

SUMMARY OF CURRENT DOCUMENT																																																																																
Name of Issuing Party or Person	CULEASE Financial Services ("Culease")																																																																															
Date of Document	6 January, 2003																																																																															
Summary of Order/Relief Sought or Statement of Purpose in Filing	<p>- Interlocutory Application (<i>Inter Partes</i>) by Culease</p> <p>- Culease applies (i) for a determination of its priority and entitlement, <i>vis-à-vis</i> other claimants, to the proceeds from the sale of the following assets of Hickman Equipment, and (ii) for an order that the Receiver pay the proceeds from the sale of the following assets of Hickman Equipment to Culease:</p> <table><tr><th>Stock#</th><th>Model</th><th>Serial #</th><th>Proceeds</th></tr><tr><td>N-C001454</td><td>John Deere 160LC Excavator</td><td>P00160X041793</td><td>\$132,500.00</td></tr><tr><td>N-C001453</td><td>John Deere 160LC Excavator</td><td>P00160X041792</td><td>\$132,500.00</td></tr><tr><td>N-C001377</td><td>John Deere 160LC Excavator</td><td>P00160X041741</td><td>\$120,000.00</td></tr><tr><td>C001035</td><td>John Deere 160LC Excavator</td><td>P00160X041555</td><td>\$110,000.00</td></tr><tr><td>N-C001512</td><td>John Deere 160LC Excavator</td><td>P00160X041361</td><td>\$110,000.00</td></tr><tr><td>C001381</td><td>John Deere 330LC Excavator</td><td>FF0330X080964</td><td>\$199,500.00</td></tr><tr><td>N-C001379</td><td>John Deere 200LC Excavator</td><td>FF0200X502017</td><td>\$131,100.00</td></tr><tr><td>N-C001479</td><td>John Deere 850C Dozer</td><td>T0850CX900908</td><td>\$222,500.00</td></tr><tr><td>N-C001486</td><td>John Deere 1050C Dozer</td><td>LU1050C005288</td><td>\$330,000.00</td></tr><tr><td>C001105</td><td>John Deere 624H 4WD Loader</td><td>DW624HX79048</td><td>\$152,500.00</td></tr><tr><td>C001229</td><td>I/R XP825 Compressor</td><td>172821</td><td>\$9,656.00</td></tr><tr><td>C001228</td><td>I/R EXM350 Air Track</td><td>R10031</td><td>\$12,070.00</td></tr><tr><td>C001227</td><td>Terex Articulated Truck</td><td>74TDC7364</td><td>\$800.00</td></tr><tr><td>C001226</td><td>CAT D8N Dozer</td><td>5TJ02858</td><td>\$165,149.00</td></tr><tr><td>C001339</td><td>CAT 320B Excavator</td><td>06CR04706</td><td>\$135,000.00</td></tr><tr><td>C001340</td><td>CAT 320B Excavator</td><td>06CR05244</td><td>\$140,000.00</td></tr><tr><td>C001341</td><td>CAT 320B Excavator</td><td>06CR05245</td><td>\$135,000.00</td></tr><tr><td>C001295</td><td>John Deere 992E Excavator</td><td>FF992EX007040</td><td>\$100,000.00</td></tr></table>				Stock#	Model	Serial #	Proceeds	N-C001454	John Deere 160LC Excavator	P00160X041793	\$132,500.00	N-C001453	John Deere 160LC Excavator	P00160X041792	\$132,500.00	N-C001377	John Deere 160LC Excavator	P00160X041741	\$120,000.00	C001035	John Deere 160LC Excavator	P00160X041555	\$110,000.00	N-C001512	John Deere 160LC Excavator	P00160X041361	\$110,000.00	C001381	John Deere 330LC Excavator	FF0330X080964	\$199,500.00	N-C001379	John Deere 200LC Excavator	FF0200X502017	\$131,100.00	N-C001479	John Deere 850C Dozer	T0850CX900908	\$222,500.00	N-C001486	John Deere 1050C Dozer	LU1050C005288	\$330,000.00	C001105	John Deere 624H 4WD Loader	DW624HX79048	\$152,500.00	C001229	I/R XP825 Compressor	172821	\$9,656.00	C001228	I/R EXM350 Air Track	R10031	\$12,070.00	C001227	Terex Articulated Truck	74TDC7364	\$800.00	C001226	CAT D8N Dozer	5TJ02858	\$165,149.00	C001339	CAT 320B Excavator	06CR04706	\$135,000.00	C001340	CAT 320B Excavator	06CR05244	\$140,000.00	C001341	CAT 320B Excavator	06CR05245	\$135,000.00	C001295	John Deere 992E Excavator	FF992EX007040	\$100,000.00
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Court Sub-File Number:	7: 39																																																																															

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
TRIAL DIVISION**

**IN THE MATTER OF** a Court ordered  
Receivership of Hickman Equipment (1985)  
Limited ("Hickman Equipment") pursuant to  
Rule 25 of the *Rules of the Supreme Court,*  
1986 under the *Judicature Act*, R.S.N.L. 1990,  
c. J-4, as amended

**AND IN THE MATTER OF** the *Bankruptcy*  
*and Insolvency Act*, Chapter B-3 of the Revised  
Statutes of Canada, 1985, as amended (the "BIA")

**INTERLOCUTORY APPLICATION**  
*(Inter Partes)*

The Application of Culease, the Applicant herein, says that:

1. By a Receiving Order dated March 13, 2002, and filed March 14, 2002,  
PricewaterhouseCoopers Inc. ("PWC") was appointed Receiver (the "Receivership  
Order") without security "... *of all the property, assets, entitlements and undertaking (the*  
*"Assets") of Hickman Equipment wheresoever situate including without limitation all*  
*property assets and undertakings comprised in the term "Property" as such term is*  
*defined in the Initial Order.*"
2. By further Order of this Court dated March 13, 2002, and filed March 14, 2002, Hickman  
Equipment was adjudged bankrupt and PWC was appointed as Trustee of the estate of the

bankruptcy (the "Receiving Order").

3. By further Order of this Court dated May 14, 2002, and filed May 17, 2002, PWC's plan for the realization of the assets of Hickman Equipment was approved (the "Realization Plan Order").
4. The Realization Plan Order approved PWC's plan for the determination of the rights and entitlement of creditors and claimants to the assets of Hickman Equipment (the "Claims Plan").
5. Under paragraphs 6 and 7 of the Claims Plan, the determination of the rights and entitlement of creditors and claimants to the assets of Hickman Equipment involved a two stage process, as follows:
  - (a) A determination of whether a claimant had a valid, perfected and enforceable ownership or security interests in the assets of Hickman Equipment or the proceeds arising therefrom; and
  - (b) A determination of the priority of a claimant's interests *vis-à-vis* other claimants.
6. Under paragraph 20 of the Claims Plan, PWC proposed that the order of priority of claims to an asset of Hickman Equipment or to the proceeds arising therefrom be determined using the priority rules established by the *Personal Property Security Act*, S.N.L. 1998, c. P-7.1 ("PPSA") and other applicable law.

7. Under paragraph 21 of the Claims Plan, issues of priority and entitlement to collateral between secured claimants may, upon Application, be brought before this Court for determination, pursuant to the provisions of section 68 of the PPSA.
8. Culease presented its security interest claim to PWC (the "Culease Claim").
9. The Culease Claim dealt with the following eighteen (18) units (the "Culease Units").

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>
1.	N-C001454	John Deere 160LC Excavator	P00160X041793
2.	N-C001453	John Deere 160LC Excavator	P00160X041792
3.	N-C001377	John Deere 160LC Excavator	P00160X041741
4.	C001035	John Deere 160LC Excavator	P00160X041555
5.	N-C001512	John Deere 160LC Excavator	P00160X041361
6.	C001381	John Deere 330LC Excavator	FF0330X080964
7.	N-C001379	John Deere 200LC Excavator	FF0200X502017
8.	N-C001479	John Deere 850C Dozer	T0850CX900908
9.	N-C001486	John Deere 1050C Dozer	LU1050C005288
10.	C001105	John Deere 624H 4WD Loader	DW624HX79048
11.	C001229	I/R XP825 Compressor	172821
12.	C001228	I/R EXM350 Air Track	R10031
13.	C001227	Terex Articulated Truck	74TDC7364
14.	C001226	CAT D8N Dozer	5TJ02858
15.	C001339	CAT 320B Excavator	06CR04706

16.	C001340	CAT 320B Excavator	06CR05244
17.	C001341	CAT 320B Excavator	06CR05245
18.	C001295	John Deere 992E Excavator	FF992EX007040

10. PWC sold the Culease Units as part of the realization of the assets of Hickman Equipment.


11. The proceeds arising from the sale of the Culease Units totaled \$2,338,275.00, particulars of which include:

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>	<b>Proceeds</b>
1.	N-C001454	John Deere 160LC Excavator	P00160X041793	\$132,500.00
2.	N-C001453	John Deere 160LC Excavator	P00160X041792	\$132,500.00
3.	N-C001377	John Deere 160LC Excavator	P00160X041741	\$120,000.00
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6.	C001381	John Deere 330LC Excavator	FF0330X080964	\$199,500.00
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8.	N-C001479	John Deere 850C Dozer	T0850CX900908	\$222,500.00
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17.	C001341	CAT 320B Excavator	06CR05245	\$135,000.00
18.	C001295	John Deere 992E Excavator	FF992EX007040	\$100,000.00

12. On or about December 11, 2002, PWC issued its '*Amended*' Final Determination of the Culease Claim and allowed the Culease Claim "as a valid secured claim in all of the Assets".
13. PWC has not made any determination as to Culease's priority or entitlement to the proceeds arising from the sale of the Culease Units.
14. Culease therefore applies, pursuant to paragraph 21 of the Claims Plan and section 68 of the PPSA, (i) for a determination of the priority and entitlement of Culease, *vis-à-vis* other claimants, to the proceeds from the sale of the Culease Units, and (ii) for an order that PWC pay the proceeds from the sale of the Culease Units to Culease.

**DATED** at St. John's, in the Province of Newfoundland and Labrador, this 16 day of January, 2003.

  
**J. VERNON FRENCH, Q.C.**  
**FRENCH, DUNNE & ASSOCIATES**  
 Solicitors for CULEASE Financial Services  
 whose address for service is:  
 Suite 122, Elizabeth Towers  
 100 Elizabeth Avenue  
 St. John's, NL  
 A1B 1S1

**ISSUED AT** St. John's, in the Province of Newfoundland and Labrador, this 16 day of  
January, 2003.

Michael Hillier  
Clerk.

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
TRIAL DIVISION**

**IN THE MATTER OF** a Court ordered  
Receivership of Hickman Equipment (1985)  
Limited ("Hickman Equipment") pursuant to  
Rule 25 of the *Rules of the Supreme Court,*  
*1986* under the *Judicature Act*, R.S.N.L. 1990,  
c. J-4, as amended

**AND IN THE MATTER OF** the *Bankruptcy*  
*and Insolvency Act*, Chapter B-3 of the Revised  
Statutes of Canada, 1985, as amended (the "BIA")

**NOTICE**

You are hereby notified that the foregoing Application will be made to the Judge presiding in chambers at the Court House, Duckworth Street, St. John's, Newfoundland and Labrador on the 27<sup>th</sup> day of May, 2003, at 10:00 a.m. or so soon thereafter as the Application can be heard.

TO: See attached distribution list hereto Schedule "A"



**SCHEDULE "A"**

**DISTRIBUTION LIST**

ABN Amro Bank of Canada/ ABN Amro Leasing & Tramac Equipment Ltd.	Gregory M. Smith Brian Winsor Terence M. Dolan/ John Salmas	709-722-7521  416-868-0673
Caterpillar Equipment	Colin D. Grant	905-849-1023
CAT Finance	James Smyth, Q.C. Philip Warren	709-754-5662
Cedarrapids	Nathan Mixdorf Francoise Belzil	319-399-4760
CIBC	R. Wayne Myles Geoffrey Spencer	709-579-2647
CIBC Equipment Finance Ltd./ CIT Financial Ltd.	Gregory W. Dickie	709-722-9210
Contract Funding Group Inc.	Mark G. Klar	416-218-1831
Daimler Chrysler Financial Services/ Daimler Chrysler Capital Services/ Mercedes-Benz of Canada Inc.	Philip Buckingham Peter O'Flaherty Elaine Gray	709-722-4720  416-836-3527
Fabtek Corp.	Linc A. Rodgers Rhodie E. Mercer, Q.C.	416-863-2653 709-726-5705
GE Capital	Harvey Chaiton Frederic Scalabrini	416-218-1849 905-319-4855
GMAC	Thomas R. Kendell, Q.C.	709-722-1763
Group Holdings Ltd./Hickman Equipment/Hickman Holdings Ltd.	Robert Stack Griffith D. Roberts	709-726-2992
Ingersoll-Rand Canada Inc.	R. Barry Learmonth, Q.C. Jonathan Wigley	709-739-8151 416-863-6275

John Deere Limited/ John Deere Credit Inc.	Neil L. Jacobs Bruce Grant Maureen Ryan	709-722-4565
MTC Leasing Inc./ National Leasing Group Inc.	R. Paul Burgess	709-754-0915
ORIX Financial Services Canada Ltd.	Donald Yaeck	416-236-3010
Goodman Associates	Paul G. Goodman	902-425-3777
Royal Bank of Canada	Thomas O. Boyne, Q.C.	902-463-7500
TD Asset Financial Corp.	D. Bradford L. Wicks	709-753-5221
Wells Fargo Equipment Finance Co.	Richard Jones	416-361-6303
PricewaterhouseCoopers Trustee in Bankruptcy	James Kirby	709-722-1428
Patterson Palmer Hunt Murphy	Frederick J. Constantine	709-722-0483

We have not faxed the Exhibits as referenced in the within Affidavit of Terry Wensley due to volume. Copies of the complete Affidavit and Exhibits are available via the PricewaterhouseCoopers Inc. website.

If any party requires copies of the complete Affidavit and Exhibits, please contact John B. French at the firm of French, Dunne & Associates at the telephone number of (709) 754-1800.

2002 01 T 0352

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
TRIAL DIVISION**

**IN THE MATTER OF** a Court ordered  
Receivership of Hickman Equipment (1985)  
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**AND IN THE MATTER OF** the *Bankruptcy*  
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Statutes of Canada, 1985, as amended (the "BIA")

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**AFFIDAVIT OF TERRY WENSELY**  
[on behalf of Culease]

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**FRENCH, DUNNE & ASSOCIATES**  
Solicitors for CULEASE Financial Services  
whose address for service is:  
Suite 122, Elizabeth Towers  
100 Elizabeth Avenue  
St. John's, NL  
A1B 1S1

Attention: J. Vernon French, Q.C. /  
John B. French

2002 01 T 0352

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
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**IN THE MATTER OF** a Court ordered  
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**AND IN THE MATTER OF** the *Bankruptcy*  
*and Insolvency Act*, Chapter B-3 of the Revised  
Statutes of Canada, 1985, as amended (the "BIA")

**AFFIDAVIT**

I, Terry Wensley, of the City of Regina, in the Province of Saskatchewan, make oath and say as follows:

1. I am the Operation's Manager for CULEASE Financial Services ("Culease"), the Applicant named in the foregoing Interlocutory Application (Inter Partes), and as such I have knowledge of the matters referred to in the Application and the matters to which I hereinafter depose, except where such knowledge is based on information and belief, in which case I have identified the sources and grounds of my information and belief and verily believe same to be true.
2. By a Receiving Order dated March 13, 2002, and filed March 14, 2002 (the "Receiving Order") Hickman Equipment was adjudged bankrupt and PricewaterhouseCoopers Inc.

(PWC) was appointed Trustee in bankruptcy in accordance with the BIA.

3. By a Receiving Order dated March 13, 2002, and filed March 14, 2002 (the "Receivership Order") PWC was appointed Receiver without security "... *of all the property, assets, entitlements and undertaking (the "Assets") of Hickman Equipment wheresoever situate including without limitation all property assets and undertakings comprised in the term "Property" as such term is defined in the Initial Order.*"
4. As a result of the above, and by virtue of the Receiving Order, Culease filed a proof of claim in the Bankruptcy of Hickman Equipment dated April 16, 2002, and an amended proof of claim in the Bankruptcy of Hickman Equipment dated October 29, 2002.
5. I am advised by PWC that PWC, in accordance with an Order of this Honourable Court dated May 14, 2002, commenced and completed the liquidation of substantially all of the Assets of Hickman Equipment by auction.
6. By 'Amended' Final Determination dated December 11, 2002 (the "Final Determination"), PWC has allowed, *inter alia*, the claims of Culease "as a valid secured claim in all of the Assets". A true copy of the 'Amended' Final Determination is attached as Exhibit "TW 1" [Tab 1] to this Affidavit.
7. Between November 2000 and December 2001, Culease entered into four equipment lease agreements with Hickman Equipment (the "Equipment Leases").

8. Hickman Equipment was an authorized distributor of John Deere Limited Industrial Equipment in Newfoundland and Labrador.
9. By the Equipment Leases, Culease purchased John Deere equipment and leased it to Hickman Equipment, and Hickman Equipment had the option to purchase the leased equipment at the end of the lease period.
10. The Equipment Leases contained, *inter alia*, the following clause with respect to "title" to the leased equipment:

*14. TITLE*

*Customer shall have no right, title or interest in the Equipment other than, conditional upon Customer's compliance with and fulfilment of the terms and conditions of this Agreement, the right to maintain possession and use of the Equipment for the full Term and any Renewal Period. Lessor and Customer hereby confirm their intent that the Equipment shall always remain and be deemed personal or moveable property, even though said Equipment may become attached to other equipment or real property. Customer hereby agrees to provide prior written notice to Lessor of any intention to attach the Equipment to other property.*

11. By December 31, 2001, Bombardier had purchased 19 pieces of John Deere equipment, which it leased to Hickman Equipment, and the total of the outstanding balances owing under the Equipment Leases was \$4,690,163.49 as of March 13, 2002.
12. In March, 2002, it was determined that of the 19 pieces of John Deere equipment which Culease had purchased and leased to Hickman Equipment, Hickman Equipment had sold

18 pieces to third parties, including 7 pieces to Hickman Equipment Leasing and Rentals Ltd. in or about December 2001, contrary to the terms of the Equipment Leases. As of the date of the Trustee's auction on July 12, 2002, in Halifax, in the Province of Nova Scotia, Hickman Equipment remained in possession of the following 18 pieces with the 11<sup>th</sup> through 18<sup>th</sup> pieces being trade ins.

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>
1.	N-C001454	John Deere 160LC Excavator	P00160X041793
2.	N-C001453	John Deere 160LC Excavator	P00160X041792
3.	N-C001377	John Deere 160LC Excavator	P00160X041741
4.	C001035	John Deere 160LC Excavator	P00160X041555
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6.	C001381	John Deere 330LC Excavator	FF0330X080964
7.	N-C001379	John Deere 200LC Excavator	FF0200X502017
8.	N-C001479	John Deere 850C Dozer	T0850CX900908
9.	N-C001486	John Deere 1050C Dozer	LU1050C005288
10.	C001105	John Deere 624H 4WD Loader	DW624HX79048
11.	C001229	I/R XP825 Compressor	172821
12.	C001228	I/R EXM350 Air Track <sup>1</sup>	R10031
13.	C001227	Terex Articulated Truck	74TDC7364
14.	C001226	CAT D8N Dozer	5TJ02858
15.	C001339	CAT 320B Excavator	06CR04706

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<sup>1</sup> Described in invoice dated March 1, 2001, from Hickman Equipment to Modern Holdings Ltd. as a used I/R ECM350 Air Track s/n R10031 [Tab 4, Page 24].



