condition of the Owner and the Eligible Producer receiving any funds under the Program, sign and deliver an undertaking in the form attached as Schedule C to the Administrator.

4. LIABILITY FOR FALSE OR MISLEADING INFORMATION

The Eligible Producer and the Owner acknowledge that if the Administrator determines that:

(a) any information provided by the Owner or the Eligible Producer is false or misleading; or

(b) either the Eligible Producer or the Owner, or both, are in default of their obligations under the Program,

the Administrator may elect not to provide funding under the Program, and may require the Eligible Producer and the Owner to return any funds already received by them under the Program.

5. GOVERNING LAW

This Agreement is a contract made under and shall be governed by and construed in accordance with, the laws of the province or territory in which the Barns are located, and the laws of Canada applicable in such province or territory.

6. EXECUTION AND DELIVERY

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or other electronic means. All the counterparts together constitute one agreement.

IN WITNESS OF WHICH the parties have duly executed this Agreement.

Name of Eligible Producer

Name of Owner

By: Name: _____

By: Name: _____

Title: _____

Title: _____

Mailing Address: _____

Business number (if corporation): _____

Social insurance number (if not a corporation): _____

SCHEDULE A

Description of Barns and Allocation of Funding

DESCRIPTION OF BARN(S):

Municipal Address and Property Description:

Barn #1: _____

Barn #2: _____

Barn #3: _____

[Add lines for additional barns, if necessary.]

ALLOCATION OF FUNDING

Payments received under the Hog Farm Transition Program are to be allocated as follows:

[Insert details regarding allocation of funding between the Barn Owner and the Eligible Producer.]

SCHEDULE B

Direction

TO: Canadian Pork Council (the "Administrator")

RE: Allocation of Payments made under the Hog Farm Transition Program (the "Program")

WHEREAS:

- A.** _____ [insert name of Producer] (the "Eligible Producer") has made an application to the Administrator in accordance with the tendering process under the Program, which application was accepted by the Administrator.
- B.** _____ [insert name of barn owner] (the "Barn Owner") is the owner of the barn(s) that are the subject of the application, and the Barn Owner is entitled, subject to the terms of the Program, to receive a portion of the payments made under the program in accordance with the Hog Farm Transition Program Funding Allocation Agreement (the "Allocation Agreement") entered into by the Eligible Producer and the Barn Owner and submitted with the application.
- C.** The Barn Owner has agreed to keep the barn(s) that are the subject of the application empty of hogs for a minimum period of three years in accordance with the undertaking attached to the Allocation Agreement as Schedule C.

THEREFORE, the Eligible Producer hereby directs the Administrator to allocate the payments under the Program with respect to the application as follows:

- 1.** Pay to the Barn Owner the amounts set out in Schedule A to the Allocation Agreement.
- 2.** Pay the remainder to the Eligible Producer.

DATED _____, 20__.

If Eligible Producer is an individual or partnership:

SIGNED, SEALED & DELIVERED

In the presence of:

Signature of Witness

Name of Witness: _____

Signature of Eligible Producer

Name of Eligible Producer: _____

If Eligible Producer is a partnership, include signature of each partner:

SIGNED, SEALED & DELIVERED

In the presence of:

Signature of Witness

Name of Witness: _____

Signature of Eligible Producer

Name of Eligible Producer: _____

If Eligible Producer is a corporation:

Name of Eligible Producer: _____

Signature of Eligible Producer

Name of person signing: _____

Position/Title: _____

SCHEDULE C

Hog Farm Transition Program

UNDERTAKING BY REGISTERED OWNER REGARDING USE OF BARN

TO: Canadian Pork Council (the "Administrator")

RE: Application by _____ [insert name of Producer] (the "Eligible Producer") under the Hog Farm Transition Program (the "Program")

WHEREAS:

- A.** The Eligible Producer has made an application to the Administrator in accordance with the tendering process under the Program, which application was accepted by the Administrator.
- B.** The undersigned is the owner of the barn(s) that are the subject of the application (the "Barn(s)") and are described in Schedule A of the hog farm transition program funding allocation agreement between the undersigned and the Eligible Producer (the "Allocation Agreement"), and the undersigned is entitled, subject to the terms of the Program, to receive a portion of the payments made under the program in accordance with the Allocation Agreement.
- C.** As a condition to receiving payments under the Program, the undersigned is required to provide this undertaking to the Administrator.

