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## Colonies (not affected by the Related Producers' Provision)

### Forms required

*Application* form  
Additional *Priority Agreement* form(s) – if required  
*Guarantee for Colonies* form – **if not pre-approved**  
Contact the CWB and a form will be faxed to you.  
*Application For Irrigation Rate* form – if applicable (see page 28)

Colonies must have their application and *Guarantee* form approved by the CWB before receiving a cash advance.

**Note:** Continuing *Guarantee for Colonies* forms completed for *AMPA and SCAP* **cannot** be used for the 2006-07 *Enhanced Spring Credit Advance Program*.

The maximum a colony can receive is \$100,000 which is interest-free. This includes any amount issued under 2006-07 *ESCAP*.

### Pre-approval

Colonies can apply for pre-approval of their *Guarantee for Colonies* form. Once you have received an authorization letter from the CWB, the applicant can receive the first cash advance payment up to the elevator issuance limitation when the *Advance Application* and *Priority Agreement(s)* forms have been completed.

Colony applicants who have previously completed continuing *Guarantee* forms for *ESCAP* DO NOT have to complete a new *Guarantee*, **provided no changes are made to guarantor company and the shareholders, partners, members or owners do not change.**

**Note:** If changes are made to the Colony representatives or structure after the first payment is issued, a new *Guarantee* form must be completed and approved before issuance of any additional payments. Colonies whose defaulted cash advances have been forwarded to AAFC for collection will be required to complete a new *Guarantee for Colonies* form when they apply for their next advance. Contact the CWB prior to issuing an advance if unsure whether the *Guarantee* form is still valid.

The *Guarantee for Colonies* form is only available from the CWB and is different from the *Declaration and Guarantee* forms you received with your permit supplies.

### Pre-approval process

1. Ensure that the Colony has a valid *2006-07 Delivery Permit Book*.
2. Complete the *Guarantee for Colonies* form in full.
3. The CWB reviews the *Guarantee* and sends a letter to you and the applicant confirming that the *Guarantee* has been pre-approved. Keep this letter, as you will need it to complete the advance application.
4. When the applicant completes the application form, you can issue the first payment immediately.

## When pre-approval has not been applied for

If the applicant completes the *Guarantee* form when applying for an advance, **submit only the CWB copies of all documents** to the CWB for approval before issuing a cash ticket (see page 59 for instructions on completing this form).

## How to complete a *Guarantee* for Colonies form

1. Enter the applicant's ID number.
2. Enter your delivery point code. **Important:** we need this information as we will send the pre-approval letter back to your elevator.
3. Enter your station name.
4. Insert the applicant's name as it appears on the application form.
5. Enter the name and address of the registered landowner. If there is a company seal, affix it to the form. **Note:** If the Guarantor(s) name does not correspond with the name registered with the Land Titles Office, the application will be returned for correction.
6. Have two individuals of the company (guarantor) sign on behalf of the Colony and indicate their position in the company.