16.	C001340	CAT 320B Excavator	06CR05244
17.	C001341	CAT 320B Excavator	06CR05245
18.	C001295	John Deere 992E Excavator	FF992EX007040

13. PWC sold the Culease Units as part of its liquidation of the assets of Hickman Equipment.

14. The proceeds arising from the sale of the 10 Culease Units was \$1,640,600.00, particulars of which include:

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>	<b>Proceeds</b>
1.	N-C001454	John Deere 160LC Excavator	P00160X041793	\$132,500.00
2.	N-C001453	John Deere 160LC Excavator	P00160X041792	\$132,500.00
3.	N-C001377	John Deere 160LC Excavator	P00160X041741	\$120,000.00
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8.	N-C001479	John Deere 850C Dozer	T0850CX900908	\$222,500.00
9.	N-C001486	John Deere 1050C Dozer	LU1050C005288	\$330,000.00
10.	C001105	John Deere 624H 4WD Loader	DW624HX79048	\$152,500.00

15. The proceeds arising from the sale of the 8 trade ins was \$697,675.00, particulars of which include:

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>	<b>Proceeds</b>
11.	C001229	I/R XP825 Compressor	172821	\$9,656.00

12.	C001228	I/R EXM350 Air Track	R10031	\$12,070.00
13.	C001227	Terex Articulated Truck	74TDC7364	\$800.00
14.	C001226	CAT D8N Dozer	5TJ02858	\$165,149.00
15.	C001339	CAT 320B Excavator	06CR04706	\$135,000.00
16.	C001340	CAT 320B Excavator	06CR05244	\$140,000.00
17.	C001341	CAT 320B Excavator	06CR05245	\$135,000.00
18.	C001295	John Deere 992E Excavator	FF992EX007040	\$100,000.00

16. The total proceeds arising from the auction sale of the Culease Units was \$2,338,275.00.

17. Culease's priority and entitlement to the proceeds arising from the sale of Culease Unit #1, Unit #2, Unit #3, Unit #5, Unit #7, Unit #8 and Unit #9 are based on the following sources and grounds:

Culease Unit #1: John Deere 160LC Excavator s/n P00160X041793;

Culease Unit #2: John Deere 160LC Excavator s/n P00160X041792;

Culease Unit #3: John Deere 160LC Excavator s/n P00160X041741;

Culease Unit #5: John Deere 160LC Excavator s/n P00160X041361;

Culease Unit #7: John Deere 200LC Excavator s/n FF0200X502017;

Culease Unit #8: John Deere 850C Dozer s/n T0850CX900908; and

Culease Unit #9: John Deere 1050C Dozer s/n LU1050C005288:

- (a) Sold, among other equipment, to Culease under Bill of Sale dated December 13, 2001 for the total purchase price of \$1,942,400.00 plus HST [Tab 2, Page 1];
- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement

dated December 13, 2001 [Tab 2, Page 2];

(c) No interest letters from Daimler Chrysler Capital Services, CIBC and John Deere Limited [Tab 2, Page 6, 7 and 8];

(d) Equipment Lease registered under the PPSA by registration number 1544225 dated January 12, 2002 [Tab 2, Page 10]; and

(e) Proof of value (\$1,942,400.00 plus HST) given as per copy of Letter of Direction dated December 13, 2001, from Hickman Equipment to Culease [Tab 2, Page 12], and copy of cheque number 1752 in the amount of \$2,151,552.63 dated December 31, 2001 [Tab 2, Page 13].

18. Now produced and shown to me and marked as Exhibit "TW #2" to this my Affidavit are copies of the various documents relating to Culease Unit #1, Unit #2, Unit #3, Unit #5, Unit #7, Unit #8 and Unit #9 and referred to in paragraph 17 of this Affidavit.

19. Culease's priority and entitlement to the proceeds arising from the sale of Culease Unit #4, Unit #15, Unit #16 and Unit #17 are based on the following sources and grounds:

Culease Unit #4: John Deere 160LC Excavator s/n P00160X041555;

Culease Unit #15: CAT 320B Excavator s/n 06CR04706;

Culease Unit #16: CAT 320B Excavator s/n 06CR05244; and

Culease Unit #17: CAT 320B Excavator s/n 06CR05245;

(a) Sold, among other equipment, to Culease under Bill of Sale dated December 14, 2000 for the total purchase price of \$598,710.69 plus HST [Tab 3, Page 1];

- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement dated December 14, 2000 [Tab 3, Page 3];
- (c) No interest letters from John Deere Credit Inc., CIBC, and John Deere Limited [Tab 3, Page 7, 8, 9];
- (d) Request for Amendment to Existing Lease dated November 20, 2001 [Tab 3, Page 11];
- (e) Equipment Lease registered under the PPSA by registration number 726158 dated December 29, 2000 [Tab 3, Page 13];
- (f) Proof of value (\$598,710.69 plus HST) given as per copy of Letter of Direction dated December 7, 2000, from Hickman Equipment to Culease [Tab 3, page 15], and copy of cheque number 6760 in the amount of \$670,959.88 dated December 14, 2000 [Tab 3, page 16], and copy of CIBC Payment Order in the amount of \$670,959.88 [Tab 3, Page 17]; and
- (g) John Deere 200LC Excavator s/n FF0200X501636 sold to Marine Contractors Inc. under invoice dated May 31, 2001, and as part of transaction Marine Contractors Inc. traded in a used CAT 320B Excavator s/n 06CR04706, a used CAT 320B Excavator s/n 06CR05244, and a used CAT 320B Excavator s/n 06CR05245 [Tab3, Page 18].

20. Now produced and shown to me and marked as Exhibit "TW #3" to this my Affidavit are copies of the various documents relating to Culease Unit #4, Unit #15, Unit #16 and Unit #17 and referred to in paragraph 19 of this Affidavit.

21. Culease's priority and entitlement to the proceeds arising from the sale of Culease Unit #6, Unit #10, Unit #11, Unit #12, Unit #13 and Unit #14 are based on the following sources and grounds:

Culease Unit #6: John Deere 330LC Excavator s/n FF0330X080964;

Culease Unit #10: John Deere 624H 4WD Loader s/n DW624HX79048;

Culease Unit #11: I/R XP825 Compressor s/n 172821;

Culease Unit #12: I/R EXM350 Air Track s/n R10031;

Culease Unit #13: Terex Articulated Truck s/n 74TDC7364; and

Culease Unit #14: CAT D8N Dozer s/n 5TJ02858:

- (a) Sold, among other equipment, to Culease under Bill of Sale dated November 14, 2000 for the total purchase price of \$1,207,529.66 plus HST [Tab 4, Page 1];
- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement dated November 14, 2000 [Tab 4, Page 3];
- (c) No interest letters from CIBC and John Deere Limited [Tab 4, Page 6 and 8];
- (d) Substitution Agreement dated February 13, 2001, between Hickman Equipment as Lessee and Culease as Lessor [Tab 4, Page 10];
- (e) Equipment Lease registered under the PPSA by registration number 661355 dated November 20, 2000, amended by registration number 695239 dated December 11, 2000, and registration number 840363 dated March 12, 2001 [Tab 4, Page 11];
- (f) Proof of value (\$1,207,529.66 plus HST) given as per copy of Letter of

Direction dated November 8, 2000, from Hickman Equipment to Culease [Tab 4, Page 22], copy of cheque number 6539 in the amount of \$676,797.16 dated November 10, 2000, and copy of cheque number 6540 in the amount of \$676,797.16 dated November 10, 2000 [Tab 4, Page 23]; and

- (g) John Deere 330LC Excavator s/n FF0330X080941 sold to Modern Holdings Ltd. under invoice dated March 1, 2001, and as part of transaction Modern Holdings Ltd. traded in a used I/R XP825 Compressor s/n 172821, a used I/R EXM350 Air Track s/n R10031, a used Terex Articulated Truck s/n 74TDC7364, and a used CAT D8N Dozer s/n 5TJ02858 [Tab 4, Page 24].

22. Now produced and shown to me and marked as Exhibit "TW #4" to this my Affidavit are copies of the various documents relating to Culease Unit #6, Unit #10, Unit #11, Unit #12, Unit #13 and Unit #14 and referred to in paragraph 21 of this Affidavit.

23. Culease's priority and entitlement to the proceeds arising from the sale of Culease Unit #18 is based on the following sources and grounds:

Culease Unit #18: John Deere 992E Excavator s/n FF992EX007040:

- (a) Sold, among other equipment, to Culease under Bill of Sale dated February 9, 2001 for the total purchase price of \$645,554.17 plus HST [Tab 5, Page 1];
- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement

dated February 9, 2001 and December 9, 2001 [Tab 5, Page 2];

- (c) A Priority Agreement dated February 13, 2001 between CIBC, Culease and Hickman Equipment [Tab 5, Page 7];
- (d) No interest letter from John Deere Limited [Tab 5, Page 11];
- (e) Request for Amendment to Existing Lease dated November 20, 2001, and November 21, 2001 [Tab 5, Page 13];
- (f) Equipment Lease registered under the PPSA by registration number 809178 dated February 20, 2001 [Tab 5, Page 15];
- (g) Proof of value (\$645,554.17 plus HST) given as per Letter of Direction dated February 7, 2001, from Hickman Equipment to Culease [Tab 5, Page 17], copy of cheque number 7093 in the amount of \$723,386.56 dated February 14, 2001 [Tab 5, Page 18], and Payment Order dated February 14, 2001 [Tab 5, Page 19]; and
- (h) John Deere 450LC Excavator s/n FF0450X090590 sold to Complete Paving Ltd. under invoice dated March 9, 2001, and as part of transaction Complete Paving Ltd. traded in a used John Deere 992E Excavator s/n FF992EX007040 [Tab 5, Page 20].

24. Now produced and shown to me and marked as Exhibit "TW #5" to this my Affidavit are copies of the various documents relating to Culease Unit #18 and referred to in paragraph 21 of this Affidavit.

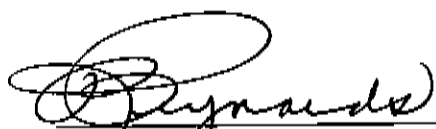
25. This Affidavit is sworn and filed in support of Culease's application to this Honourable

Court for an Order approving payment to Culease by the Receiver of the proceeds from the sale of the following assets of Hickman Equipment:

	<b>Stock#</b>	<b>Model</b>	<b>Serial #</b>
1.	N-C001454	John Deere 160LC Excavator	P00160X041793
2.	N-C001453	John Deere 160LC Excavator	P00160X041792
3.	N-C001377	John Deere 160LC Excavator	P00160X041741
4.	C001035	John Deere 160LC Excavator	P00160X041555
5.	N-C001512	John Deere 160LC Excavator	P00160X041361
6.	C001381	John Deere 330LC Excavator	FF0330X080964
7.	N-C001379	John Deere 200LC Excavator	FF0200X502017
8.	N-C001479	John Deere 850C Dozer	T0850CX900908
9.	N-C001486	John Deere 1050C Dozer	LU1050C005288
10.	C001105	John Deere 624H 4WD Loader	DW624HX79048
11.	C001229	I/R XP825 Compressor	172821
12.	C001228	I/R EXM350 Air Track	R10031
13.	C001227	Terex Articulated Truck	74TDC7364
14.	C001226	CAT D8N Dozer	5TJ02858
15.	C001339	CAT 320B Excavator	06CR04706
16.	C001340	CAT 320B Excavator	06CR05244
17.	C001341	CAT 320B Excavator	06CR05245
18.	C001295	John Deere 992E Excavator	FF992EX007040



**SWORN** before me at Regina,  
in the Province of Saskatchewan,  
this 19th day of January, 2003.



A Commissioner, etc. of Oaths in  
and for the Province of  
Saskatchewan. My  
appointment expired  
March 31, 2006.

  
TERRY WENSLEY

## **SCHEDULE "A"**

### **FINAL DETERMINATION**

(Issued in accordance with paragraph 14 of the Claims Plan)

Secured Party: **CULEASE FINANCIAL SERVICES ("Culease")**

#### **1. Introduction**

PWC as Receiver continues to hold the Assets of HEL under the terms of the Receivership Order granted on March 13, 2002. The Claims Plan is intended to provide a mechanism by which Claimants assert Claims to these Assets.

Pursuant to paragraph 14 of the Claims Plan a Final Determination is to be made by the PWC as Trustee either allowing or disallowing a Claim as a valid secured claim under section 135(4) of the BIA. This is the Trustee's Final Determination in respect of Culease].

Capitalized terms used in this Final Determination shall have the meaning ascribed to them in the Claims Plan unless otherwise defined herein.

#### **2. Summary Final Determination**

Culease's claim is allowed as a valid secured claim in all of the Assets. The Trustee claims no interest in the assets that are the subject of the claim.

#### **3. Defined Terms**

For ease of Reference in this Final Determination, the Trustee has applied the following definitions/ abbreviations:

"HEL"	-	Hickman Equipment (1985) Ltd.
"HLRL"	-	Hickman Leasing and Rentals Limited
"JD"	-	John Deere
"PPR"	-	Personal Property Registry
"PPSA" or "Act"	-	<i>Personal Property Security Act</i> , S.N.L. 1998, c.P - 7.1
"PMSI"	-	Purchase Money Security Interest
"Province"	-	Newfoundland and Labrador
"Regulations"	-	Personal Property Security Regulations (103/99)
"s/n"	-	serial number

#### 4. Assets

Culease has made a claim to 19 pieces of heavy equipment. At the time of bankruptcy 10 pieces remained in the inventory of HEL (indicated by "\*\*") and the rest had been sold to third parties.

- |  |   |
|--|---|
| 1) 2001 JD 1050C Dozer*<br>(LU1050C005288)                     | 2) 2000 JD 160LC Excavator*<br>(P00160X041361) <sup>1</sup> |
| 3) 2001 JD 850C Dozer*<br>(T0850CX900908)                      | 4) 2001 JD 200LC Excavator*<br>(FF0200X502017)              |
| 5) 2001 JD 160LC Excavator*<br>(P00160X041793)                 | 6) 2001 JD 160LC Excavator*<br>(P00160X041792)              |
| 7) 2001 JD 160LC Excavator*<br>(P00160X041741)                 | 8) 2001 JD 450LC Base Excavator<br>(FF0450X090590)          |
| 9) 2001 JD 310SG Backhoe Loader<br>(T0310SG895252)             | 10) 2001 JD 310SG Backhoe Loader<br>(T0310SG895027)         |
| 11) 2000 JD 160LC Excavator*<br>(P00160X041555)                | 12) 2000 JD 200LC Excavator<br>(FF0200X501636)              |
| 13) 2000 JD 670CH Motor Grader<br>(DW670CH578392) <sup>2</sup> | 14) 2000 JD 310SE Backhoe Loader<br>(T0310SE892994)         |
| 15) 2000 JD 544H Loader<br>(DW544HX578389)                     | 16) 2000 JD 330LC Excavator*<br>(FF0330X080964)             |
| 17) 2000 JD 330LC Excavator<br>(FF0300X080941)                 | 18) TC54H T.C. Loader<br>(DWTC54H579078)                    |
| 19) 624H 4WD Loader*<br>(DW624HX579048)                        |   |

#### 5. Assumptions

<sup>1</sup> This is the correct serial number for this asset; the Financing Statement registered with respect to this item incorrectly listed the serial number as FF0160X041361.

<sup>2</sup> Though this is the description in the Lease Agreement, the Financing Statement lists this asset as a 670LC Excavator; however the serial number is the same in both documents.

In preparing this Final Determination, the Trustee has made the following assumptions:

- i) the genuineness of all signatures, the authenticity of all original Documents and the conformity to authentic originals of all Documents that are copies, whether facsimile, photostatic, certified or otherwise;
- ii) that each party to any of the Documents that create obligations for that party, has duly authorized, executed and delivered such Documents to which it is a party;
- iii) with the exception of security interests created by the Documents, the Documents that create obligations for parties, constitute legal, valid and binding obligations of each party thereto, enforceable against each of them in accordance with their terms;
- iv) that insofar as any obligation under any of the Documents is to be performed in any jurisdiction outside the Province, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction; and
- v) the accuracy and currency of the indices and filing systems maintained in relation to the public registries where we have searched or inquired or have caused searches or inquiries to be conducted.

## 6. Qualifications

Since there is no title registration system in the Province relating to personal property, any opinion respecting title is based solely upon the relevant Documentation.

For the purpose of determining the validity under prior law of security interests created and registered before the implementation of the PPSA and transitioned by registration in the PPR, the Trustee has only reviewed the security agreements and their registrations referenced in the PPR search report section entitled: "Pre-PPSA registration information continued by this registration", endorsements, if any, on the security agreements reviewed and the pre-PPSA legislation and the applicable common law relating to their registration.

Both the PPSA, and the *Conditional Sales Act* (the latter statute being part of the "prior law") provide that property in goods pass to a purchaser from a seller or trader where the sale is in the ordinary course of business of the seller or trader. In some instances HEL transferred equipment subject to a security interest to a purchaser without discharging the security interest. In some cases the purchaser granted a security interest to another lender, while in other cases the purchaser transferred the equipment to a third party who, in turn granted a security interest to a lender. Due to the lack of evidence concerning all transactions involving

the Assets, we are unable to determine if sales by HEL were "in the ordinary course of business" such as to enable the purchaser to receive clear title to the equipment in order to allow a subsequent lender to obtain a valid security interest or a subsequent transferee to obtain clear title.

No opinion is expressed as to the rank or priority of any security interest created by the Documentation.

No opinion is expressed with regard to any collateral covered by the Documentation, but not referred to in this Final Determination.

Pursuant to the terms of the Court Order establishing the Claims Plan, this Final Determination determines the validity of security claimed and whether such security has been properly perfected. For the assistance of readers, the Trustee has sometimes provided comments concerning the priority of such security vis-à-vis other parties but such priority-related comments are made without prejudice to any position which may be taken at any future date by any other party in regards to priorities.

Notwithstanding the findings in this Final Determination concerning the validity of the Claim as secured or otherwise, PricewaterhouseCoopers Inc. is not precluded by such determination from challenging the Claim as being reviewable or fraudulent pursuant to the provisions of the BIA or any applicable provincial legislation.

Except where a specific claim to proceeds has been made and material provided in support of that claim, the Trustee expresses no opinion with respect to claims to proceeds or claims involving tracing. An outline of the proceeds claims processes and issues are set out in s.13.

## **7. Overview of Claim**

Culease claims that it holds perfected security interest in the 19 Assets arising from four (4) Lease Agreements entered into during the years 2000 and 2001. Culease states that in addition to satisfying all the requirements to attach and perfect a security interest, including registration of the security interests on the PPR, they also hold PMSI's over all of the Assets. Furthermore, Culease has put forward a claim that they are entitled to trace proceeds from the disposition of the Assets prior to the bankruptcy.