THEREFORE, in consideration of receiving payments from the Administrator under the Program, the undersigned hereby agrees as follows:

- 1.** The undersigned is the registered owner of the Barn(s) located at _____
_____ [insert address of property].
- 2.** The Barn(s), or certain portions of the Barn(s), have been used for the purposes of housing swine.
- 3.** Neither the undersigned nor any corporation, partnership, joint venture or other entity in which the undersigned or any member of the undersigned's immediate family exercises control, including all employees, agents and representatives of the corporation, partnership, joint venture or other entity, will, directly or indirectly, use or permit or contribute to any other person or entity to use any of the Barn(s), for the period commencing on the date on which the Eligible Producer confirms to the Administrator that the Barn(s) have been emptied of swine and ending three years following such date, to house hogs.
- 4.** If the undersigned or any corporation, partnership, joint venture or other entity in which the undersigned or any member of my immediate family exercises control, including all employees, agents and representatives of the corporation, partnership, joint venture or other entity, directly or indirectly, sell, lease, transfer or permit or contribute to the use of the barn(s), the undersigned will obtain an undertaking substantially in the form of the undertaking set out in Appendix 3B to the Terms and Conditions of the Program (a copy of which can be obtained from the Administrator) from the buyer, lessee, transferee or authorized user, as the case may be, not to use or permit any other person or entity to use such barn(s) to house swine before the end of the period referred to in Paragraph 3 and provide a copy of such undertaking to the Administrator prior to or forthwith following such sale, lease, transfer, permission or contribution.
- 5.** The undersigned will comply with all federal, provincial and municipal laws and regulations with respect to environmental matters with respect to depopulating and maintaining the barn(s) empty of swine in accordance with this undertaking.
- 6.** The undersigned agrees to immediately return all Program payments received directly by the undersigned plus a ten percent (10%) administrative fee, plus interest at five percent (5%) per annum from the date the initial Program payment was made by the Administrator to the date of reimbursement, as directed by the Canadian Pork Council should the undersigned breach any of the covenants of the preceding paragraphs, by remitting these amounts in full by certified cheque or wire transfer to the Administrator within five (5) business days of such breach or within five (5) business days following receipt of a notice requiring such payments from the Administrator, whichever is first, and the undersigned acknowledges that a failure to remit such amounts in full within the specified time period will result in the commencement of legal proceedings against the undersigned for the collection of the amounts in full plus all applicable damages.

- 7. The undersigned consents to the disclosure of any information regarding the application or the Barns, or the funding requested or received under the Program, to the Minister of Agriculture and Agri-Food for use in connection with agricultural funding programs, including but not limited to Agri-Stability, the Hog Industry Loan Loss Reserve Programme and the Advance Payments Program.
- 8. I acknowledge that the Canadian Pork Council may assign its rights under this undertaking to any party, including Her Majesty the Queen in Right of Canada (in which case, interest payable for any period following such assignment on overdue amounts will be calculated in accordance with the *Interest and Administrative Charges Regulations*, SOR/96-188, as amended from time to time).

DATED _____, 20__.

If Barn Owner is an individual or partnership:

SIGNED, SEALED & DELIVERED
In the presence of:

Signature of Witness

Name of Witness: _____

Signature of Barn Owner

Name of Barn Owner: _____

If Barn Owner is a partnership, include signature of each partner:

SIGNED, SEALED & DELIVERED
In the presence of:

Signature of Witness

Name of Witness: _____

Signature of Barn Owner

Name of Barn Owner: _____

If Barn Owner is a corporation:

Name of Barn Owner: _____

Signature of Barn Owner

Name of person signing: _____

Position/Title: _____