| CONTINUING GUARANTEE  |   |  |                    |
|---|---|--|--------------------|
| <div style="text-align: center;">1</div> Applicant's CWB Identification Number<br>0 0 1 0 0 1 2 3 4 9 9   | <div style="text-align: center;">2</div> Company/Delivery Point Code<br>0 9 9 7 9 9 9 9 0 1 | <div style="text-align: center;">3</div> Station Name<br>Anystation          | Form Number<br>06- |
| Station Phone Number<br>(306) 456-7890  |   | Station Fax Number<br>(306) 456-7891   |                    |
| In consideration of advance payment(s) being made to <u>ABC Colony</u> (applicant), the undersigned company (guarantor company) hereby guarantees that if the applicant is in default of any advance payments now or hereafter issued under the Spring Credit Advance Program (SCAP), the Agricultural Marketing Programs Act (AMPA), or the Enhanced Spring Credit Advance Program (ESCAP), it will pay to the CWB the outstanding amount of the advance payment(s) on the date of default and interest accruing from the date the advance payment(s) was/were issued at the rate specified on the advance application(s), plus collection costs, until the balance is paid in full. |   |  |                    |
| Without requiring any further consent or any notice (same being expressly waived) the guarantor company assents and agrees, and without discharging or in any way affecting its liability, that the CWB may:  |   |  |                    |
| i) grant extensions of time, renewals and indulgences to the applicant;   |   |  |                    |
| ii) take securities from and give up the same to the applicant;   |   |  |                    |
| iii) abstain from taking securities from, or perfecting securities of the applicant, and accept composition from or otherwise deal with the applicant and all other persons including the guarantor company and any other guarantor as the CWB sees fit;  |   |  |                    |
| iv) deem that all other dividends, compensations and monies received by the CWB from the applicant or from other persons or estates capable of being applied by the CWB in reduction of the debt or liability hereby guaranteed shall be considered payment in gross, and the CWB shall be entitled to prove against the estate of the applicant upon insolvency or winding up in respect of the whole of the said debt and liability and the guarantor company shall have no right to be subrogated to the CWB in respect of any such proof until the CWB has received from such estate payment in full of the CWB's claim.  |   |  |                    |
| The CWB shall not be bound to exhaust its recourse against the applicant or other parties or the securities it may hold or to exercise its right under any lien, statutory or otherwise, before being entitled to payment from the guarantor company under this guarantee.  |   |  |                    |
| The Minister of Agriculture and Agri-Food Canada or any authorized agent shall proceed with collection action until the account is paid in full.  |   |  |                    |
| This Guarantee will constitute a continuing guarantee for all advances issued to the applicant under all permit books in which the applicant appears now and in the future if the structure of the guarantor company and the shareholders, partners, members or owners do not change.   |   |  |                    |
| DATED at <u>Someplace</u> in the Province of <u>Saskatchewan</u> this <u>15</u> day of <u>October</u> , year <u>06</u> .  |   |  |                    |
| IN WITNESS WHEREOF, the said Company has hereunto affixed its seal, attested to by the hands of its proper officers in that behalf, on this day aforesaid.  |   |  |                    |
| Guarantor   |   |  |                    |
| * <u>ABC Holding Company</u><br>Company name - Registered Land Owner  |   | ** <u>A Participant, Manager</u><br>Signature and position held in company   |                    |
| * <u>Someplace, SK</u><br>Address   |   | ** <u>B Participant, Secretary</u><br>Signature and position held in company |                    |
| * The name to be inserted as guarantor is the company which is the Registered Land Owner. The complete name must be indicated and the company seal (if applicable), must be affixed.  |   |  |                    |
| ** Individuals signing on behalf of the guarantor company must indicate their position in the company.  |   |  |                    |

# Instructions for completing the *Advance Application*

Have applicants read page one of the *Advance Application*. Advise applicants that by signing the application, they are agreeing to the terms and conditions outlined in these documents.

Complete the applicant and delivery point information section of the form.

- Enter the *Guarantee* form number.
- Enter your station fax number to receive faxes of documents for corrections and authorizations where a second payment is requested.

| Enhanced Spring Credit Advance Program (ESCAP)/After-harvest   |  |  |                          | (Program runs from September 1, 2006 to September 30, 2007. Application deadline is May 31, 2007 or sooner.) |  |  | 456700 |  |  |                                       |                  |  |                    |  |                   |  |  |
|--|--|--|--------------------------|--|--|--|--------|--|--|---------------------------------------|------------------|--|--------------------|--|-------------------|--|--|
| <p>TO THE ELEVATOR MANAGER: before this application is completed, ensure that you and the applicant read and understand "Applicant's eligibility" in the 2006-07 ESCAP advance payments for wheat, durum and barley country elevator guide.</p> <p>Do not issue a cash ticket(s) to a corporation, partnership (includes joint producers), cooperative or individual(s) conducting business under a business name, or a colony, until the application has been verified or you have received pre-approval of the ESCAP Declaration and Guarantee or Guarantee for Colonies from the CWB.</p> |  |  |                          |  |  |  |        |  |  |                                       |                  |  |                    |  |                   |  |  |
| <p><b>Applicant Information</b> <i>This form must be completed in ink</i></p>  |  |  |                          |  |  |  |        |  |  |                                       |                  |  |                    |  |                   |  |  |
| Applicant's Last Name<br><b>ABC COLONY</b>   |  |  | First Name<br><b>RRZ</b> |  |  | Middle Name                                  |        |  | Applicant's CWB Identification Number<br><b>0000123499</b> |                                       | Day<br><b>15</b> |  | Month<br><b>10</b> |  | Year<br><b>06</b> |  |  |
| Applicant's Address<br><b>SOMEPLACE, SK S0K 0E0</b>  |  |  |                          |  |  | Date of birth (DD/MM/YY)                     |        |  |  | Permit Number<br><b>0000123499</b>    |                  |  |                    | Company/Delivery Point Code<br><b>0997999901</b> |                   |  |  |
| Applicant's Telephone No.<br><b>(306) 123-4567</b>   |  |  |                          |  |  | Applicant's Fax No.<br><b>(306) 123-4568</b> |        |  |  | Reference Number                      |                  |  |                    | Station Name<br><b>Any Station</b>               |                   |  |  |
| Declaration and Guarantee/Guarantee No.  |  |  |                          |  |  | Station Telephone No.<br><b>306555-3832</b>  |        |  |  | Station Fax No.<br><b>306555-3833</b> |                  |  |                    |  |                   |  |  |