There is a further issue with respect to Assets #1-7 listed above because on the date of HEL's bankruptcy, these 7 pieces were in the possession of HLRL rather than HEL who Culease had leased them to in December 2001. Culease states that HEL transferred the Assets to HLRL without their knowledge or consent and contends that the transfer was not an arms-length transaction and therefore the transfer should be invalid. Culease has also presented correspondence in which the original Monitor stated that he had no interest in the 7 Assets since it was not listed as assets of HEL. Culease relies on this opinion and argues that the Assets should not form part of these bankruptcy proceedings and Culease should be permitted to seize the equipment.

The Proof of Claim, dated 16 April 2002, indicates a total claim of \$4,690,163.49 comprised of an Unsecured Claim in the amount of \$3,638,203.49 and a Secured Claim (Property) in the amount of \$1,051,960.00. The Amended Proof of Claim dated October 29, 2002 indicated a total claim of \$4,690,163.49 and states that this is exclusively a secured claim. The total claim results from 4 separate lease agreements:

1. Lease #4234 - 3 (securing Assets #1-7 in the list above). Balance outstanding of: **\$2,347,124.38**
2. Lease #4322 - 3 (securing Assets #8-10 in the list above). Balance outstanding of: **\$666,574.00. This is revised in the Amended Proof of Claim to be \$660,547.00.**
3. Lease #4322 - 4 (securing Assets #11-13 in the list above). Balance outstanding of: **\$553,088.81**
4. Lease #4234 - 2 (securing Assets #14-17 in the list above plus 2 other pieces of equipment not in the list above). Balance outstanding of: **\$1,129,376.30**

## **8. Documentation**

In preparing this final determination, the Trustee has considered and relied upon only the following information provided to it from all sources:

- i. PPR search conducted in the name of the debtor on March 21, 2002.
- ii. Proof of Claim (Form 33) dated 16 April 2002
- iii. Proof of Claim (Property) dated 16 May 2002.
- iv. Proof of Claim (Form 33) dated 29 October 2002.
- v. Sales Invoice, dated 31 December 2001, evidencing the sale of Assets #1-7 to HLRL by HEL
- vi. Sub-Lease Agreement, undated, evidencing a lease of Assets #1-7 to HLRL by HEL; signed by both HLRL and HEL
- vii. Correspondence from John French dated 26 March 2002 attaching:
  - o DRV Lease Agreement dated 4 December 2000 between HEL and Town of Labrador City
  - o Fixed Rate Retail Installment Contract dated 15 December 2000 between HEL and Abbott Brothers Equipment Inc.

- DRV Lease Agreement dated 21 December 2000 between HEL and Convoy Services Ltd.
- Fixed Rate Retail Installment Contract dated 22 December 2000 between HEL and Glenn Corporation Limited
- Fixed Rate Retail Installment Contract dated 1 March 2001 between HEL and BCL Construction Ltd.
- John Deere Credit Agreement dated 12 April 2001 between HEL and Complete Paving Limited
- John Deere Commercial Lease Agreement (with Purchase Option) dated 15 June 2001 between HEL and Curtis Shane White and James William White
- John Deere Commercial Lease Agreement (with Purchase Option) dated 28 June 2001 between HEL and Penney Construction Ltd.
- DRV Lease Agreement dated 27 December 2001 between HEL and J&N Excavating and Contracting Inc.

**viii. Lease #4234- 2 (for Assets #14-17 above)**

- Lease Agreement dated 14 November 2000 evidencing the lease of Assets #14-17 plus 2 other pieces of equipment to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
- Lease Agreement dated 10 December 2001 evidencing the lease of Assets #14-17 plus 2 other pieces of equipment to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
- Bill of Sale, stamped "PAID", dated 14 November 2000 evidencing the sale of Assets #14-17 plus 2 other pieces of equipment to Culease by HEL. The Bill is signed by HEL
- Waiver Letters:
  - From CIBC dated 10 November 2000 relating to Assets #14-17 plus 2 other pieces of equipment
  - From John Deere Limited dated 20 November 2000 relating to Assets #14-17 plus 2 other pieces of equipment
- Substitution Agreement dated 13 February 2001 evidencing the substitution of Assets #18 & 19 for the 2 non-listed pieces of equipment referred to in the Bill of Sale and Lease Agreement dated 13 December 2000. This Agreement is signed by HEL but not by Culease
- PPR Verification Statement (Registration No. 661355)
- PPR Amendment Verification Statement (Registration No. 661371)
- PPR Amendment Verification Statement (Registration No. 695239)
- PPR Amendment Verification Statement (Registration No. 840363)
- 7 Requests for Amendment to Existing Lease dated 20, 21 or 22 November 2001
- Letter of Direction dated 8 November 2000 to Culease from HEL directing disbursement of proceeds of Bill of Sale (attached are 2 cheques from Culease to HEL for \$676,797.16)

**ix. Lease #4322- 4 (for Assets #11-13 above)**

- Lease Agreement dated 14 December 2001 evidencing the lease of equipment #11-13 to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
  - Bill of Sale, stamped "PAID", dated 14 December 2000 evidencing the sale of equipment #11-13 to Culease by HEL. The Bill is signed by HEL
  - Waiver Letters:
    - From John Deere Credit dated 8 December 2000 relating to Assets #11-13
    - From CIBC dated 8 December 2000 relating Assets #11-13
    - From John Deere Limited dated 18 December 2000 relating to Assets #11-13
  - 2 Requests for Amendment to Existing Lease dated 20 November 2001
  - PPR Verification statement (Registration No. 726158)
  - Letter of Direction dated 7 December 2000 to Culease from HEL directing disbursement of proceeds of Bill of Sale (attached is a cheque from Culease to HEL for \$670,959.88 and a payment order showing the cheque was deposited directly into HEL's account with CIBC)
- x. **Lease #4322- 3** (for Assets #8-10, 18 and 19 above)
- Lease Agreement dated 9 December 2001 evidencing the lease of equipment #8-10 to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
  - Bill of Sale, stamped "PAID", dated 9 February 2001 evidencing the sale of equipment #8-10 to Culease by HEL. The Bill is signed by HEL
  - Lease Agreement dated 9 February 2001 evidencing the lease of equipment #11-13 to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
  - Waiver Letters:
    - Priority Agreement from CIBC dated 13 February 2001 relating to Assets #11-13 plus Assets #18 & 19
    - From John Deere Limited dated 15 February 2001 relating to Assets #11-13 plus Assets #18 & 19
  - 2 Requests for Amendment to Existing Lease dated 20 and 21 November 2001
  - PPR Verification Statement (Registration No. 809178)
  - Waiver letters from various credit unions to CIBC Equipment Financing Ltd. relating to various pieces of equipment none of which are the Assets listed above
  - Letter of Direction dated 7 February 2001 to Culease from HEL directing disbursement of proceeds of Bill of Sale (attached is a cheque from Culease to HEL for \$723,386.56 and a payment order showing the cheque was deposited directly into HEL's account with CIBC)
- xi. **Lease #4234- 3** (for Assets #1-7 above)
- Bill of Sale dated 13 December 2001 evidencing the sale of equipment #1-7 to Culease by HEL. The Bill is signed by HEL
  - Lease Agreement dated 13 December 2001 evidencing the lease of equipment #1-7 to HEL by Culease. The Lease Agreement is signed by both Culease and HEL
  - Waiver Letters:



- From Daimler Chrysler Capital Services dated 31 December 2001 only for asset #2
- From CIBC dated 110 January 2002 encompassing Assets #1-7
- From John Deere Limited dated 11 January 2002 encompassing Assets #1-7
- PPR Verification Statement (Registration No. 1544225)
- Letter of Direction dated 13 December 2001 to Culease from HEL directing disbursement of proceeds of Bill of Sale (attached cheque from Culease to HEL for \$2,151,552.63)

## **9. Classification of the Assets**

The actual subjective use to which the assets are put by the debtor dictates whether the assets will be classified as inventory, equipment or consumer goods. In this regard, it is the opinion of the Trustee that all 19 Assets were held by HEL for sale or lease and as such, form part of the inventory of HEL (s. 2(x) of the PPSA).

## **10. Application of the PPSA**

As indicated by the above-noted documentation the secured transactions between Culease and HEL were in the form of inventory leases. These leases, which secured specific pieces of heavy equipment (broken down above), were all for a term of more than one year and were, in essence, financing leases as opposed to true leases. Section 4 of the PPSA confirms that such secured transactions are governed by the PPSA.

## **11. PRE-PPSA / Transitioning Issues**

Not applicable in this instance as all transactions took place in 2000 and 2001 and therefore were subsequent to the coming into force of the PPSA in the Province.

## **12. Perfection**

Section 20 of the PPSA holds that there are two required elements to a perfected security interest in collateral, regardless of the order of occurrence. There must be:

(i) **attachment** in accordance with section 13, which requires:

1. Value must be given. Value is defined in s. 2(tt) to include any consideration sufficient to support a simple contract. However, a secured party need not have actually advanced the loan funds or the purchase money credit in order to satisfy the value requirement of section 13. Value is given as soon as a secured party makes a

binding commitment to extend the loan or purchase money credited to the debtor.<sup>3</sup>

2. The debtor must have rights in the collateral; and
3. There must be a security agreement that meets the requirements of s. 11.

- (ii) a **perfection step** in accordance with section 25 (perfection by possession) or section 26 (perfection by registration of a financing statement in the Personal Property Registry (the "PPR").

Is there attachment?

- (i) Was value given?

**YES** Culease did provide the Trustee with copies of Bill of Sales and cheques from Culease to HEL, evidencing the sale of the Assets to Culease by HEL. The Assets were then leased back to HEL who then had possession of goods to which Culease had acquired title. This is sufficient evidence of value being given by Culease to HEL in exchange for the security interest granted by HEL.

- (ii) Rights in the collateral?

**YES** HEL held possession of the Assets and any real right in the collateral that the debtor may have, including but not limited to, a right of possession is sufficient to meet the requirements of s. 13.<sup>4</sup> Furthermore, s. 13 (3) confirms that a lessee under a lease for a term of more than one year has rights in the goods for purposes of attachment when s/he obtains possession of them under the lease.

**Note:** For the purposes of expressing an opinion with respect to HEL's rights in the collateral, the Trustee has not made any determination with respect to HEL's title in the collateral at issue nor with respect to the lawfulness of HEL's possession thereof.

- (iii) Have the evidentiary requirements of s. 11 been met?

**YES** The evidentiary requirements of s. 11, required for attachment, are established by the 4 leases. Specifically, in accordance with s.11 (1) (b), the 4 leases are in writing, they have been signed by HEL as the debtor and each provides an adequate description of the collateral that is secured.

Is there a perfection step?

**Lease No. 4234 - 3** (for Assets # 1-7 above)

<sup>3</sup> C. Walsh, *An Introduction to the New Brunswick Personal Property Act*, (1995) at p.83.

<sup>4</sup> *Ibid.* at p.84.

YES

Registration number 1544225 contains the following information:

- **General Description of Collateral:** "Equipment; Proceeds including but not limited to: goods, chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral."
- **Serial Numbered Collateral:** "2001 JD 1050C Dozer (s/n LU1050C005288), 2000 JD 160LC Excavator (s/n FF0160X041361), 2001 JD 850C Dozer (s/n T0850CX900908), 2001 JD 200LC Excavator (s/n FF0200X502017), 3 - 2001 JD 160LC Excavator (s/n P00160X041793, P00160X041792, P00160X041741)"

By operation of s.26 of the PPSA, this registration qualifies as a perfection step with respect to Culease's security interest in the 7 Assets in lease #4234-3. What constitutes an appropriate description of collateral comes from ss.23-24 of the Regulations. In particular, in accordance with s.23 (1) (e) of the Regulations, items of inventory must be described in accordance with s.24 (1) and s.24 (2). There is a question as to the adequacy of the description of Asset #2 since it is described by an incorrect serial number. However, as the debtor name is correct in the financing statement and the incorrect serial number would appear as a Close Match when a search was conducted, the Trustee is of the opinion that this error is not a seriously misleading error. It is the opinion of the Trustee that the collateral description in the above-noted financing statement satisfies these requirements.

Lease No. 4322 - 3 (for Assets # 8-10 above)

YES

Registration number 809178 contains the following information:

- **General Description of Collateral:** "Equipment; Proceeds including but not limited to: goods, chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral."
- **Serial Numbered Collateral:** "2001 JD 450LC Base Excavator (s/n FF0450X090590), 2 - 2001 JD 310SG Backhoe Loader (s/n T0310SG895252, T0310SG895027)"

By operation of s.26 of the PPSA, this registration qualifies as a perfection step with respect to Culease's security interest in the 3 Assets in Lease #4322-3. What constitutes an appropriate description of collateral comes from ss.23-24 of the Regulations. In particular, in accordance with s.23 (1) (e) of the Regulations, items of inventory must be described in accordance with s.24 (1) and s.24 (2). It is the opinion of the Trustee that the collateral description in the above-noted financing statement satisfies these requirements.

**Lease No. 4322 – 4** (for Assets #11-13 above)**YES**

Registration number 726158 contains the following information:

- **General Description of Collateral:** "Equipment; Proceeds including but not limited to: goods, chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral."
- **Serial Numbered Collateral:** "2000 JD 160LC Excavator (s/n DW670CH578392) - deleted, 2000 JD 160LC Excavator (s/n P00160X041555), 2000 JD 200LC Excavator (s/n FF0200X501636), 2000 JD 670LC Excavator (s/n DW670CH578392)"

By operation of s.26 of the PPSA, this registration qualifies as a perfection step with respect to Culease's security interest in the 3 Assets in lease #4322-4. What constitutes an appropriate description of collateral comes from ss.23-24 of the Regulations. In particular, in accordance with s.23 (1) (e) of the Regulations, items of inventory must be described in accordance with s.24 (1) and s.24 (2). It is the opinion of the Trustee that the collateral description in the above-noted financing statement satisfies these requirements.

**Lease No. 4234-2** (for Assets # 14-19 above)**YES**

Registration number 661355 contains the following information:

- **General Description of Collateral:** "Consumer goods, inventory, equipment, accounts, other proceeds including but not limited to: goods, chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral."
- **Serial Numbered Collateral:** "2 - 2000 JD 310SE Backhoe Loader (s/n T0310SE892994, T0310SE892985 - deleted), 2000 JD 644H Loader (s/n DW644HX578388) - deleted, 2000 JD 544H Loader (s/n DW544HX578389), 2 - 2000 JD 330LC Excavator (s/n FF0300X080964, FF0300X080941), TC54H T.C. Loader (s/n DWTC54H579078), 624H 4WD Loader (s/n DW624HX579048)"

By operation of s.26 of the PPSA, this registration qualifies as a perfection step with respect to Culease's security interest in the 8 Assets in lease #4234-2. What constitutes an appropriate description of collateral comes from ss.23-24 of the Regulations. In particular, in accordance with s.23 (1) (e) of the Regulations, items of inventory must be described in accordance with s.24 (1) and s.24 (2). It is the opinion of the Trustee that the collateral description in the above-noted financing statement satisfies these requirements.

### 13. Proceeds

Section 29(1) of the Act provides a secured party with an automatic and statutory interest in the proceeds from the disposition of a secured asset by the debtor. While this right is automatic as against the debtor, the entitlement to proceeds must be perfected, in order to protect the secured party's entitlement as against competing creditors.

The Trustee has not made any determination as to Culease's entitlement to proceeds with respect to other creditors as this is an issue of priority and not within the Trustee's mandate under the Claims Plan. However, the Trustee has outlined below the statutory requirements that must be met by a secured party in order to assert a claim to proceeds from the disposition of collateral as against other secured creditors.

The perfected status of a security interest in proceeds depends firstly on whether the security interest in the original collateral was perfected when the proceeds arose. If not, the secured party will have to perfect its security interest in the proceeds as original collateral either by registration or taking possession. If so, the question of whether the secured party must independently perfect its security interest in the proceeds depends on the method by which the security interest in the original collateral was perfected.<sup>5</sup>

Section 29(3) provides for 3 instances where perfection in proceeds is automatic and continuous. A security interest in proceeds is a continuously perfected security interest where the interest in the original collateral is perfected by a registration of a financing statement under s.26 that:

- (a) Includes a description of the proceeds that would be sufficient to perfect a security interest in original collateral of the same kind;
- (b) Includes a description of the original collateral, where the proceeds are of a kind that are within the description of the original collateral; or
- (c) Includes a description of the original collateral, where the proceeds consist of money, cheques or deposit accounts in a bank, credit union, or similar financial institutions.

If proceeds do not fall into one of these categories, s. 29(4) of the PPSA requires registration with respect to the proceeds collateral within fifteen days after such proceeds arise. Such registration would be in accordance with the same rules as the original collateral.<sup>6</sup>

As indicated above, collateral descriptions are governed by ss.23-24 of the Regulations. These rules extend to descriptions of collateral in the form of proceeds as well.

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<sup>5</sup> Ibid. at p.140.

<sup>6</sup> Ibid.

Note as well that the ability to assert a claim to proceeds is contingent upon two conditions. The debtor must have acquired rights in the proceeds and the proceeds themselves must be traceable (ref. s. s.2 (ff)).

Note: If a secured creditor fails to perfect its interest in collateral prior to disposition of the collateral by the debtor, the secured party must perfect its security interest in the proceeds as original collateral either by registration or taking possession for the secured party to have a security interest in the proceeds.<sup>7</sup>

#### 14. Additional Comments on Priorities

While it is not within the mandate of the Trustee or Trustee's counsel to determine priorities, we nevertheless offer the following comments, in order to provide assistance to any creditors who may also have a valid and perfected security interest in the assets and wish to determine, for their own benefit, their ranking with respect to same:

- The documents indicate that in all 4 leases the Assets secured were first sold to Culease by HEL and then leased back to HEL. Bills of sale have been provided for all 4 leases. Although such sale and lease-back arrangements appear to entitle Culease to claim a PMSI, subsection 2(hh) of the PPSA specifically excludes "a transaction of sale by and lease back to the seller" from being a PMSI. Therefore the residual priority rules apply.
- If these leases were not sale/leaseback type transactions, there are instances whereby an inventory financier such as Culease may be entitled to claim a super-priority status (ref: s. 35(2)). As Culease is unable to provide evidentiary support for such an entitlement, its security interest is subject to the residual priority rules of the PPSA.
- As established by s. 36 of the PPSA, the relevant date for the determination of the priority of Culease's interest in the Assets are the dates of registration of the various financing statements on the PPR:
  - Lease #4234- 3 – 20 November 2000
  - Lease #4322- 3 – 29 December 2000
  - Lease #4322- 4 – 20 February 2001
  - Lease #4234- 2 – 20 November 2000

Through discussion with Counsel for Daimler Chrysler the Trustee has been advised of a potential dispute between Culease and Daimler Chrysler with respect to asset #2, 2000 JD 160LC Excavator (s/n P00160X041361). The dispute arises with respect to the identification of this unit in Culease's financing statement #1544225 and also with

<sup>7</sup> Ibid.

respect to a waiver of interest letter dated 31 December 2001 and secured by Daimler Chrysler Capital Services. The Trustee expresses no opinion on this issue.

