



TOTAL PRODUCTION QUOTA ASSIGNMENT

BETWEEN:

DFNS registration number ____ _ _ _ _ 2

(hereinafter referred to as "the Producer")

- and -

Branch/Address: _____

(hereinafter referred to as "the Lender")

TAKE NOTICE that, for value received, the Producer hereby assigns all of the Producer's right, title, and interest in and to _____ kilograms of the Producer's Total Production Quota (the "Assigned Quota") to the Lender for the purposes of securing certain indebtedness that from time to time the Producer may owe to the Lender (the "Indebtedness").

Pursuant to this Assignment, the Producer has assigned to the Lender the amount of Assigned Quota as stated above. Including the quota assigned herein, the Producer has now a total of _____ kgs of TPQ assigned to the Lender.

IN ACCORDANCE with this Assignment, the Producer:

- (a) represents that the Assigned Quota has been allotted to the Producer, being the registered quota holder, by Dairy Farmers of Nova Scotia ("DFNS") pursuant to regulations respecting milk quotas made by DFNS;
- (b) covenants, promises and agrees that so long as this Assignment remains in effect:
 - (i) the Assigned Quota shall be maintained by the producer in good standing;
 - (ii) the producer shall not apply to DFNS for permission to sell, transfer, or otherwise dispose of or cancel all or any part of the Assigned Quota without the consent of the Lender;
 - (iii) in the event that all or any part of the Assigned Quota is sold, transferred, or otherwise disposed of or cancelled, unless the Producer and Lender have agreed otherwise, the producer shall pay or cause to be paid to the Lender an amount from the proceeds (if any), sufficient to retire the Indebtedness that was secured by the Assigned Quota;
- (c) agrees that the Lender may apply in writing to DFNS to consent to this Assignment upon such terms and conditions as may be acceptable to both DFNS and the Lender;

- (d) hereby irrevocably constitutes and appoints the Lender the producer attorney during the term of this Assignment with full power and absolute discretion to act for the producer in any dealing or application with respect to the Assigned Quota, including its sale or other disposition, PROVIDED THAT the Lender may act as the Producer's attorney only during such time(s) as the Producer is in default of his obligations to the Lender pursuant to the terms and conditions of the Indebtedness;
- (e) agrees that, for the purposes of this Assignment, where the Producer is in default of their Indebtedness to the Lender, the Lender shall provide written evidence to DFNS of the default by way of a statutory declaration or affidavit of a representative of the Lender stating that default in respect of the Indebtedness has occurred, and where DFNS receives and relies upon such a statutory declaration or affidavit, DFNS shall be deemed to have acted in good faith in allowing the Lender to exercise rights as an attorney with respect to the Assigned Quota;
- (f) covenants to release and forever discharge DFNS from any and all actions, claims, suits, and rights that the Producer may have against DFNS or its successors or assigns as a consequence of losses the Producer sustains from anything done by DFNS, in good faith, in dealing with the Assigned Quota at the direction of the Lender when DFNS believed, in good faith, that the Lender possessed a valid power of attorney to deal with the Assigned Quota in accordance with the provisions paragraph (e); and
- (g) covenants, promises, and agrees that upon breach of any of the provisions in this Assignment, the Indebtedness shall, at the option of the Lender, immediately become due and payable.

AND FURTHERMORE, this Assignment will remain in full force and in effect only until the date it is revoked or withdrawn by both the Producer and the Lender, at which time it will cease to apply without any further act or formality.

The Lender hereby recognizes that DFNS does not operate a quota registry and does not take responsibility for assignments. The Lender asks that DFNS take notice of and consent to this Assignment and acknowledge that, as far as the records of DFNS indicate, the amount of the Assigned Quota stated herein is available for assignment, and the Assignment is now recorded in the name of the Lender.

The Lender further acknowledges that, where a Producer has executed more than one Assignment of their TPQ, assignments will be honored on a "last in, first out" basis, such that the TPQ most recently assigned will be deemed to be the first sold, and the most recent Assignment will be the first honored.

The Lender further acknowledges and agrees that DFNS will not act on any direction from the Lender as attorney with respect to the Assigned Quota until after 5 business days have expired from the day the Lender provides written direction and the statutory declaration or affidavit described in paragraph (e) to DFNS.

The Lender further agrees to notify DFNS and withdraw the Assignment from DFNS's records when the Assignment is no longer of any force or effect.

The Lender further covenants to release and forever discharge DFNS from any and all actions, claims, suits, and rights that it may have against DFNS or its successors or assigns as a consequence of losses the Lender sustains from anything done or not done by DFNS in relation to this Assignment and the Assigned Quota.

The Producer and Lender request that DFNS consent to this Assignment in the amount of the Assigned Quota described above, or if the Producer does not have enough unassigned TPQ available, that the amount of Assigned Quota be reduced to the amount of unassigned TPQ available. The parties acknowledge that DFNS's consent, if granted, will be granted pursuant to section 10 of the *Total Production Quota Regulations* made under the *Dairy Industry Act* of Nova Scotia, and will be recorded in DFNS's Production and Quota System.

The Producer and Lender acknowledge that this Assignment is subject to the provisions of the *Dairy Industry Act* and regulations made under that Act, and if there is any conflict between the terms of this Assignment and the Act or regulations, the Act or regulations (as the case may be) prevail.

The Producer signing below is the registered quota holder. In the case of a partnership, all partners must sign, and in the case of a corporate quota holder, the designated signing officer(s) must sign.

DATED at _____, Nova Scotia, this _____ day of _____, 20____.

_____	)	PRODUCER	_____
	)		
Witness	)	Per:	_____
	)		
_____	)		_____
Witness	)	Per:	_____
	)		

DATED at _____, Nova Scotia, this _____ day of _____, 20____.

_____	)	LENDER	_____
	)		
Witness	)	Per:	_____
	)		

FOR DFNS USE ONLY

- ☐ DFNS hereby confirms that there is sufficient unassigned TPQ available according to our records for the Producer to assign the full amount of the Assigned Quota;
- OR**
- ☐ The amount of the Assigned Quota is being reduced to _____ kilograms, being the amount of unassigned TPQ available as of the date this Assignment is being recorded by DFNS. If the Producer acquires more TPQ, DFNS will not adjust the amount of the Assigned Quota unless another Assignment is provided.

CONSENTED TO AND RECORDED BY DAIRY FARMERS OF NOVA SCOTIA

on _____, 20____.

Per: _____