For the section regarding related producers, the applicant is not affected by the Related Producers' Provision and should check the box "NO". The applicant does not require a *Related Producers' Declaration* form.

**ALL APPLICANTS MUST COMPLETE THIS SECTION by answering "Yes" or "No"**

Complete the following questions by answering "yes" or "no". Answer "yes" if either statement (or both) is true. If you answer "yes", complete the *Related Producers' Declaration* form and attach it to this advance application.

- Do you appear in other CWB delivery permit books as an individual or as a member of a corporation, cooperative, partnership, or other business enterprise? Yes  No
- Do you share the reporting of income or losses from this or any other farming operation with anyone else for the purposes of the *Income Tax Act* (Canada)?

## Eligible amount

1. Enter the applicant's total tonnage in storage on the farm including carryover stocks and current crop year production in column i.
  - Only include the applicant's stocks of grain.
  - For selected barley, include only outstanding tonnage under a *Selected Barley Storage and Delivery Contract* that has been accepted by a selector. Include the contract numbers in the boxes provided. A CWB letter confirming acceptance must have been received.
2. Record tonnages to be used for seed, fed on farm and deliveries to purchase seed in column ii.
3. Calculate the tonnage eligible for delivery to the CWB, column iii, by subtracting column ii from column i.

4. Multiply column iii by the rate per tonne, column iv, to complete the eligible amount, column v.
5. Add the eligible amounts for each grain together and record the total under 1(e).
6. Record the amount of the applicant's unpaid balance of previous 2006-07 wheat, durum and barley advances received under *ESCAP* through this permit book in 1(f). Record the amount of the applicant's previous unpaid advances for wheat, durum and barley applied for or received under this delivery permit book through 2006-07 AMPA in 1(g). Include the unpaid balance for advances transferred from the 2005-06 AMPA program where default has been stayed under this permit book.
7. Enter the result in Box (A) **Total Eligible Amount**.

**1. Eligible Amount (indicate amounts in whole dollars and whole tonnes)**

| Grain      | i Applicant's Total Farm Stored Grain (under this permit book) | ii Grain Not Eligible For An Advance Payment Grain To Be Used For Seed, Fed on Farm, or Delivered for Seed Purchases | iii Tonnage Eligible for Delivery to CWB (Column i subtract Column ii) | Maximum Advance Payment Based On Inventory |  |
|------------|--|--|--|--|--|
|            |  |  |  | iv Rate Per Tonne                          | v Eligible Amount (Column iii multiplied by Column iv) |
| a) Wheat   | 3 0 0 0  |  | 3 0 0 0  | \$ 80.00                                   | \$ 24 0 0 0 0  |
| b) Durum   | 8 5 0  |  | 8 5 0  | \$ 75.00                                   | \$ 6 3 7 5 0   |
| c) Barley  |  |  |  | \$ 35.00                                   | \$   |
| d) Sel Bly |  | Accepted selected barley contract numbers must be indicated below.   |  | \$ 60.00                                   | \$   |

List accepted selected barley contract numbers. CWB letter confirming acceptance must have been received. Only selected barley that has been accepted by a selector under contract is eligible.

e) Maximum advance payment based on inventory (add a, b, c and d of column v) .....

f) Applicant's unpaid balance of previous 2006-07 wheat and barley advances received under this permit book through *ESCAP* or *SCAP* .....

g) Applicant's unpaid balance (including interest) of previous 2006-07 wheat and barley advances applied for or received under this permit book through AMPA (include unpaid balance of amounts previously transferred from the 2005-06 AMPA program where default has been stayed). .....

h) Subtract (f)+(g) from (e) and enter the total in box A ..... **Total Eligible Amount**  **A**

## Maximum advance

- Calculate the maximum cash advance by subtracting the total of 2(b) and 2(c) from 2(a).
- Enter the amount in Box (B) **Maximum Cash Advance**.