## 15. Auction Results

The following original Assets were sold at the Trustee's auction on July 12, 2002, in Halifax, Nova Scotia.

(Asset #5)	2001 JD 160LC Excavator (s/n P00160X041793)	\$132,500
(Asset #6)	2001 JD 160LC Excavator (s/n P00160X041792)	\$132,500
(Asset #7)	2001 JD 160LC Excavator (s/n P00160X041741)	\$120,000
(Asset #11)	2000 JD 160LC Excavator (s/n P00160X041555)	\$110,000
(Asset #2)	2000 JD 160LC Excavator (s/n P00160X041361)	\$110,000
(Asset #16)	2000 JD 330LC Excavator (s/n FF0330X080964)	\$199,500
(Asset #4)	2001 JD 200LC Excavator (s/n FF0200X502017)	\$131,100
(Asset #3)	2001 JD 850C Dozer (s/n T0850CX900908)	\$222,500
(Asset #1)	2001 JD 1050C Dozer (s/n LU1050C005288)	\$330,000
(Asset #19)	624H 4WD Loader (s/n DW624HX579048)	\$152,500

Net amount obtained (bid amount less LVG buyer's premium) **\$1,640,600.00.**

The following trade-ins on original Assets were sold at the Trustee's auction on July 12, 2002, in Halifax, Nova Scotia.

I/R XP825 Compressor (s/n 172821)	\$9,656.00
I/R EXM350 Air Track (s/n R10031)	\$12,070.00
Terex Articulated Truck (s/n 74TDC7364)	\$800.00
CAT D8N Dozer (s/n 5TJ02858)	\$165,149.00
CAT 320B Excavator (s/n 06CR04706)	\$135,000.00
CAT 320B Excavator (s/n 06CR05244)	\$140,000.00
CAT 320B Excavator (s/n 06CR05245)	\$135,000.00
JD 992E Excavator (s/n FF992EX007040)	\$100,000.00

Net amount obtained (bid amount less LVG buyer's premium) **\$697,675.**

**BILL OF SALE**

NET 1,154,214.13  
GST 291,136.13  
291,136.13  
2,120,200.13  
2,120,376.13  
1st PMT NET \$71,140.13  
1st PMT GST 2,101,722.13  
2,119,581.99

1,942,400.00 +  
71,484.67 -  
1,870,915.33 \*  
Date .....  
GST - 291,360.00 +  
10,722.70 -  
280,637.30 \*  
.....

SALE made this 13<sup>th</sup> day of December '2001

Hickman Equipment (1985) Limited  
(hereinafter called the 'Grantor')

- and -

CULEASE Financial Services  
(hereinafter called the 'Grantee')

Quoted, 1340, 12.45

IN CONSIDERATION of the sum of  
One Million Nine Hundred and Forty Two Thousand Four Hundred —xx/100(\$1,942,400.00) PLUS HS

paid by the Grantee to the Grantor (receipt whereof is hereby acknowledged) the  
Grantor absolutely transfers unto the Grantee the following Chattels:

1	(One) 2001 John Deere 160LC Excavator	P00160X041741	Unit # C001377
1	(One) 2001 John Deere 180LC Excavator	P00160X041792	Unit # C001453
1	(One) 2001 John Deere 180L Excavator	P00160X041793	Unit # C001454
1	(One) 2001 John Deere 200LC Excavator	FF0200X502017	Unit # C001379
1	(One) 2001 John Deere 850C Dozer	T0850CX800908	Unit # C001479
1	(One) 2000 John Deere 160LC Excavator	FF0160X041361	Unit # C001512
1	(One) 2001 John Deere 1050C Dozer	LU1050C005288	Unit # C001486

**THE GRANTOR COVENANTS:**

1. The Grantor is now rightfully and absolutely possessed of the Chattels and has the right to sell them.
2. That the Grantee shall enjoy the quiet possession of the.
3. That the Chattels are free from and charge of encumbrance except as hereinafter noted.

IN WITNESS WHEREOF the Grantor has hereunto set his had and seal.

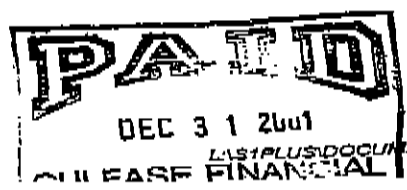
SIGNED, SEALED AND DELIVERED  
in the presence of:

Hickman Equipment (1985) Ltd.

[Signature]

Per: [Signature]

Name/Title: [Signature]



LAST PLUS DOCUMENT 00011448.RTF



**CULEASE**  
Financial Services  
Box 3080  
1bert Street  
Saskatchewan S4P 3G8  
culeasefs.com / 1-800-409-2029

**LEASE AGREEMENT**  
(A service provided by Co-operative Trust Company of Canada)

LEASE NUMBER: 21234-5  
To be completed by CULEASE Financial Services

<b>TOMER NAME</b>	NAME: <u>Hickman Equipment (1985) Limited</u>					
<b>ING ADDRESS</b> <small>Legal Name &amp; Address</small>	STREET: <u>1259 Topsall Road</u>		PROVINCE: <u>NFLD</u>		POSTAL CODE: <u>A1N 3C8</u>	
	CITY: <u>Mount Pearl</u>		TELEPHONE NO.: <u>709-368-9680</u>		FAX NO.: <u>709-368-1145</u>	
<b>TOMER CONTACT</b>	PERSON TO CONTACT:		TST:		SALES REP:	
<b>EXEMPTION</b> <b>MBER</b>	GST:					
<b>DOR</b>	NAME: <u>Sale and Leaseback</u>					
<b>UIPMENT</b> <b>SCRIPTION</b>	ADDRESS:		DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)			
	QUANTITY:		SEE ATTACHED SCHEDULE "A" - Equipment Description			
<b>ITAL DETAILS</b>	ADVANCE PAYMENT DATE: <u>12/13/01 (mm/dd/yy)</u>					
<b>ments will be made in</b> <b>ance.</b>	(To be completed by CULEASE Financial Services)					
	NEXT PAYMENT DATE: <u>MONTHLY</u> <input type="checkbox"/> <u>QUARTERLY</u> <input type="checkbox"/> <u>SEMI-ANNUALLY</u> <input type="checkbox"/> <u>ANNUAL</u> <input type="checkbox"/> <u>OTHER</u> <input type="checkbox"/>					
<b>ments subject to change</b> <b>x amounts change.</b>	FREQUENCY:					
<b>thrustack; subject to</b> <b>Reaction by CULEASE</b> <b>ncial Services)</b>	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX	TOTAL PAYMENT
	<u>48</u>	SEE ATTACHED SCHEDULE "B" - Rental Payments			<u>NFLD</u>	
<b>URANCE</b> <b>RSEMENT</b>	INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.					
<b>ANCIAL</b> <b>ORMATION</b>	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ <u>                    </u>					
	THIRD PARTY COVERAGE WAIVED <u>                    </u> (Initial if coverage requirement waived)					
<b>E-AUTHORIZED</b> <b>MENT PLAN</b>	NAME OF FINANCIAL INSTITUTION:					
	BRANCH LOCATION:			ACCOUNT INFORMATION:		
Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.						
Authorized Cheque Signer (s): <u>                    </u> Title(s): <u>C.M. V.P.</u> (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)						

THIS AGREEMENT THE WORDS CUSTOMER, LESSEE AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER(S). BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THE LESSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES REGARDING THE EQUIPMENT; YOU KNOWLEDGE AND AGREE YOU HAVE SELECTED THE EQUIPMENT FOR LEASE; YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT; IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU HEREBY APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE. WHERE THERE IS MORE THAN ONE CUSTOMER YOU KNOWLEDGE YOUR OBLIGATION AND LIABILITY IS JOINT AND SEVERAL.

CULEASE Financial Services  
EXECUTED AS LESSOR  
BY: [Signature]  
Authorized Signature  
GST #: 10114 3915 RT0001

**CUSTOMER ACKNOWLEDGEMENTS**  
CUSTOMER: (Legal Name)  
Hickman Equipment (1985) Limited  
The undersigned affirms that he/she is duly authorized to execute this Agreement.  
By: [Signature] Title: General Manager  
By: [Signature] Title: V.P.  
DATE OF AGREEMENT: 12/13/01 (mm/dd/yy)  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.

**ASSIGNMENT**  
If this part is completed, LESSOR HEREBY ASSIGNS, CONVEYS AND TRANSFERS all right, title and interest in this Agreement and the Equipment to the named assignee and where completed at the time of signing assignee acknowledges notice of such assignment. The assignee acknowledges having read the entire lease and accepts the Terms and Conditions that are part of this lease.  
CULEASE Financial Services  
BY: [Signature]  
Authorized Signature  
Signed to:                       
Accepted by: [Signature]  
Authorized Signature  
To be completed by CULEASE Financial Services

**DELIVERY AND ACCEPTANCE CERTIFICATE**  
Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE Financial Services sign this lease and pay the equipment vendor.  
Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.  
1259 Topsall Road Mount Pearl, NFLD A1N 3C8  
Hickman Equipment (1985) Limited  
CUSTOMER (Legal Name):  
The undersigned affirms that he/she is duly authorized to execute this Certificate.  
BY: [Signature] Title: General Manager  
BY: [Signature] Title: V.P.  
DATE OF DELIVERY AND ACCEPTANCE: 12/13/01 (mm/dd/yy)  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.

...front and against any other...

12. **ASSIGNMENT BY CUSTOMER.** Customer agrees to indemnify the Lessor, its agents, employees, independent contractors, successors, assigns, licensees, heirs, executors, administrators, representatives, attorneys, insurers, and other persons or entities, from and against all claims, damages, losses, expenses, costs, and liabilities (including reasonable attorneys' fees and costs) arising out of the use, maintenance and operation of the Equipment. Customer agrees not to sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against an interest in this Agreement or the Equipment without the prior written consent of Lessor.

13. **ASSIGNMENT BY CUSTOMER.** Customer agrees to indemnify the Lessor, its agents, employees, independent contractors, successors, assigns, licensees, heirs, executors, administrators, representatives, attorneys, insurers, and other persons or entities, from and against all claims, damages, losses, expenses, costs, and liabilities (including reasonable attorneys' fees and costs) arising out of the use, maintenance and operation of the Equipment. Customer agrees not to sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against an interest in this Agreement or the Equipment without the prior written consent of Lessor.

14. **TITLE.** Customer shall have no right, title or interest in the Equipment other than, conditional upon Customer's compliance with and fulfillment of the terms and conditions of this Agreement, the right to maintain possession and use of the Equipment for the Full Term and any Renewal Period. Lessor and Customer hereby confirm their intent that the Equipment shall always remain and be deemed personal or movable property, even though said Equipment may become attached to other equipment or real property. Customer hereby agrees to provide prior written notice to Lessor of any intention to attach the Equipment to other property.

15. **CONTRACT REPLACEMENT.** If Customer has a rental or lease contract that is being terminated and replaced by this Agreement, Customer hereby acknowledges and consents that the balance of payments and other amounts owing under any such replaced contract have been satisfied in full and that the balance of payments and other amounts owing under this Agreement shall be the sole obligation of Customer.

[illegible]

proceedings be instituted by or against the Equipment.  
processes be issued or levied against the Equipment.  
Upon the happening of an event of default, Lessor in his absolute discretion may, subject to  
applicable law: (a) enter upon the premises where Equipment is located and take immediate  
possession thereof, whether it is affixed to equipment or to real property or not, and remove the  
same, without liability to the Lessor for or by reason of such entry or taking of possession,  
whether for damage to property or otherwise, and sell, rent or otherwise dispose of the same for  
such consideration and upon such terms and conditions as Lessor may reasonably deem fit; (b) in  
the terminating or being deemed to have terminated this Agreement, take possession of the  
Equipment and proceed to rent the Equipment to any other person, firm or corporation on such  
terms and conditions, for such rental and for each period of time as Lessor may deem fit and  
reasonable, hold and apply the same against any monies expressed to be payable from time to time  
by Customer hereunder; (c) terminate this Agreement and by written notice to Customer  
specifying a payment date not earlier than three (3) days from the date of such notice, require  
Customer to pay to Lessor all its Financial Obligation ("Financial Obligation") on the date  
specified in such notice the sum of (i) any Rental and other amounts due and unpaid, and (ii) as a  
penalty, an amount equal to the sum of (i) any Rental and other amounts due and unpaid, and (iii) the amount  
equal to the remaining Rental Amounts payable to the expiration of the Term, and (iv) the amount  
of the End of Term Minimum Resale Value; (d) require payment of the charges described in  
paragraph 19 below and all to be subject to a discount equal to the interest commencing on the date  
on each payment calculated and compounded monthly over the period between due and payable. Upon  
of default and ending on the date such final payment would have become due and payable. The amount  
payment by Customer of the Financial Obligation, Lessor shall refund to Customer the net amount  
received by Lessor on any sale, lease or disposition of the Equipment after deducting all costs and  
expenses incurred by reason of the event of default or the exercise of Lessor's disbursements on  
any other basis. Except as otherwise expressly provided above, no remedy referred to in  
this section is intended to be exclusive, but each shall be cumulative and in addition to any other  
remedy referred to above or otherwise available to Lessor at law or in equity.

17. **NOTICES.** Any notices and demands required to be given in this Agreement shall be given to the parties in writing and by registered mail at the address set forth in this Agreement, or to such other address as the parties may hereafter substitute by written notice given in the manner prescribed in this section. Lessor and Customer agree that all documents, including this Agreement, sent by facsimile or other means of electronic transmission to the other party shall be deemed to be original documents.

15. **FURTHER ASSURANCES.** At Lessor's request, Customer shall send Lessor its audited financial statements within fourteen days of such request.

15. **FURTHER ASSURANCES.** At Lessor's request, Customer shall execute and/or amended financial statements within fourteen days of such request, and/or unaffiliated financial statements. Should Customer fail to pay when due any part of the Rental or

19. **COLLECTION CHARGES.** Should Customer fail to pay its renewal Rental reserved in this Agreement or any sum required to be paid to Lessor hereunder, Customer shall pay to Lessor, in addition thereto, a late charge of ten dollars (\$10.00) for each month or part thereof for which said Rent or other sum shall be delinquent together with interest on such sums in default from the due date thereof until paid in full at the rate of 2% per month compounded monthly (26.82% per annum). Customer further agrees to pay to Lessor a returned cheque or non-sufficient funds (NSF) charge of \$25.00 per item to reimburse Lessor for its time and expense incurred with respect to a cheque or a Pre-Authorized Payment debit that is returned

and expense incurred with respect to a sample or a pilot production run for any reason.

20. INITIAL DIRECT COSTS. Lessor's initial direct costs associated with the leasing including, but not limited to credit investigation, processing, security registration, and brokerage or origination costs.

21. **FINANCING STATEMENT.** Lessor may not be deemed to have created a security interest in the equipment if the equipment is not necessarily to be deemed to be subject to a security interest under Personal Property Security legislation or if the equipment is not subject to a security interest under the Customer's obligation of being

similar legislation. To the extent permitted by law, Customer waives requirement of being provided with a copy of any financing or verification statement or renewal thereof. This Agreement shall be governed by the laws of the Province or State of Ontario. No universal

[illegible]

by Lessor of any default then commencing on the date of such default, Lessor may, at its option, terminate this lease and demand immediate payment of the entire balance of the lease obligations hereunder. Lessor shall not be bound by any payment schedule or other terms of this lease if Lessor determines that the Lessee is not performing its obligations hereunder. Lessor shall not be bound by any payment schedule or other terms of this lease if Lessor determines that the Lessee is not performing its obligations hereunder. Lessor shall not be bound by any payment schedule or other terms of this lease if Lessor determines that the Lessee is not performing its obligations hereunder.

Customer. This Agreement contains the whole of the agreement between the parties and there are no collateral agreements or conditions not specifically set forth in this Agreement and no agreement shall be effective or binding unless agreed to in writing.

modifications, amendments or variations shall be effective or binding unless agreed in writing by the parties. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns. Any provision of this Agreement that purports to bind a third party shall be ineffective.

benefit of the parties hereto, their permitted successors and assigns. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement. In any jurisdiction where such prohibition or unenforceability shall not invalidate a provision of this Agreement, such provision shall nevertheless be given effect to the maximum extent permitted by the law of such jurisdiction.

to the extent of such prohibition or unenforceability in any jurisdiction shall not unenforceable in any other jurisdiction. Clerical errors shall not affect the validity of this Agreement. No provision of this Agreement shall be rendered unenforceable under the laws of any jurisdiction to the extent that such provision is enforceable in any other jurisdiction. The entire Agreement shall be governed by the laws of the State of New York. This Agreement shall be binding on the undersigned and their heirs, assigns, personal representatives, successors and permitted assigns.

and Lessor shall be entitled to unilaterally extend the same extends to and relates to the collateral security thereto or premissory non-conditional sale, regulator

Customer waives the benefit of all provisions of any applicable conditional sales, return, credit and other statutes and regulations made in any manner, which affect, restrict or limit the foregoing, all of the right:

Term within effect

as amended and the provisions of the same shall be binding on the parties hereto and their heirs, assigns and successors. Customer also waives any right to demand security for costs in the event of litigation. Lessor and Customer represent and agree that the parties signing this Agreement have the authority to execute this Agreement and the Corporate Seal of either party need not be presented.

End of  
with the  
Lester and  
community  
affirmed to  
elimination  
Financial Services is a Registered Trade Mark of Crow

23. **BUSINESS NAME.** CULFLEX Financial Services is a Registered Trade Mark of Union Central of Canada. Co-operative Trust Company of Canada is a licensed user.

# **SCHEDULE "A"-Equipment Description**

This Schedule "A"-Equipment Description is attached to and forms an integral part of Lease Agreement dated 12/13/01 made between Hickman Equipment (1985) Limited as Lessee and CULEASE Financial Services as Lessor.

1	(One) 2001 John Deere 160LC Excavator	P00160X041741	Unit # C001377
1	(One) 2001 John Deere 160LC Excavator	P00160X041792	Unit # C001453
1	(One) 2001 John Deere 160L Excavator	P00160X041793 -	Unit # C001454
1	(One) 2001 John Deere 200LC Excavator	FF0200X502017 -	Unit # C001379
1	(One) 2001 John Deere 850C Dozer	T0850CX900908 -	Unit # C001479
1	(One) 2001 John Deere 160LC Excavator	FF0160X041361 -	Unit # C001512
1	(One) 2000 John Deere 160LC Excavator	LU1050C005288 -	Unit # C001486
1	(One) 2001 John Deere 1050C Dozer		

Lessee: Hickman Equipment (1985) Limited

By: [Signature]  
Name/Title: John Hunt, V.P. HICKMAN HUNT

# SCHEDULE "B" - Rental Payments

This Schedule "B" - Rental Payments is attached to and forms an integral part of Lease Agreement dated 12/13/2001 (mm/dd/yy) made between Hickman Equipment (1985) Limited as Customer and CULEASE Financial Services as Lessor.