Complete paragraph 2 and skip to paragraph 4, *The Advance Payment* if the applicant does not have a pre-approved *Guarantee*. (If land under irrigation, answer yes in Part 3 and complete irrigation form)

**2. Maximum Advance** If you are an individual affected by the Related Producers' Provision, please complete a Related Producers' Declaration before completing the rest of this form. Companies must complete paragraph 2 before filling out the Related Producers' Declaration.

a) Maximum 2006-07 advance under *ESCAP* .....

b) Applicant's previous 2006-07 wheat and barley advances applied for or received through *ESCAP* or *SCAP* .....

c) Applicant's total previous advances applied for or received through all appearances under *ESCAP* or *SCAP* from all other organizations on all other crops .....

d) Subtract (b) + (c) from (a) and enter the total in box B ..... **Maximum Cash Advance**  **B**

## Elevator issuance limitation

- Do not complete this section if the application requires pre-approval before a cash ticket can be issued. However, have the applicant answer the irrigation form question. If the applicant has irrigated wheat, durum and/or barley, check the “yes” box and complete an *Application for Irrigation Rate* form (see page 28).
- For applicants without irrigated acres, record **all** seeded acres that appear in Box (N) of the applicant’s *2006-07 Delivery Permit Book* in the space provided in 3(a).
- Multiply the total seeded acres by the seeded acre rate (\$60.00) and enter the result in 3(a). For applicants who are applying for the irrigated rate, transfer the amount from the *Application for Irrigation Rate* form [Total (C+D+E)] to Box 3(a) on the application form.
- List the tonnes of wheat, durum, barley and selected barley that has been delivered, sold or used on the farm by anyone named in the delivery permit book. Multiply each by the rate and enter the results in the spaces provided. When determining the number of tonnes delivered, do not include storage deliveries from a previous crop year settled this crop year. Add the amounts for 3(b) through to 3(e) and enter the total in 3(f).
- In 3(g), list the total previous 2006-07 wheat and barley advances outstanding through this permit book through *SCAP, ESCAP and AMPA* by anyone named in this delivery permit book.
- Subtract 3(f) and 3(g) from 3(a) and enter the result in Box (C), **Elevator Issuance Limitation**.

Deduct for grain delivered, sold or used on farm in the 2006-07 crop year.

| 3. Elevator Issuance Limitation - Cannot exceed \$50,000  |                              |                   |   |
|---|------------------------------|-------------------|---|
| I have completed the <i>Application For Irrigation Rate</i> form for grain produced under irrigation  |                              |                   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <small>For applications sent to the CWB for approval before issuance of a cash ticket, do not complete this section of the application form.</small>  |                              |                   |   |
| <b>Seeded Acres</b> (from box N of applicant's 2006-07 Delivery Permit)   |                              |                   |   |
| a) Wheat + Durum + Barley =   | 6850                         | acres x \$60      | = 411,000   |
| Record grain delivered, sold or used on the farm in 2006-07 by anyone named in the permit book  |                              |                   |   |
| b) Wheat  | _____                        | tonnes x \$80.00= | \$ _____  |
| c) Durum  | _____                        | tonnes x \$75.00= | \$ _____  |
| d) Barley   | _____                        | tonnes x \$35.00= | \$ _____  |
| e) Sel. Bly.  | _____                        | tonnes x \$60.00= | \$ _____  |
| f) Add b, c, d and e  | TOTAL                        |                   | 0   |
| g) Total previous 2006-07 wheat and barley advances (include amounts outstanding under <i>E SCAP</i> or <i>SCAP</i> or <i>AMPA</i> ) under this permit book by anyone named in this permit book |                              |                   | 0   |
| h) Subtract (f) + (g) from (a) and enter total in box C   | Elevator Issuance Limitation |                   | 411,000 <b>C</b>  |