Commencement Date	Rental Payments	HST	PST	Total Rental Pmt
12/13/2001/	1 @ 71,484.67	10,722.70	N/A	82,207.37
01/13/2002	3 @ 0.00	0.00	N/A	0.00
04/13/2002	8 @ 71,484.67	10,722.70	N/A	82,207.37
12/13/2002	4 @ 0.00	0.00	N/A	0.00
04/13/2003	8 @ 71,484.67	10,722.70	N/A	82,207.37
12/13/2003	4 @ 0.00	0.00	N/A	0.00
04/13/2004	8 @ 71,484.67	10,722.70	N/A	82,207.37
12/13/2004	4 @ 0.00	0.00	N/A	0.00
04/13/2005	8 @ 71,484.67	10,722.70	N/A	82,207.37

Lessee: Hickman Equipment (1985) Limited

By: \_\_\_\_\_

CONRAD KINE

LINCOLN HUNT

Name/Title: \_\_\_\_\_

V.P.

--- C:\MSD00011438.RTF

PPSA WAIVER LETTER



VIA FAX: 905-821-7650

December 31, 2001

Daimler Chrysler Capital Services  
6701 - Financial Drive, Suite 200  
Mississauga, ONT L5N 7J7

Dear Sir/Madam:

re: Hickman Equipment (1985) Limited and/or  
Equipment Description: 1 (One) 2000 John Deere 160LC Excavator  
PPD180X041381 (serial)

CULEASE FINANCIAL SERVICES has or is about to enter into a leasing or financing arrangement with the subject upon the equipment described above.

We note that you have a general security interest registered against the subject and/or a security interest in the equipment noted above.

Please indicate, by signing and returning a copy of this letter to fax number 403-296-0192, that you have no further interest in the equipment or that you postpone your interests in favor of CULEASE FINANCIAL SERVICES.

This letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same agreement and the execution and delivery of counterparts of this letter by telecopier by any party shall be binding upon the parties hereto.

Sincerely,  
Mercado Capital Corporation

Acknowledged and agreed to this date:

By:   
Name/Title: Customer Service

Tel (403) 296.0191 Fax (403) 296.0192 295 2888 Glenmore Trail S.E. Calgary Alberta T2C 2E7

1000

NO. 728

MERCADO CAPITAL CORPORATION

MERCADO CAPITAL CORPORATION

DEC. 31. 2001 9:50AM



WAIVER

Date: January 10, 2002  
To: CANADIAN IMPERIAL BANK OF COMMERCE  
ATLANTIC PLACE, P.O. 340  
MOUNT PEARL, NEWFOUNDLAND  
A1C 1J9

ATTENTION: SCOTT FERGUSON

RE: RICHMAN EQUIPMENT (1985) LIMITED

CULEASE Financial Services ("Culease") has or will be entering into, or taking assignment of, a lease agreement, a conditional sale contract, a security agreement and/or an hypothec (the "Contract") with the above-mentioned Obligor, to lease to, or finance for the Obligor, the equipment described hereto, together with all attachments, accessories, replacements thereto (the "Equipment").

Under the terms of the Contract, Culease has or will obtain title to and/or has or will obtain a security interest, charge and/or hypothec in or lien on the Equipment and the proceeds thereof (collectively, the "Collateral").

1	2001 JOHN DEERE 160LC EXCAVATOR	S/N: P001600041741
1	2001 JOHN DEERE 160LC EXCAVATOR	S/N: P001600041792
1	2001 JOHN DEERE 160L EXCAVATOR	S/N: P001600041760
1	2001 JOHN DEERE 200LC EXCAVATOR	S/N: P0020000302017
1	2001 JOHN DEERE 250C DOZER	S/N: T08500000000008
1	2000 JOHN DEERE 160LC EXCAVATOR	S/N: P001600041361
1	2001 JOHN DEERE 1050C DOZER	S/N: L01050000000008

A search of the public records indicates that you may have security interest, charge and/or hypothec in the Collateral.

Please indicate, by signing below, that you acknowledge that you have not assigned your security interest, charge and/or hypothec and that you do not have and will not in the future claim any right, title, interest, hypothec, charge or security in the Collateral which ranks in priority to the right, title, interest, hypothec, charge and security interest now or hereafter held by Culease in the Collateral. For greater certainty, you are acknowledging and agreeing that, as against you, Culease shall have a first priority right, title, interest, hypothec, charge and security interest in the Collateral.

Yours truly,

CULEASE FINANCIAL SERVICES

For valuable consideration, and recognizing that Culease is relying on this acknowledgment in entering the Contract referred to herein, we hereby acknowledge and agree that we do not have and will not in the future claim any right, title, interest, hypothec, charge or security interest in the Collateral which ranks prior to the right, title, interest, hypothec, charge and security interest now or hereafter held by Culease in the Collateral, and we hereby postpone and subordinate to Culease for all purposes all rights, title, interests, hypothec, charges and security interests that we may now have or hereafter acquire in the Collateral to all the rights, title, interests, hypothec, charges and security interests that Culease may now have or hereafter acquire in the Collateral.

Dated this 11<sup>th</sup> day of January, 2002

CANADIAN IMPERIAL BANK OF COMMERCE (Secured Creditor)

Per:

  
M.E. Ferguson  
Manager, Commercial Credit



**JOHN DEERE**

Worldwide Construction & Forestry Division  
a division of JOHN DEERE LIMITED  
222 River Road, P.O. Box 1000  
Guelph, ON L1M 4H9  
Phone: 505-345-7345 Fax: 505-345-1287  
E-mail: [Gerald@jdm.com](mailto:Gerald@jdm.com)

Glenice M. Seward  
Manager, Dealer Administration (Canada)

11 January 2002

Culbert Financial Services  
30 Concorde Gate, Suite 200  
Napam, ON  
K2B 7V7

At: Alison Mallon

**RE: Hickman Equipment (1985) Ltd. (the "Dealer")**

We understand that you have or intend to provide financing to the Dealer and as security therefor, you have taken or you will take security (the "Lender's Security") charging the equipment of the Dealer which is described in the following:

refer to schedule "A" attached

together with the proceeds, if any, arising from the sale, lease, rental or other disposition thereof (collectively referred to as the "Collateral").

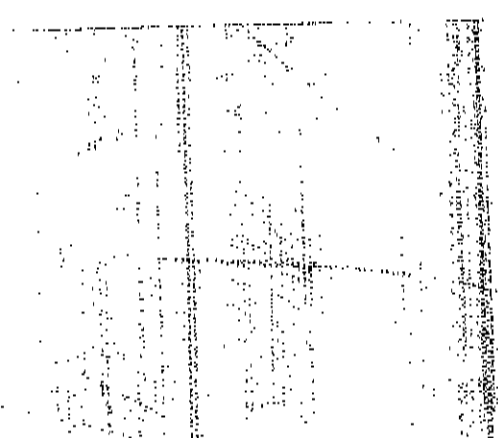
We also hold security charging the Collateral, in whole or in part, such security as now held or as may be hereinafter acquired by us being referred to as the "IDL Security".

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we consent to the Dealer granting to you a security interest in the Collateral and we further agree that the Lender's Security as it relates to the Collateral shall rank in priority to the IDL Security, provided that the Lender's Security is validly perfected and enforceable in priority to all other parties and provided further, that the financing provided by you to the Dealer and the corresponding indebtedness of the Dealer to you is associated for on an asset-specific basis and is attributed to the Collateral as an item by these banks.

Please be advised that this agreement as to priority is not given in perpetuity. Rather, it is given conditional to the security interest granted to you by the Dealer in the Collateral. In this regard, when the obligations secured by such security interest are satisfied on any one or more item(s) of Collateral, the priority with respect to such item(s) of Collateral granted to you hereunder shall immediately and automatically cease and terminate.

Yours very truly  
JOHN DEERE LIMITED  
Per:

  
Glenice M. Seward  
Manager, Dealer Administration (Canada)



**Schedule "A"**

JOHN DEERE 160LC EXCAVATOR, S/N P001600M41741  
 JOHN DEERE 160LC EXCAVATOR, S/N P001600M41732  
 JOHN DEERE 160LC EXCAVATOR, S/N P001600M41793  
 JOHN DEERE 200LC EXCAVATOR, S/N P001600M41757  
 JOHN DEERE 850C DOZER, S/N T001600M41731  
 JOHN DEERE 160LC EXCAVATOR, S/N P001600M41741  
 JOHN DEERE 1050C DOZER, S/N L01050C005722

TOTAL P.03



2002-01-12  
18:47

Atlantic PPRN  
Verification Statement  
(New)

/ sssssssss  
PAGE 1

```
Province/Territory      : Newfoundland and Labrador
Registration Type       : PPS& Financing Statement
Registration Number      : 1544225
Registration Date/Time   : 2003-01-12 / 16:58
Expiry Date             : 2007-01-12
Your File Number        :
```

**Registrant Name and Address**

Registrant User ID: P174460  
Equifax Canada Inc.

National PPSA Services  
110 Shappard Avenue East  
Toronto ON Canada M2N6S1

**Debtors**

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1988) LIMITED

1269 TOPSOIL Road  
MOUNT PEARL NF Canada 11N3C6

### Secured Parties

CREDIT UNION CENTRAL OF SASKATCHEWAN C/O CULLEASE FINANCIAL SERVICES

P.O. BOX 3030  
2055 ALBERT STREET  
REGINA SK Canada S4P3G8

CO-OPERATIVE TRUST COMPANY OF CANADA Q/A CULLEASE FINANCIAL SERVICES  
JOHNSON, BRENT  
P.O. BOX 3030  
2055 ALBERT Street  
REGINA SK Canada S4P3G9  
Telephone : 800-405-2029  
fax : 800-852-9097

## General Description Collateral

CLASSIFICATION: CONSUMER GOODS, INVENTORY, EQUIPMENT, ACCOUNTS, OTHER PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, INSURANCE AND ALL OTHER PROCEEDS ARISING DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOSS, REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE COLLATERAL.

**Serial Numbered Collateral**

Collateral Type	Serial Number	Description
Motor Vehicle	LD1050C0NS288	2004 JAWA 1999 1999 1999

2002-01-12  
16:47

Atlantic PPR8  
Verification Statement  
(New)

/AAA0000P\*  
page 2

Motor Vehicle FFO160XD41361  
Motor Vehicle T0850CK900808  
Motor Vehicle FFO200X503017  
Motor Vehicle P00160XD41783  
Motor Vehicle P00160XD41792  
Motor Vehicle P00160XD41741

2000 JOHN DEERE 160LC EXCAVATOR ✓  
2001 JOHN DEERE 850C DOZER ✓  
2001 JOHN DEERE 380LC EXCAVATOR ✓  
2001 JOHN DEERE 160LC EXCAVATOR ✓  
2001 JOHN DEERE 160LC EXCAVATOR ✓  
2001 JOHN DEERE 160LC EXCAVATOR ✓

Additional Information

AMOUNT SECURED: \$2,151,952.63  
NO FIXED DATE OF MATURITY

\*\*\* End of Report \*\*\*

LETTER OF  
DIRECTION

December 13, 2001

CULEASE Financial Services  
2055 Albert Street  
Regina, SK S4P 3G8

Subject: Bill of Sale dated December 13, 2001

Gentlemen:

Please accept this letter as your authorization and direction to disburse proceeds of the subject Bill of Sale as follows:

CULEASE Financial Services

\$ 82,207.37

Hickman Equipment (1985) Ltd.

\$2,151,552.63

*1st pm*

Payment by this method shall constitute full payment under the subject Bill of Sale.

Yours very truly,

Hickman Equipment (1985) Ltd.

By: *[Signature]*

Name/Title: *[Signature]*



**CULEASE**  
Financial Services

BOX 3030  
2065 ALBERT STREET  
REGINA, SK S4P 3G8  
Tel: 1-800-408-2029

CREDIT UNION CENTRAL - SASK.  
P.O. BOX 3030  
2065 ALBERT STREET  
REGINA, SASKATCHEWAN S4P 3G8

38953

001752

CHEQUE NO. 1752

Two Million One Hundred Fifty One Thousand Five Hundred Fifty Two

DATE

12/31/2001

AMOUNT

\$\*\*\*\*\*2,151,552.63

IE  
R

Hickman Equipment (1985) Limited  
1259 Topwell Road  
Mount Pearl, NPLD  
A1N 3C8

Comment: Hickman Equipment

**SPECIAL CLEARING**

CULEASE FINANCIAL SERVICES

PER

PER

⑈001752⑈ ⑈99788⑈889⑈ ⑈00101023860⑈

⑈0215155263⑈



**BILL OF SALE**

This **BILL OF SALE** made this 14th day of December

BETWEEN:

**Hickman Equipment (1985) Limited**  
(hereinafter called the "Grantor")

- and -

**Culease Financial Services**  
(hereinafter called the "Grantee")

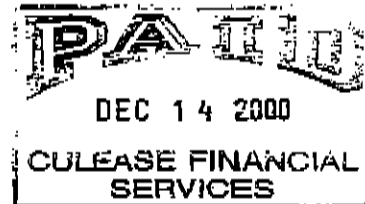
IN CONSIDERATION of the sum of

Five Hundred Ninety-Eight Thousand Seven Hundred Ten & 69/100

( \$598,710.69 )

paid by the Grantee to the Grantor (receipt whereof is hereby acknowledged) the Grantor absolutely transfers unto the Grantee the following Chattels:

**SEE ATTACHED SCHEDULE 'A'**



THE GRANTOR COVENANTS:

1. The Grantor is now rightfully and absolutely possessed of the Chattels and has the right to sell them.
2. That the Grantee shall enjoy quiet possession of the Chattels.
3. That the Chattels are free from any charge of encumbrance except as hereinafter noted.

IN WITNESS WHEREOF the Grantor has hereunto set his hand and seal.

**SIGNED, SEALED AND DELIVERED**  
in the presence of:

Shawn [Signature]

**Hickman Equipment (1985) Limited**

Per: [Signature]

Name/Title: GARY HILLIARD  
C.F.O.

JOHN KUL  
Sales Manager

SCHEDULE "A"

This is the description of Equipment referred to as Schedule "A" in the attached Lease made between Hickman Equipment (1985) Limited as Lessee and CULEASE Financial Services as Lessor dated 12/14/2000.

One(1) New 2000 160LC Excavator  
Unit #C000968  
One(1) New 2000 200LC Excavator  
Unit #C000969  
One(1) New 2000 670CH Motor Grader

S/N: P00160X041555 ✓

S/N: FF0200X581636 <sup>501636</sup>

S/N: DW670CH578392

Hickman Equipment (1985) Limited

By:  

Name/Title: GARY HINKLEY JOHN KLINE  
C.F.O. SALES MANAGER

## LEASE AGREEMENT

(A service provided by Co-operative Trust Company of Canada)

CLIENT NUMBER: 3867  
LEASE NUMBER: 4322-4  
To be completed by CULEASE Financial Services

P3

C. Box 3030  
155 Albert Street  
Regina, Saskatchewan S4P 3G8  
www.culeasefs.com / 1-800-409-2029

<b>CUSTOMER NAME</b>	NAME: <u>HICKMAN EQUIPMENT (1985) LIMITED</u>						
<b>BILLING ADDRESS</b>	STREET: <u>1269 TOPSAIL ROAD</u>						
Full Legal Name & Address	CITY: <u>MOUNT PEARL</u>	PROVINCE: <u>NFLD</u>	POSTAL CODE: <u>A1N-3C8</u>				
<b>CUSTOMER CONTACT</b>	PERSON TO CONTACT:		TELEPHONE NO: <u>709-368-9660</u>		FAX NO:		
<b>TAX EXEMPTION NUMBER</b>	GST:		PST:				
<b>VENDOR</b>	NAME: <u>SALE AND LEASEBACK</u>		SALES REP:				
	ADDRESS:						
<b>EQUIPMENT DESCRIPTION</b>	QUANTITY:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)					
		<u>PER ATTACHED SCHEDULE 'A'</u>					
		END OF TERM MINIMUM RESALE VALUE: \$ <u>10.00</u>					
<b>RENTAL DETAILS</b>	ADVANCE PAYMENT DATE: <u>N/A</u>						
Payments will be made in advance.	NEXT PAYMENT DATE: (To be completed by CULEASE Financial Services)						
Payments subject to change if tax amounts change.	FREQUENCY: MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>						
estimated: subject to verification by CULEASE Financial Services)	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	PROVINCE	TOTAL PAYMENT
	<u>36</u>	<u>24</u>	<u>23,221.28</u>	<u>N/A</u>	<u>3,455.19</u>	<u>NFLD</u>	<u>26,676.47</u>
		<u>PER</u>	<u>ATTACHED</u>	<u>SCHEDULE B</u>			
<b>INSURANCE AGREEMENT</b>	INSURANCE AGREEMENT: Customer agrees to obtain the Insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.						
	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$						
	THIRD PARTY COVERAGE WAIVED (Initial if coverage requirement waived)						
<b>FINANCIAL INFORMATION</b>	NAME OF FINANCIAL INSTITUTION:						
	BRANCH LOCATION:			ACCOUNT INFORMATION:			
<b>RE-AUTHORIZED PAYMENT PLAN</b>	Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.						
	Authorized Cheque Signer (s): <u>[Signature]</u>			Title(s): <u>GENERAL MANAGER</u>			

### CUSTOMER ACKNOWLEDGEMENTS

THIS AGREEMENT THE WORDS CUSTOMER, LESSEE AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER(S). BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THE LESSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES REGARDING THE EQUIPMENT; YOU KNOWLEDGE AND AGREE YOU HAVE SELECTED THE EQUIPMENT FOR LEASE; YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT; IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU HEREBY APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE WHERE THERE IS MORE THAN ONE CUSTOMER YOU KNOWLEDGE YOUR OBLIGATION AND LIABILITY IS JOINT AND SEVERAL.

CULEASE Financial Services  
EXECUTED AS LESSOR

BY: [Signature]  
Authorized Signature

GST #: 10114 3915 RT0001

### ASSIGNMENT

If this part is completed, LESSOR HEREBY ASSIGNS, CONVEYS AND TRANSFERS all right, title and interest in this Agreement and the Equipment to the named Assignee and where completed at the time of signing Customer acknowledges notice of such assignment. The Assignee acknowledges having read the entire lease and accepts the Terms and Conditions that are part of this lease.

CULEASE Financial Services

Lessor: [Signature]  
Authorized Signature

Assigned to: VANSON, KELVINGTON  
(Assignee)

Accepted by: [Signature]  
Authorized Signature

To be completed by CULEASE Financial Services

CUSTOMER: (Legal Name)

HICKMAN EQUIPMENT (1985) LIMITED  
The undersigned affirms that he/she is duly authorized to execute this Agreement.

By: [Signature] Title: GENERAL MANAGER  
Authorized Signature

By: [Signature] Title: V.P. GENERAL MANAGER  
Authorized Signature

DATE OF AGREEMENT: 12-14-2001  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.

### DELIVERY AND ACCEPTANCE CERTIFICATE

Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE Financial Services sign this lease and pay the equipment vendor.

Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.  
1269 TOPSAIL ROAD MOUNT PEARL, NFLD, A1N-3C8

CUSTOMER (Legal Name): HICKMAN EQUIPMENT (1985) LIMITED  
The undersigned affirms that he/she is duly authorized to execute this Certificate.

BY: [Signature] Title: GENERAL MANAGER

BY: [Signature] Title: V.P. GENERAL MANAGER

DATE OF DELIVERY AND ACCEPTANCE: 12/14/2001  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.





**SCHEDULE "A"**

This is the description of Equipment referred to as Schedule "A" in the attached Lease made between Hickman Equipment (1985) Limited as Lessee and CULEASE Financial Services as Lessor dated 12/14/2000.

One(1) New 2000 160LC Excavator  
Unit #C000968  
One(1) New 2000 200LC Excavator  
Unit #C000969  
One(1) New 2000 670CH Motor Grader

S/N: P00160X041555 ✓

S/N: FF0200X581636 ✓

S/N: DW670CH578392 ✓

Hickman Equipment (1985) Limited

By:  

Name/Title: GARY HILLARD TOM KING  
C.F.O. SALES MANAGER

## Schedule "B"

Payment Schedule for Lease# 4322-4

December 14, 2001 to March 14, 2002 (inclusive)	\$0.00
April 14, 2002 to November 14, 2002 (inclusive)	\$23,221.28 + HST
December 14, 2002 to March 14, 2003 (inclusive)	\$0.00
April 14, 2003 to November 14, 2003 (inclusive)	\$23,221.28 + HST
December 14, 2003 to March 14, 2004 (inclusive)	\$0.00
April 14, 2004 to November 14, 2004 (inclusive)	\$23,221.28 + HST
December 14, 2004 (End of Term Minimum Resale Value)	\$10.00

Hickman Equipment (1985) Limited

By:

  
 Authorized Signature

John Kline, General Manager  
 Print Name & Title

  
 Authorized Signature

Halbert Hout V.P. - General Manager  
 Print Name & Title

Direct Line: 319-5827  
Direct Fax: 319-5870

December 8, 2000

Via Facsimile 306-566-7915

Susan McAllister  
Culease Financial Services  
2055 Albert Street, PO Box 3030  
Regina, Saskatchewan  
S4P 3G8

Dear Susan:

**Re: RELEASE OF INTEREST - HICKMAN EQUIPMENT (1985) LIMITED**

Please accept this letter as confirmation that John Deere Credit Inc. holds no interest in the following:

1	New 2000 160LC EXCAVATOR	UNIT #C000968	P00160X041555
1	New 2000 200LC EXCAVATOR	UNIT #C000969	FF0200X501636
1	New 2000 670CH MOTOR GRADER		DW670CH578392

I confirm that John Deere Credit Inc. is the successor by amalgamation of John Deere Finance Limited and Canadian Equipment Finance Corporation.

The undersigned confirms that it does not have a security interest in the equipment or proceeds described above and further confirms that any interest we may have is hereby postponed and subordinated to the interest of Culease Financial Services in the equipment or proceeds.

Yours Truly,



Michelle Ritter  
Wholesale Note Auditor

# CULEASE FINANCIAL SERVICES

## WAIVER

2055 ALBERT STREET, P.O. BOX 3030  
REGINA, SASKATCHEWAN S4P 3C3  
TEL: 306-566-7910 FAX: 306-566-7915

Date: December 8, 2000

To: Canadian Imperial Bank of Commerce  
Water Street  
Atlantic Place, Newfoundland

Tel: 709-576-8789  
Fax: 709-576-8744

Attention: Ms. Susan Ewanick

RE: RICKMAN EQUIPMENT (1985) LIMITED ("Obligor")

Culcase Financial Services ("Culcase") has or will be entering into, or taking assignment of, a lease agreement, a conditional sale contract, a security agreement and/or an hypothec (the "Contract") with the above-mentioned Obligor, to lease to, or finance for the Obligor, the equipment described hereto, together with all attachments, accessories, replacements and/or additions thereto (the "Equipment").

Under the terms of the Contract, Culcase has or will obtain title to and/or has or will obtain a security interest, charge and/or hypothec in or lien on the Equipment and in all rentals and proceeds thereof (collectively, the "Collateral").

One (1) new 2000 160LC Excavator Unit#C000968  
One (1) new 2000 200LC Excavator Unit#C000969  
One (1) New 2000 670CH Motor Grader

S/N P00160X041555  
S/N FF0200X1501636  
DW670CH578392

A search of the public records indicates that you may have security interest, charge and/or hypothec in the Collateral.

Please indicate, by signing below, that you acknowledge that you have not assigned your security interest, charge and/or hypothec and that you do not have and will not in the future claim any right, title, interest, hypothec, charge or security in the Collateral which ranks in priority to the right, title, interest, hypothec, charge and security interest now or hereafter held by Culcase in the Collateral. For greater certainty, you are acknowledging and agreeing that, as against you, Culcase shall have a first priority right, title, interest, hypothec, charge and security interest in the Collateral.

Yours truly,

for Culcase Financial Services

For valuable consideration, and recognizing that Culcase is relying on this acknowledgment in entering the Contract referred to herein, we hereby acknowledge and agree that we do not have and will not in the future claim any right, title, interest, hypothec, charge or security interest in the Collateral which ranks prior to the right, title, interest, hypothec, charge and security interest now or hereafter held by Culcase in the Collateral, and we hereby postpone and subordinate to Culcase for all purposes all rights, title, interests, hypothecs, charges and security interests that we may now have or hereafter acquire in the Collateral to all the rights, title, interests, hypothecs, charges and security interests that Culcase may now have or hereafter acquire in the Collateral.

Dated this 8 day of December 2000.

Canadian Imperial Bank of Commerce

Per: Susan Ewanick CLS 707 738-8407  
Name: Title:

TOTAL P.01

DEC-13-2000 14:26

403 296 0192

96%

P.14

## JOHN DEERE LIMITED

P.O. Box 999, 295 Hunter Road, Grimsby, Ontario L3M 4G9



GINETTE M. SAVARD  
Finance Administration, Canada

18 December, 2000

Culease Financial Services  
2055 Albert Street, P.O. Box 3030  
Regina, SK S4P 3G8

Att: Susan McAllister

RE: Hickman Equipment (1985) Ltd. (the "Dealer")

We understand that you have or intend to provide financing to the Dealer and as security therefor, you have taken or you will take security (the "Lender's Security") charging the equipment of the Dealer which is described in the following:

refer to schedule "A" attached

together with the proceeds, if any, arising from the sale, lease, rental or other disposition thereof (collectively referred to as the "Collateral").

We also hold security charging the Collateral, in whole or in part, such security as now held or as may be hereinafter acquired by us being referred to as the "JDL Security".

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we consent to the Dealer granting to you a security interest in the Collateral and we further agree that the Lender's Security as it relates to the Collateral shall rank in priority to the JDL Security, provided that the Lender's Security is validly perfected and enforceable in priority to all other parties and provided further, that the financing provided by you to the Dealer and the corresponding indebtedness of the Dealer to you is accounted for on an asset-specific basis and is attributed to the Collateral on an item by item basis.

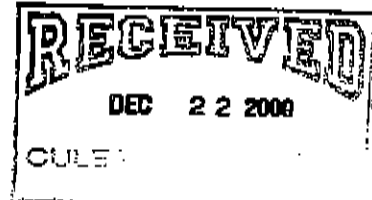
Please be advised that this agreement as to priority is not given in perpetuity. Rather, it is given coincidental to the security interest granted to you by the Dealer in the Collateral. In this regard, when the obligations secured by such security interest are satisfied on any one or more item(s) of Collateral, the priority with respect to such item(s) of Collateral granted to you hereunder shall immediately and automatically cease and terminate.

Yours very truly

JOHN DEERE LIMITED

Per: 

Ginette M. Savard  
Finance Administration, Canada



**JOHN DEERE LIMITED****Schedule "A"**

**JOHN DEERE 160LC EXCAVATOR, S/N P00160X041555**  
**JOHN DEERE 200LC EXCAVATOR, S/N FF0200X501636**  
**JOHN DEERE 670CH MOTOR GRADER S/N DW670CH578392**



**CULEASE™**  
Financial Services

# REQUEST FOR AMENDMENT TO EXISTING LEASE

**Lessee:** Hickman Equipment (1985) Limited  
**Lease Number:** 4322-01

Subject lease was booked in Dec/00. The assets are 2 excavators and one motor grader. The Gross Contract Receivable as at 11/19/01 is \$549,633.19. The lease is up to date, 12 monthly payments have been made as agreed.

The lessee has requested an amendment to the existing lease contract. In an effort to better manage their cash flow, they have requested payment skips for the months of December through March inclusive. Their request does not require a change of term, thus the remaining monthly payments would increase as per the schedule below:

**Existing Payment Structure:**

**AMOUNT:** \$15,267.31  
**FREQUENCY:** Monthly  
**TERM:** 48 months  
**RATE:** 8.600%  
**RATE of RETURN:** 7.820%

**Amended Payment Structure:**

**AMOUNT:** \$23,234.36  
**FREQUENCY:** Monthly\*  
**TERM:** 48 months  
**RATE:** 8.600%  
**RATE of RETURN:** 7.869%

\*Payment skips for the months of December to March inclusive each year.

We note that an additional lease for \$2,000,000 was approved by CULEASE and CUCS in Oct/01. We have attached a copy of the Credit Submission, including financial statement analysis, for your review.

**LEASE AMENDMENT APPROVAL**

I/WE

☒ **APPROVE**

☐ **DECLINE**

☐ **DEFER**

Fax Number:

Attn:

Lease Amendment is approved subject to:

Date:

*Nov 28/01*

Signed:

*[Signature]*  
Hickman Equipment (1985) Limited





# REQUEST FOR AMENDMENT TO EXISTING LEASE

**Lessee:** Hickman Equipment (1985) Limited  
**Lease Number:** 4322-01

Subject lease was booked in Dec/00. The assets are 2 excavators and one motor grader. The Gross Contract Receivable as at 11/19/01 is \$549,633.19. The lease is up to date, 12 monthly payments have been made as agreed.

The lessee has requested an amendment to the existing lease contract. In an effort to better manage their cash flow, they have requested payment skips for the months of December through March inclusive. Their request does not require a change of term, thus the remaining monthly payments would increase as per the schedule below:

**Existing Payment Structure:**  
**AMOUNT:** \$15,287.31  
**FREQUENCY:** Monthly  
**TERM:** 48 months  
**RATE:** 8.800%  
**RATE of RETURN:** 7.820%

**Amended Payment Structure:**  
**AMOUNT:** \$23,234.36  
**FREQUENCY:** Monthly\*  
**TERM:** 48 months  
**RATE:** 8.800%  
**RATE of RETURN:** 7.869%  
 \*Payment skips for the months of December to March inclusive each year.

We note that an additional lease for \$2,000,000 was approved by CULEASE and CUCS in Oct/01. We have attached a copy of the Credit Submission, including financial statement analysis, for your review.

## LEASE AMENDMENT APPROVAL

I/WE

☒ APPROVE

☐ DECLINE

☐ DEFER

Fax Number: (306) 786-6878

Attn: TERRY PETERS

Lease Amendment is approved subject to:

Date: 20 Nov. 01

Signed:

2000-12-29  
20:03

Atlantic PPSA  
Verification Statement  
(New).

/A11a0035n  
page 1

Province : Newfoundland and Labrador  
Registration Type : PPSA Financing Statement  
Registration Number : 726158  
Registration Date/Time : 2000-12-29 / 20:24  
Expiry Date : 2005-12-29  
Your File Number :

Registrant Name and Address\*

Registrant User ID: P174460  
Equifax Canada Inc.

National PPSA Services  
110 Sheppard Avenue East  
Toronto ON Canada M2N6S1

Debtors

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED

1259 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

Secured Parties

YORKTON CREDIT UNION LIMITED

PO BOX 1210  
YORKTON SK Canada S3N2X3

KELVINGTON CREDIT UNION LIMITED

PO BOX 459  
KELVINGTON SK Canada S0A1W0

CO-OPERATIVE TRUST COMPANY OF CANADA C/O CULLEASE FINANCIAL SERVICES  
JOHNSON, BRENT

BOX 3030  
2055 ALBERT Street  
REGINA SK Canada S4P3G8  
Telephone : 800-405-2029  
Fax : 800-852-9097

General Description Collateral

CLASSIFICATION: EQUIPMENT  
PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS, CHATTEL PAPER, SECURITIES, DOCUMENTS OF  
TITLE, INSTRUMENTS, MONEY, INTANGIBLES, INSURANCE AND ALL OTHER PROCEEDS ARISING DIRECTLY  
OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOSS, REPLACEMENT, RENEWAL, DESTRUCTION OF  
OR DEALING WITH THE COLLATERAL.

Serial Numbered Collateral

DEC-29-2000 17:54

1 800 263 5582

96%

P.03

2000 19:54 FR PPSA-EQUIFAX CDA. 1 800 253 5582 TO 918008529097

P.04/04

2000-12-29  
20:03

Atlantic PPRS  
Verification Statement  
(New)

/AAAA003Sn  
page 2

Collateral Type	Serial Number	Description
Motor Vehicle	DW670CH578352	2000 JOHN DEERE 160LC EXCAVATOR
Motor Vehicle	FFD200X501636	2000 JOHN DEERE 200LC EXCAVATOR
Motor Vehicle	POD16QX041555	2000 JOHN DEERE 160LC EXCAVATOR

Additional Information

AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: DEC. 18/2005

\*\*\* End of Report \*\*\*

December 7, 2000

CULEASE Financial Services  
2055 Albert Street  
Regina, SK  
S4P 3G8

Subject: Bill of Sale dated December 14, 2000

Gentlemen:

Please accept this letter as your authorization and direction to disburse proceeds of the subject Bill of Sale as follows:

CULEASE Financial Services  
Hickman Equipment (1985) Limited

\$ 17,557.41  
\$670,959.89

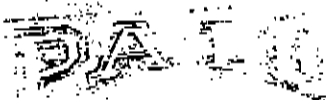
Payment by this method shall constitute full payment under the subject Bill of Sale.

Yours very truly,


Hickman Equipment (1985) Limited

By:  

Name/Title: GARY HELLYARD JOHN KING  
C.F.O. Sales Manager

  
DEC 14 2000  
CULEASE FINANCIAL  
SERVICES

DATE DEC 14, 2000

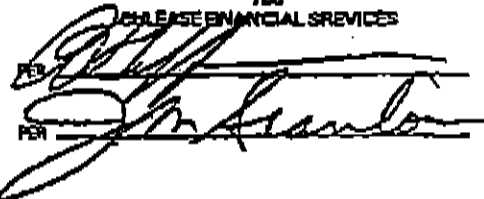
PAY to HICKMAN EQUIPMENT (1985) LIMITED \$ 670.959.88  
the order of  
- C J L E A S E -  
FINANCIAL SERVICES 670959 DOLLS 88 CTS DOLLARS 



CREDIT UNION CENTRAL - SASK  
P.O. BOX 3030  
2055 ALBERT STREET  
REGINA, SASKATCHEWAN S4P 3G8

GULEASE FINANCIAL SERVICES

RE: HICKMAN EQUIPMENT LTD

PER 

⑈006760⑈ ⑆99788⑈889⑆ 100101023860⑈

Deposited directly into  
CIBC account 12/14/00





11TH AVE. & HAMILTON  
REGINA, SASK

REFERENCE	REFERENCE
7875104	
DATE	
Dec/15/2000 11:27	

PAYMENT ORDER ORDRE DE PAIEMENT

670,959.88 CANADIAN DOLLAR

BY INTERBRANCH PAYMENT

VALUE DATED Dec/15/2000

CURRENCY..... CANADIAN DOLLAR RECEIVING TRANSIT... 00063

FOREIGN AMOUNT..... 670,959.88

EXCHANGE RATE..... 1.0

CANADIAN EQUIVALENT: 670,959.88

HANDLING CHARGES.... 0.00

CANADIAN AMOUNT..... 670,959.88

CUSTOMER'S ACCOUNT.: 00008/

COMMENTS: CHQ

REMITTER..... CULEASE FINANCIAL SERVICES

2055 ALBERT ST

REGINA SASK

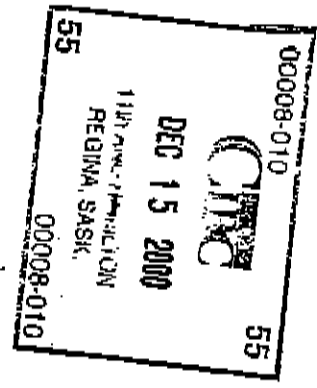
306 566-7910

BENEFICIARY..... ACCOUNT==> 0002801

HICKMAN EQUIPMENT

PAYMENT DETAILS..... RE

PAYMENT INSTRUCTION: CREDIT ACCOUNT UNDER ADVICE



Please arrange the payment described above upon the Terms and Conditions on the reverse of this Payment Order. The undersigned acknowledges having read the Terms and Conditions and agrees to be bound by them. If more than one Customer signs this Payment Order the Customers agree that their liability pursuant to this Payment Order shall be joint and several.  
Veuillez prendre des dispositions pour effectuer le paiement décrit ci-dessus conformément aux modalités et conditions figurant au verso du présent ordre de paiement. Le soussigné reconnaît qu'il a pris connaissance de ces modalités et conditions et accepte d'être lié par celles-ci. Si plus d'un client signe le présent ordre de paiement, les clients reconnaissent qu'ils seront solidairement responsables conformément au présent ordre de paiement.

DATE: 12/15/00 NAME OF CUSTOMER: NOM DU CLIENT: X David Johnson AUTHORIZED SIGNATURE: SIGNATURE AUTORISEE: [Signature] AUTHORIZED SIGNATURE: SIGNATURE AUTORISEE: [Signature]  
Receipt is hereby acknowledged by us, as agents of the remitter, of the sum required to arrange the payment described above, subject to the terms and conditions appearing on the reverse hereof.  
Nous accusons par les présentes réception, à titre de mandataires du donneur d'ordre, du montant nécessaire pour effectuer le paiement indiqué ci-dessus, sous réserve des modalités et conditions figurant au verso des présentes.  
CANADIAN IMPERIAL BANK OF COMMERCE BANQUE CANADIENNE IMPERIALE DE COMMERCE  
SIGNED: [Signature] SIGNED: [Signature]  
SIGNATURES - BRANCH OFFICERS  
CERTIFICATION DES CHERS AVEC DU CENTRE BANCAIRE



JOHN DEERE

**HICKMAN  
EQUIPMENT**R  
A  
N  
C  
H  
E  
S

TELEPHONE: (709) 399-3999 FAX: (709) 399-1146  
P.O. BOX 480, GRAND FALLS-WINDSOR, Nfld. A2A 2J9  
TELEPHONE: (709) 489-2561 FAX: (709) 489-7243  
P.O. BOX 1074, CORNER BROOK, Nfld. A2H 6G3  
TELEPHONE: (709) 634-3161 FAX: (709) 634-5899  
P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF, A0P 1S0  
TELEPHONE: (709) 896-8666 FAX: (709) 896-8899

P18

SAME AS BELOW

MARINE CONTRACTORS INC.  
PO BOX 62  
PASADENA  
NF A0L 1K0

Branch 01 - MOUNT PEAR*REPRINT*		
Date 05/31/2001	Time 16:42:16 (O)	Page 1
Account No. MARIN004	Phone No. 7096862015	Invoice No. 000817
Ship Via		Purchase Order
Sales Tax License No.		Federal Exemption No.
		Salesperson WGH

## DESCRIPTION

AMOUNT

Fold —

## DESCRIPTION

Stock #: C001036	Serial #: FF0200X501636' <i>Cullease</i>	225000.00
ONE ONLY NEW JOHN DEERE 200-LC EXCAVATOR		
Stock #: C001107	Serial #: FF0200X501668 <i>mit C001071 Contact Fincis</i>	225000.00
ONE ONLY NEW JOHN DEERE 200-LC EXCAVATOR		
Stock #: C001127	Serial #: FF0200X501676 <i>Royal Bank</i>	225000.00
ONE ONLY NEW JOHN DEERE 200-LC EXCAVATOR		
TRADE INS =====		
Stock #: C001339	Serial #: 06CR04706 <i>IN Stock</i>	225000.00-
LESS TRADE ONE ONLY USED CAT 320B EXCAVATOR		
Stock #: C001340	Serial #: 06CR05244 <i>IN Stock</i>	225000.00-
LESS TRADE ONE ONLY USED CAT 320B EXCAVATOR		
Stock #: C001341	Serial #: 06CR05245 <i>IN Stock</i>	225000.00-
LESS TRADE ONE ONLY USED CAT 320B EXCAVATOR		
Subtotal:		.00
Total:		

## DISCLAIMER OF WARRANTIES

Any warranties on the product sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties, either express or implied, including and implied warranty of merchantability or fitness for a particular purpose, and the seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the said products. Any limitation contained herein does not apply where prohibited by law. Title to goods described remain in Vendor's name until fully paid.