## The advance payment

- Record the amount the applicant is requesting in Box (D). Ensure that the applicant’s request does not exceed the amounts in Boxes (A) or (B).
- Determine the amount you can issue as a first payment. If the **Guarantee has been pre-approved and you have received an authorization letter from the CWB**, that amount cannot exceed the elevator issuance limitation Box (C) or \$50,000. The \$50,000 limit includes all previous advances that have been applied for or issued through the permit book by the applicant, including amounts issued under 2006-07 *ESCAP* or *SCAP*. Enter the amount in Box (E).
- If the *Guarantee* form has not been pre-approved indicate “NIL” as the

first payment in Box (E) and show the amount applied for Box (D) as the second payment Box (F).

- Subtract the amount issued in the first payment Box (E) from the amount requested Box (D) and enter the remainder in Box (F).
- When verification is received from the CWB, issue the second payment for the approved amount Box (F).

## Amounts exceeding \$50,000

If the total applied for Box (D) on the advance application exceeds \$50,000:

- issue a cash ticket for the first payment of \$50,000 Box (E) (cannot exceed Box (C));
- send the application and first payment cash ticket to the CWB through your head office;
- when verification is received from the CWB, issue the second payment for the approved amount Box (F).

|  |                  |
|--|------------------|
| <b>4. The Advance Payment</b>  |                  |
| a) Total advance applied for, must equal first and second payment (cannot exceed box A or B or, if applicable, Box 6 of the <i>Participants' Calculation Worksheet</i> ) .....   | 100,000 <b>D</b> |
| b) FIRST PAYMENT paid by elevator manager at date of application (cannot exceed box C or \$50,000)<br>For applications sent to CWB for approval before cash ticket issuance, INDICATE NIL in Box E .....   | 50,000 <b>E</b>  |
| c) SECOND PAYMENT to be paid by elevator manager only after verification by CWB (box D subtract box E)<br>If no second payment, INDICATE NIL in Box F .....  | 50,000 <b>F</b>  |
| <small>If total cash advance requested (box D) exceeds box C or \$50,000, CWB approval is required prior to issuing the second payment cash ticket (box F). The \$50,000 limitation includes any previous <i>ESCAP</i> or <i>SCAP</i> advance payment(s) issued to the applicant through this permit book.</small> |                  |

## Priority Agreement

1. Once the application is completed to the end of paragraph 4, ask the applicant to list all applicable financial institutions and secured parties.
2. Instruct the applicant to have every financial institution and secured party complete a separate *Priority Agreement*.

Read about *Priority Agreements* on pages 32-33.

The declaration section must be fully completed.

## Declaration

Have the applicant read and sign the *Declaration* section of the application form. Please read "Signature Requirements" on pages 16-17.

Read the *Notice to Elevator Manager* on the application form. **Ensure all provisions have been met before sending the application to the CWB.**

The advance application form consists of three copies:

- Send the white copy to the CWB as indicated below.
- Keep the yellow copy for your records.
- Give the green copy to the applicant.

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The CWB must verify the following applications before a cash ticket is issued:

- Requests for a second payment or subsequent advance (where the applicant has exceeded the \$50,000 or elevator issuance limits).
- Advances for colonies where a *Guarantee* form has not been previously approved.

If the applicant does not have a pre-approved *Guarantee* for Colonies form, the cash ticket cannot be issued until you receive approval from the CWB.

**You must still endorse the permit book now.**

We will fax you a copy of the approval letter when it becomes available. The applicant will also receive a copy of this letter in the mail.

If applicable, issue the cash ticket. **Please read "Issuing cash tickets" on page 18.**

The package you are preparing for your head office should include the CWB's copies of:

- completed and signed *Advance Application* (white copy);
- completed and signed *Priority Agreement(s)*;
- completed and signed *Guarantee* for Colonies form (if not pre-approved);
- completed and signed *Application For Irrigation Rate* form (if applicable);
- cash ticket (if the *Guarantee* for Colonies form was pre-approved);
- the CWB approval letter if this is the applicant's first advance and pre-approval was received.