GOODS RECEIVED BY \_\_\_\_\_

## BILL OF SALE

This BILL OF SALE made this 14th day of November 2000

BETWEEN:

**Hickman Equipment (1985) Limited**  
(hereinafter called the "Grantor")

- and -

**Culsease Financial Services**  
(hereinafter called the "Grantee")

IN CONSIDERATION of the sum of

One Million Two Hundred Seven Thousand Five Hundred Twenty-Nine & 66/100 (\$1,207,529.66) (PLUS HST

paid by the Grantee to the Grantor (receipt whereof is hereby acknowledged) the Grantor absolutely transfers unto the Grantee the following Chattels:

SEE ATTACHED SCHEDULE 'A'

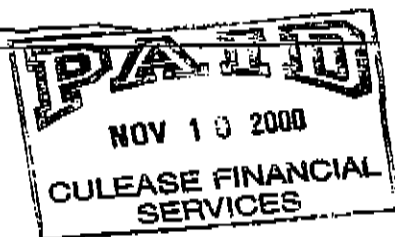
### THE GRANTOR COVENANTS:

1. The Grantor is now rightfully and absolutely possessed of the Chattels and has the right to sell them.
2. That the Grantee shall enjoy quiet possession of the Chattels.
3. That the Chattels are free from any charge of encumbrance except as hereinafter noted.

IN WITNESS WHEREOF the Grantor has hereunto set his hand and seal.

SIGNED, SEALED AND DELIVERED  
in the presence of:

Bill



**Hickman Equipment (1985) Limited**

Per: [Signature]

Name/Title: GARY HILLYARD  
CHIEF FINANCIAL OFFICER



**CULEASE**  
Financial Services  
Box 3030  
Albert Street  
Saskatoon, Saskatchewan S4P 3G8  
culease@fsa.com / 1-800-409-2029

**LEASE AGREEMENT**  
(A service provided by Co-operative Trust Company of Canada)

CLIENT NUMBER: 3790  
LEASE NUMBER: 4234

<b>CUSTOMER NAME:</b>	NAME: <u>Hickman Equipment (1985) Limited</u>					
<b>BILLING ADDRESS</b>	STREET: <u>1269 Topsail Road</u>					
	CITY: <u>Mount Pearl</u>			PROVINCE: <u>NFLD</u>	POSTAL CODE: <u>A1N 3C8</u>	
	TELEPHONE NO: <u>709-368-9660</u>			FAX NO: _____		
<b>CUSTOMER CONTACT:</b>	PERSON TO CONTACT: _____ GST: _____ PST: _____					
<b>TAX EXEMPTION NUMBER:</b>	NAME: <u>Sale and Leaseback</u> SALES REP: _____					
<b>VENDOR:</b>	ADDRESS: _____					
<b>EQUIPMENT DESCRIPTION:</b>	QUANTITY:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)				
		SEE ATTACHED SCHEDULE 'A'				
<b>RENTAL DETAILS</b>	END OF TERM MINIMUM RESALE VALUE: \$ <u>10.00</u>					
	FREQUENCY: MONTHLY <input checked="" type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER <input type="checkbox"/>					
	FIRST PAYMENT DUE: <u>11/14/2000(mm/dd/yy)</u> (*Payments subject to change if tax amounts change)					
	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	PROVINCE
<u>48</u>	<u>48</u>	<u>30,491.12</u>	<u>N/A</u>	<u>4,573.67</u>	<u>NFLD</u>	<u>35,064.79</u>
<b>INSURANCE AGREEMENT</b>	INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.					
	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ _____ THIRD PARTY COVERAGE WAIVED <input checked="" type="checkbox"/> (Initial if coverage requirement waived)					
<b>FINANCIAL INFORMATION</b>	NAME OF FINANCIAL INSTITUTION: <u>CIBC ATLANTIC PL. ST. JOHN'S NF</u>					
	BRANCH LOCATION: <u>00063</u>			ACCOUNT INFORMATION: <u>00-02801</u>		
<b>PRE-AUTHORIZED PAYMENT PLAN</b>	Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.  Authorized Cheque Signer (s): <u>[Signature]</u> Title(s): <u>CHIEF FINANCIAL OFFICER</u> (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)					

BY SIGNING THIS AGREEMENT, THE CUSTOMER, LESSEE AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE AND WARRANTIES REGARDING THE EQUIPMENT; YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT; IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU SHALL APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE.

**CULEASE Financial Services**  
EXECUTED AS LESSOR  
  
Authorized Signature: [Signature]  
GST #: 10114 3915 RT0001

**ASSIGNMENT**  
  
This part is completed. LESSOR HEREBY ASSIGNS, SURRENDERS AND TRANSFERS all right, title and interest in this Agreement and the Equipment to the named Assignee and where completed at the time of signing Customer acknowledges notice of such assignment. The Assignee acknowledges having read the entire lease and accepts the terms and Conditions that are part of this lease.  
  
LEASE Financial Services  
Assigned to: [Signature]  
Accepted by: [Signature]  
Authorized Signature

**CUSTOMER: (Legal Name)**  
Hickman Equipment (1985) Limited  
The undersigned affirms that he/she is duly authorized to execute this Agreement.  
By: [Signature] Title: CHIEF FINANCIAL OFFICER  
By: [Signature] Title: VICE PRESIDENT OPERATIONS  
DATE OF AGREEMENT: 11/14/2000(mm/dd/yy)

**DELIVERY AND ACCEPTANCE CERTIFICATE**

Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE sign this lease and pay the equipment vendor.

Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.  
1269 Topsail Road Mount Pearl, NFLD A1N 3C8

CUSTOMER (Legal Name): Hickman Equipment (1985) Limited  
The undersigned affirms that he/she is duly authorized to execute this Certificate.  
BY: [Signature] Title: C.F.O.  
BY: \_\_\_\_\_ Title: \_\_\_\_\_  
DATE OF DELIVERY AND ACCEPTANCE: 11/14/2000(mm/dd/yy)

# TERMS AND CONDITIONS

we hereby agree to lease (the "Equipment") under the terms and conditions set forth in this Agreement (the "Agreement") and the Customer shall be deemed to have accepted the terms and conditions of this Agreement. This Agreement shall be deemed to have been accepted by the Customer by the signature of the duly authorized representative of the Customer.

**NON-CANCELLABLE CONTRACT.** This Agreement cannot be terminated during the term of this Agreement (the "Term") except as expressly provided in this Agreement.

**RENTAL.** Customer shall pay to Lessor on the first day of each payment period of the Term the rental amount set forth in this Agreement (the "Rental") commencing in the month during which the Equipment is delivered to Customer and continuing for the Term. If the Rental includes the cost of service or maintenance, Customer acknowledges that such inclusion is for Customer's benefit and Customer will not assert against Lessor any claim by way of abatement, defence, set-off, compensation, counterclaim or the like which Customer might have under any service or maintenance agreement.

**LOCATION AND USE.** The Equipment shall be located and used at the location designated in this Agreement and shall not be moved without the prior written consent of Lessor. Customer shall at its own cost and expense keep the Equipment in good repair, condition and working order and furnish all parts, servicing and repair required therefor. Customer shall cause the Equipment to be operated carefully in compliance with manufacturer's recommendations and applicable laws and regulations, by competent and duly qualified persons only.

**REPRESENTATIONS AND WARRANTIES.** Customer acknowledges that the manufacturer of the Equipment and its specifications have been represented to the Customer by the terms of the rental agreement.

Except as hereinafter set forth, no representation or warranty, express or implied, is made by Lessor or its agent in connection with the rental of the Equipment. Lessor makes no representation or warranty, express or implied, as to the condition, design, operation or fitness for purpose of the Equipment or the suitability of the Equipment for the purposes for which it is intended to be used. Lessor makes no representation or warranty, express or implied, as to the condition, design, operation or fitness for purpose of the Equipment or the suitability of the Equipment for the purposes for which it is intended to be used. Lessor makes no representation or warranty, express or implied, as to the condition, design, operation or fitness for purpose of the Equipment or the suitability of the Equipment for the purposes for which it is intended to be used.

**ASSIGNMENT.** Lessor may at any time assign all or part of its interest in this Agreement to any person or entity. The assignee ("Assignee") shall be deemed to be the Lessor for all purposes of this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**PRE-AUTHORIZED PAYMENT PLAN.** If Customer elects the pre authorized payment plan in this Agreement, Customer warrants that the signature appearing in this Agreement is that of a person authorized to sign on the account. Customer authorizes and agrees to the financial institution to pay and debit the amount specified in this Agreement (the "Account") either conditionally maintained at the bank of Lessor, or to which all payments pertaining to the Account shall be made. The specified Account will be used for payment and to pay and debit the amount specified in this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**CONTINUING AGREEMENT.** Provided Customer is not in default hereunder, this Agreement shall be automatically renewed for a period of one year from the expiration of the term of this Agreement (the "Renewal Period") upon and subject to the terms and conditions set forth in this Agreement. The Renewal Period shall be deemed to be the Renewal Period. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**RETURN OF EQUIPMENT.** In the event either party elects not to proceed with the term of this Agreement, the Renewal Period shall be deemed to be the Renewal Period. Lessor shall be deemed to be the Lessor for all purposes of this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**MINIMUM RESALE VALUE.** In the event there is no separate agreement to guarantee the resale value of the Equipment, Customer hereby irrevocably and exclusively assigns to Lessor the right to sell the Equipment at the end of the Term. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**LAW AND TAXES.** Customer shall comply with all laws, regulations and orders applicable to the use of the Equipment. Lessor shall be deemed to be the Lessor for all purposes of this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**EQUIPMENT RISK AND INSURANCE.** The Equipment shall be at the risk of the Customer. Lessor shall be deemed to be the Lessor for all purposes of this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

providing the Customer with thirty (30) days' written notice of termination which shall be deemed to be the termination of the Agreement.

**INDEMNITY.** Customer agrees to indemnify the Lessor from and against any and all liability, losses, damages, claims, injuries, demands and expenses (including environmental claims) arising out of the use, maintenance and operation of the Equipment.

**ASSIGNMENT BY CUSTOMER.** Customer agrees not to sell, lease, pledge, hypothecate or otherwise encumber or suffer a lien upon or against an interest in this Agreement or the Equipment without the prior written consent of Lessor.

**TITLE.** Customer shall have no right, title or interest in the Equipment other than as provided in this Agreement. Lessor shall be deemed to be the Lessor for all purposes of this Agreement.

**CONTRACT REPLACEMENT.** If Customer has a rental or lease contract that is being terminated and replaced by this Agreement, Customer hereby acknowledges and consents that the remaining balance of payments and other amounts owing under any such replaced contract have been provided and included in the Rental payable under this Agreement.

**DEFAULT.** The occurrence of any one or more of the following events shall constitute an event of default: (i) failure by Customer to pay any Rental or other amounts payable hereunder within thirty (30) days of the due date thereof; (ii) failure by Customer to perform or observe any covenant, condition or agreement to be performed or observed hereunder; and (iii) failure by Customer to comply with any other provision of this Agreement.

Upon the happening of an event of default, Lessor in its absolute discretion may, subject to applicable law: (a) enter upon the premises where the Equipment is located and take immediate possession thereof; (b) cause the Equipment to be repossessed or taken into possession; (c) cause the Equipment to be sold or otherwise disposed of; (d) cause the Equipment to be sold or otherwise disposed of; (e) cause the Equipment to be sold or otherwise disposed of; (f) cause the Equipment to be sold or otherwise disposed of; (g) cause the Equipment to be sold or otherwise disposed of; (h) cause the Equipment to be sold or otherwise disposed of; (i) cause the Equipment to be sold or otherwise disposed of; (j) cause the Equipment to be sold or otherwise disposed of; (k) cause the Equipment to be sold or otherwise disposed of; (l) cause the Equipment to be sold or otherwise disposed of; (m) cause the Equipment to be sold or otherwise disposed of; (n) cause the Equipment to be sold or otherwise disposed of; (o) cause the Equipment to be sold or otherwise disposed of; (p) cause the Equipment to be sold or otherwise disposed of; (q) cause the Equipment to be sold or otherwise disposed of; (r) cause the Equipment to be sold or otherwise disposed of; (s) cause the Equipment to be sold or otherwise disposed of; (t) cause the Equipment to be sold or otherwise disposed of; (u) cause the Equipment to be sold or otherwise disposed of; (v) cause the Equipment to be sold or otherwise disposed of; (w) cause the Equipment to be sold or otherwise disposed of; (x) cause the Equipment to be sold or otherwise disposed of; (y) cause the Equipment to be sold or otherwise disposed of; (z) cause the Equipment to be sold or otherwise disposed of.

**NOTICES.** Any notices and demands required to be given in this Agreement shall be given in writing and by registered mail at the address set forth in this Agreement, or at such other address as the parties may hereafter substitute by written notice given in the manner prescribed in this section. Lessor and Customer agree that all documents, including this Agreement, sent by facsimile or other means of electronic transmission to the other party shall be considered to be original documents.

**FURTHER ASSURANCE.** At Lessor's request, Customer shall send Lessor its undated and unexpired financial statements within fourteen days of such request.

**COLLECTION CHARGES.** Should Customer fail to pay when due any part of the Rental or renewal Rental provided in this Agreement or any sum required to be paid to Lessor hereunder, Customer shall pay to Lessor, in addition thereto, a late charge of ten dollars (\$10.00) for each month or part thereof for which said Rental or other sum shall be delinquent together with interest on such sum at the rate of 2% per month compounded monthly (26.83% per annum). Customer further agrees to pay to Lessor a returned cheque or non-sufficient funds (NSF) charge of \$25.00 per item to reimburse Lessor for its time and expense incurred with respect to a cheque or a Pre-Authorized Payment debit that is returned for any reason.

**INITIAL DIRECT COSTS.** Customer acknowledges and agrees to pay all initial direct costs incurred with the lease including but not limited to credit investigation, processing and security registration and brokerage or origination costs.

**FINANCIAL STATEMENT.** Any such filings or registrations are not necessary to be registered with respect to this lease. Any such filings or registrations are not necessary to be registered with respect to this lease. Any such filings or registrations are not necessary to be registered with respect to this lease.

**ASSIGNMENT.** This Agreement shall be governed by the laws of the Province of Ontario and shall be subject to the jurisdiction of the courts of the Province of Ontario. Lessor and Customer agree that all documents, including this Agreement, sent by facsimile or other means of electronic transmission to the other party shall be considered to be original documents.

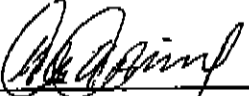
**BUSINESS NAME.** CULFAS Financial Services is a Registered Trade Mark of Credit Union Central of Canada. Cooperative Trust Company of Canada is a licensed user.

# SCHEDULE "A"

This is the description of Equipment referred to as Schedule "A" in the attached Lease made between Hickman Equipment (1985) Limited as Lessee and Culease Financial Services as Lessor dated 11/14/2000(mm/dd/yy).

1	One(1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit #C000945	S/N:T0310SE892994
1	One(1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit #C000939	S/N:T0310SE892985
1	One(1) 644H 4WD Wheel Loader Unit # C000910	S/N:DW644HX578388
1	One(1) 544H 4WD Wheel Loader Unit # C000912	S/N:DW544HX578389
1	One(1) 330LC Hydraulic Excavator Unit # C000944	S/N:FF0330X080964
1	One(1) 330LC Hydraulic Excavator Unit #C000919	S/N:FF0330X080941

Hickman Equipment (1985) Limited

By: 

Name/Title: GARY HILLYARD  
CHIEF FINANCIAL OFFICER

**CULEASE FINANCIAL SERVICES**

P.O. BOX 3030 2055 ALBERT STREET, REGINA, SASKATCHEWA

**WAIVER**

Date: November 9, 2000

To: CANADIAN IMPERIAL BANK OF COMMERCE  
ATLANTIC PLACE  
P.O. BOX 340  
MOUNT PEARL, NEWFOUNDLAND  
A1C 5J9

**ATTENTION: BARRY CHALK****RE: HICKMAN EQUIPMENT (1985) LIMITED ("Obligor")**

CULEASE Financial Services ("CULEASE") has or will be entering into, or taking assignment of, a lease agreement, a conditional sale contract, a security agreement and/or an hypothec (the "Contract") with the above-mentioned Obligor, to lease to, or finance for the Obligor, the equipment described hereto, together with all attachments, accessories, replacements thereto (the "Equipment").

Under the terms of the Contract, CULEASE has or will obtain title to and/or has or will obtain a security interest, charge and/or hypothec in or lien on the Equipment and the proceeds thereof (collectively, the "Collateral").

**SEE ATTACHED SCHEDULE "A"**

A search of the public records indicates that you may have security interest, charge and/or hypothec in the Collateral.

Please indicate, by signing below, that you acknowledge that you have not assigned your security interest, charge and/or hypothec and that you do not have and will not in the future claim any right, title, interest, hypothec, charge or security in the Collateral which ranks in priority to the right, title, interest, hypothec, charge and security interest now or hereafter held by CULEASE in the Collateral. For greater certainty, you are acknowledging and agreeing that, as against you, CULEASE shall have a first priority right, title, interest, hypothec, charge and security interest in the Collateral.

Yours truly,

**CULEASE FINANCIAL SERVICES**

For valuable consideration, and recognizing that CULEASE is relying on this acknowledgment in entering the Contract referred to herein, we hereby acknowledge and agree that we do not have and will not in the future claim any right, title, interest, hypothec, charge or security interest in the Collateral which ranks prior to the right, title, interest, hypothec, charge and security interest now or hereafter held by CULEASE in the Collateral, and we hereby postpone and subordinate to CULEASE for all purposes all rights, title, interests, hypothecs, charges and security interests that we may now have or hereafter acquire in the Collateral to all the rights, title, interests, hypothecs, charges and security interests that CULEASE may now have or hereafter acquire in the Collateral.

Dated this 10 day of November 2000

CANADIAN IMPERIAL BANK OF COMMERCE (Secured Creditor)

Per: [Signature]Name:  
Title:

SCHEDULE "A"

This is a description of the Equipment referred to as Schedule "A" in the attached Waiver Letter

<u>QTY</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>SERIAL NUMBER</u>
1	One (1) 330SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit # C000945	S/N: T03105E852994
1	One (1) 330SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit # C000939	S/N: T03105E892985
1	One (1) 644H 4WD Wheel Loader Unit # C000910	S/N: DW644HX578388
1	One (1) 544H 4WD Wheel Loader Unit # C000912	S/N: DWS44HX578389
1	One (1) 330LC Hydraulic Excavator Unit # C000944	S/N: FF0330X080964
1	One (1) 330LC Hydraulic Excavator Unit # C000919	S/N: FF0330X080941

Initial:           

TOTAL P 03

# JOHN DEERE LIMITED

P.O. Box 999, 295 Hunter Road, Grimsby, Ontario L3M 4B9



GINETTE M. SAVARD  
Finance Administration, Canada

20 November, 2000

Culease Financial Services  
2055 Albert Street, Box 5050  
Regina, SK  
S4P 3G8

At: Stephanie Wood

RE: Hickman Equipment (1985) Ltd. (the "Dealer")

We understand that you have or intend to provide financing to the Dealer and as security therefor, you have taken or you will take security (the "Lender's Security") charging the equipment of the Dealer which is described in the following:

refer to schedule "A" attached

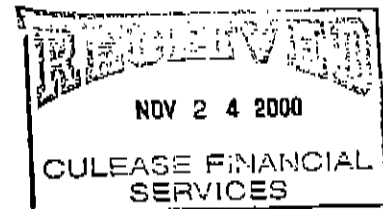
together with the proceeds, if any, arising from the sale, lease, rental or other disposition thereof (collectively referred to as the "Collateral").

We also hold security charging the Collateral, in whole or in part, such security as now held or as may be hereinafter acquired by us being referred to as the "JDL Security".

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we consent to the Dealer granting to you a security interest in the Collateral and we further agree that the Lender's Security as it relates to the Collateral shall rank in priority to the JDL Security, provided that the Lender's Security is validly perfected and enforceable in priority to all other parties and provided further, that the financing provided by you to the Dealer and the corresponding indebtedness of the Dealer to you is accounted for on an asset-specific basis and is attributed to the Collateral on an item by item basis.

Please be advised that this agreement as to priority is not given in perpetuity. Rather, it is given coincidental to the security interest granted to you by the Dealer in the Collateral. In this regard, when the obligations secured by such security interest are satisfied on any one or more item(s) of Collateral, the priority with respect to such item(s) of Collateral granted to you hereunder shall immediately and automatically cease and terminate.

Yours very truly  
JOHN DEERE LIMITED  
Per:   
Ginette M. Savard  
Finance Administration, Canada



**JOHN DEERE LIMITED****Schedule "A"**

**JOHN DEERE 310SE BACKHOE, S/N T0310SE892994**  
**JOHN DEERE 310SE BACKHOE, S/N T0310SE892985**  
**JOHN DEERE 644H 4WD WHEEL LOADER, S/N DW644HX578388**  
**JOHN DEERE 544H 4WD WHEEL LOADER, S/N DW544HX578389**  
**JOHN DEERE 330LC EXCAVATOR, S/N FR0330X080964**  
**JOHN DEERE 330LC EXCAVATOR, S/N FR0330X080941**

SUBSTITUTION AGREEMENT

THIS Lease Amending Agreement, made as of this 13<sup>th</sup> day of FEBRUARY, 2001

BETWEEN

CULEASE Financial Services  
2055 Albert Street  
Regina, Contacts(Fundor)001State]  
S4P 3G8  
(herein called "Lessor")

OF THE FIRST PART

AND

Hickman Equipment (1985) Limited  
1269 Topsail Road  
Mount Pearl, NFLD  
A1N 3C8  
(herein called "Lessee")

OF THE SECOND PART

WHEREAS the parties acknowledge that the Lessor has leased certain Equipment to the Lessee upon the terms and conditions set forth in a Lease Agreement dated 11/14/2000 (mm/dd/yy) ( the "Lease") a photocopy of which is attached hereto as Schedule "A":

AND WHEREAS Lessee has lost, destroyed, misplaced or otherwise parted with possession of certain of the Equipment being:

- One (1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit #C000939 S/N: T0310SSE892985
- One (1) 644H 4WD Wheel Load Unit # C000910 S/N: DW644HX578388

(the "Lost Equipment")

AND WHEREAS Lessee has obtained and caused to be sold to Lessor certain additional equipment being:

- One(1) TC54H T.C. Loader S/N: DWTC54H579078
- One(1) 624H 4WD Loader S/N: DW624HX579048

(the "Revised Equipment")

AND WHEREAS the parties have agreed to amend the subject leasing arrangement between them and this Agreement witnesses as follows:

1. The Equipment section, provided for in the above Identified Lease is hereby amended by deleting therefrom the Lost Equipment and adding thereto the Revised Equipment Identified above.
2. In all other respects the Lease is ratified and confirmed.
3. This Agreement is not intended as and shall not constitute a novation of the Lease.

IN WITNESS WHEREOF the parties have executed this Lease Amending Agreement as of the 13<sup>th</sup> day of FEBRUARY, 2001.

CULEASE Financial Services

LESSEE: Hickman Equipment (1985) Limited

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [Signature]  
Title: RISORING SALES REPRESENTATIVE  
By: [Signature]  
GARY HICKMAN  
CHIEF FINANCIAL OFFICER



2000-11-20  
11:48

Atlantic PPRS  
Verification Statement  
(New)

Province : Newfoundland and Labrador  
Registration Type : PPSA Financing Statement  
Registration Number : 661355  
Registration Date/Time : 2000-11-20 / 12:07  
Expiry Date : 2005-11-20  
Your File Number :

Registrant Name and Address

Registrant User ID: R174461  
Equifax Canada Inc.

National PPSA Services  
110 Sheppard Avenue East  
Toronto ON Canada M2N6S1

Debtors

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED  
GOLESKI, CORALEE  
1259 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

Secured Parties

BIGGAR AND DISTRICT CREDIT UNION LIMITED  
GOLESKI, CORALEE  
PO BOX 670  
BIGGAR SK Canada S0K0M0  
Telephone : 800-409-2029  
Fax : 800-852-9097

CREDIT UNION CENTRAL OF SASK C/O CULLEASE FINANCIAL SERVICES  
GOLESKI, CORALEE  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029  
Fax : 800-852-9097

CO-OPERATIVE TRUST CO OF CANADA C/O CULLEASE FINANCIAL SERVICES  
GOLESKI, CORALEE  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029  
Fax : 800-852-9097

General Description Collateral

COLLATERAL CLASSIFICATION: EQUIPMENT  
AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: NOV 14, 2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS CHATTEL PAPER,

NOV 20 2000 12:35 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 9180285297 P.04/07

2000-11-20  
11:48

Atlantic FPRS  
Verification Statement  
(New)

/AL18005dE  
page 2

SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, INSURANCE AND ALL OTHER  
PROCEEDS ARISING DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOOS,  
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE COLLATERAL.

SERIAL NUMBERS:

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKHOE LOADER 310SE
2000	JOHN DEERE BACKHOE LOADER 310SE
2000	JOHN DEERE 644H WHEEL LOADER
2000	JOHN DEERE 544H WHEEL LOADER
2000	JOHN DEERE 330LC HYDRAULIC EXCAVATOR
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330XD80941

SERIAL #  
T0310SE892994  
T0310SE892585  
DW644HX578388  
DW544HX578389  
FF0330XD80954

\*\*\* End of Report \*\*\*

NOV 20 2000 12:35 FR FPRS-EQUIPAX CDA. 1 800 253 5582 TO 918088525097 P.05/07

2000-11-20  
12:13

Atlantic PPRS  
Verification Statement  
(Amendment)

Fax : 800-852-9097

661371

ASSINIBOIA CREDIT UNION LIMITED

PO BOX 760  
ASSINIBOIA SK Canada S0H0S0

661371

KELVINGTON CREDIT UNION LIMITED

PO BOX 459  
KELVINGTON SK Canada S0A1W0

661371

YORKTON CREDIT UNION LIMITED

PO BOX 1210  
YORKTON SK Canada S3N2X3

661371

WETBURN CREDIT UNION LIMITED

PO BOX 1117  
WETBURN SK Canada S4H2L3

ADDED

General Description Collateral

661355

COLLATERAL CLASSIFICATION: EQUIPMENT  
AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: NOV 14, 2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS  
CHattel PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS,  
MONEY, INTANGIBLES, INSURANCE AND ALL OTHER PROCEEDS ARISING  
DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOOS,  
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE  
COLLATERAL,  
SERIAL NUMBERS:

SERIAL #:-

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKHOE LOADER
310SE	TU310SE892994
2000	JOHN DEERE BACKHOE LOADER
310SE	TU310SE892985
2000	JOHN DEERE 644H WHEEL
LOADER	DU644HXS78388
2000	JOHN DEERE 544H WHEEL
LOADER	DU544HXS78389
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080964
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080941

\*\*\* End of Report \*\*\*

NOV 20 2000 12:36 PM PPSA-EQUIFAX CDA. 1 800 263 5582 TO 91808852997 P.07/07

2000-12-11  
13:47

Atlantic PPRS  
Verification Statement  
(Amendment)

/ALAA001b6  
page 1

Province : Newfoundland and Labrador  
Registration Type : PPSA Financing Statement  
Registration Number : 695239  
Registration Date/Time : 2000-12-11 / 14:05  
Expiry Date : 2005-11-20  
Your File Number :

Registrant Name and Address

Registrant User ID: P174460  
Equifax Canada Inc.

National PPSA Services  
110 Sheppard Avenue East  
Toronto ON Canada M2N6S1

History of Registration Activity

Activity	Number	Date	Time	Expiry Date	Your File Number
Original	661355	2000-11-20	12:07	2005-11-20	
Amendment	661371	2000-11-20	12:31	2005-11-20	
Amendment	695239	2000-12-11	14:05	2005-11-20	

Debtors

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED  
GOLESKI, CORALEE  
1269 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED  
1269 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

ADDED

661355

DELETED

695239

Secured Parties

BIGGAR AND DISTRICT CREDIT UNION LIMITED  
GOLESKI, CORALEE  
PO BOX 670  
BIGGAR SK Canada S0K0M0  
Telephone : 800-409-2029  
Fax : 800-852-9097

CREDIT UNION CENTRAL OF SASK C/O CULEASE FINANCIAL SERVICES  
GOLESKI, CORALEE  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029

ADDED

661355

DELETED

695239

2000-12-11  
13:47

Atlantic PPRS  
Verification Statement  
(Amendment)

/A11a001b6  
page 2

Fax	: 800-852-9097		
CO-OPERATIVE TRUST CO OF CANADA C/O CULLEASE FINANCIAL SERVICES		661355	695239
GOLESKI, CORALEX			
PO BOX 3030			
REGINA SK Canada S4P3G8			
Telephone	: 800-409-2029		
Fax	: 800-852-9097		
ASSINIBOIA CREDIT UNION LIMITED		661371	
PO BOX 760			
ASSINIBOIA SK Canada S0H0B0			
KELVINGTON CREDIT UNION LIMITED		661371	
PO BOX 459			
KELVINGTON SK Canada S0A1W0			
YORKTON CREDIT UNION LIMITED		661371	
PO BOX 1210			
YORKTON SK Canada S3N2X3			
WEYBURN CREDIT UNION LIMITED		661371	
PO BOX 1117			
WEYBURN SK Canada S4H2L3			
BIGGAR AND DISTRICT CREDIT UNION LIMITED		695239	
PO BOX 670			
BIGGAR SK Canada S0K0M0			
Telephone	: 800-409-2029		
Fax	: 800-852-9097		
CREDIT UNION CENTRAL OF SASK C/O CULLEASE FINANCIAL SERVICES		695239	
PO BOX 3030			
REGINA SK Canada S4P3G8			
Telephone	: 800-409-2029		
Fax	: 800-852-9097		
CO-OPERATIVE TRUST CO OF CANADA C/O CULLEASE FINANCIAL SERVICES		695239	
PO BOX 3030			
REGINA SK Canada S4P3G8			
Telephone	: 800-409-2029		
Fax	: 800-852-9097		
General Description Collateral		ADDED	
=====		=====	
COLLATERAL CLASSIFICATION: EQUIPMENT		661355	

2000-12-11  
13:47

Atlantic FPRS  
Verification Statement  
(Amendment)

/ALAE001b6  
page 3

AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: NOV 14, 2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS  
CHattel PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS,  
MONEY, INTANGIBLES, INSURANCE AND ALL OTHER PROCEEDS ARISING  
DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOSS,  
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE  
COLLATERAL.

SERIAL NUMBERS:

SERIAL #-

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKHOE LOADER
310SE	TD310SE892994
2000	JOHN DEERE BACKHOE LOADER
310SE	TD310SE892985
2000	JOHN DEERE 644H WHEEL
LOADER	DW644HX578388
2000	JOHN DEERE 544H WHEEL
LOADER	DW544HX578389
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080964
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080941

695239

CLASSIFICATION: EQUIPMENT

AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: NOV, 14/2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS  
CHattel PAPER,  
SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES,  
INSURANCE AND  
ALL OTHER PROCEEDS ARISING DIRECTLY OR INDIRECTLY FROM THE  
DISPOSITION, EXCHANGE, LOSS, REPLACEMENT, RENEWAL, DESTRUCTION OF  
OR DEALING WITH THE COLLATERAL.

Serial Numbered Collateral

ADDED

DELETED

Collateral Type

Serial Number

Description

Motor Vehicle	2000 JOHN DEERE BACKHOE LOADER 310SE	695239
TD310SE892994		
Motor Vehicle	2000 JOHN DEERE BACKHOE LOADER 310SE	695239
TD310SE892985		
Motor Vehicle	2000 JOHN DEERE 644H WHEEL LOADER	695239
DW644HX578388		
Motor Vehicle	2000 JOHN DEERE 544H WHEEL LOADER	695239
DW544HX578389		
Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239
FF0330X080964		
Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239
FF0330X080941		

2000-12-11  
13:47

Atlantic FFRS  
Verification Statement  
(Amendment)

/AAAA001b6  
page 4

\*\*\* End of Report \*\*\*



2001-03-12  
20:06

Atlantic PPRS  
Notice to Secured Party

/CAAA0011Q  
page 1

CREDIT UNION CENTRAL OF SASK C/O CULEASE FINANCIAL SERVICES  
CORALEE GOLESKI  
PO BOX 3030  
REGINA SK S4P3G8  
Canada

NOTICE: The following registration has amended a registration in which you are identified.  
This report is intended to notify you of the nature of the activity.

Registrant Name and Address

Registrant User ID: P174460  
Equifax Canada Inc.

National PPSA Services  
110 Sheppard Avenue East  
Toronto ON Canada M2N6S1

Particulars of this Registration

Province : Newfoundland and Labrador  
Registration Type : PPSA Financing Statement  
Registration Number : 640363  
Registration Date/Time : 2001-03-12 / 20:21

History of Registration Activity

Activity	Number	Date	Time	Expiry Date	Your File Number
Original	661355	2000-11-20	12:07	2005-11-20	
Amendment	661371	2000-11-20	12:31	2005-11-20	
Amendment	695239	2000-12-11	14:05	2005-11-20	
Amendment	640363	2001-03-12	20:21	2005-11-20	

Debtors

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED  
GOLESKI, CORALEE  
1269 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

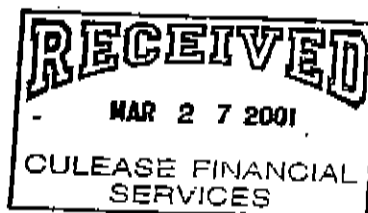
Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED  
1269 TOPSAIL Road  
MOUNT PEARL NF Canada A1N3C8

Secured Parties

ADDED	DELETED
661355	695239

695239

ADDED	DELETED





2001-03-12  
20:06

Atlantic PPRS  
Notice to Secured Party

/CAA001IQ  
page 2

-----  
BIGGAR AND DISTRICT CREDIT UNION LIMITED  
GOLESKI, CORALEE  
PO BOX 670  
BIGGAR SK Canada S0K0M0  
Telephone : 800-409-2029  
Fax : 800-852-9097

661355

695239

CREDIT UNION CENTRAL OF SASK C/O CULASE FINANCIAL SERVICES  
GOLESKI, CORALEE  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029  
Fax : 800-852-9097

661355

695239

CO-OPERATIVE TRUST CO OF CANADA C/O CULASE FINANCIAL SERVICES  
GOLESKI, CORALEE  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029  
Fax : 800-852-9097

661355

695239

ASSINIBOIA CREDIT UNION LIMITED  
PO BOX 760  
ASSINIBOIA SK Canada S0H0B0

661371

KELVINGTON CREDIT UNION LIMITED  
PO BOX 459  
KELVINGTON SK Canada S0A1W0

661371

YORKTON CREDIT UNION LIMITED  
PO BOX 1210  
YORKTON SK Canada S3N2X3

661371

WEYBURN CREDIT UNION LIMITED  
PO BOX 1117  
WEYBURN SK Canada S4H2L3

661371

BIGGAR AND DISTRICT CREDIT UNION LIMITED  
PO BOX 670  
BIGGAR SK Canada S0K0M0  
Telephone : 800-409-2029  
Fax : 800-852-9097

695239

CREDIT UNION CENTRAL OF SASK C/O CULASE FINANCIAL SERVICES  
PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029

695239

2001-03-12  
20:06

Atlantic PPRS  
Notice to Secured Party

/CAAA0011Q  
page 3

Fax : 800-852-9097

CO-OPERATIVE TRUST CO OF CANADA C/O CULEASE FINANCIAL SERVICES

695239

PO BOX 3030  
REGINA SK Canada S4P3G8  
Telephone : 800-409-2029  
Fax : 800-852-9097

General Description Collateral

ADDED

661355

COLLATERAL CLASSIFICATION: EQUIPMENT  
AMOUNT SECURED: \$1,200,000.00  
DATE OF MATURITY: NOV 14, 2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS  
CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS,  
MONEY, INTANGIBLES, INSURANCE AND ALL OTHER PROCEEDS ARISING  
DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOSS,  
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE  
COLLATERAL.

SERIAL NUMBERS:

SERIAL #-

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKOE LOADER
310SE	T0310SE892994
2000	JOHN DEERE BACKOE LOADER
310SE	T0310SE892985
2000	JOHN DEERE 644H WHEEL
LOADER	DW644HX578388
2000	JOHN DEERE 544H WHEEL
LOADER	DW544HX578389
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080964
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080941

695239

CLASSIFICATION: EQUIPMENT  
AMOUNT SECURED: \$1, 200, 000.00  
DATE OF MATURITY: NOV, 14/2005  
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS  
CHATTEL PAPER,  
SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES,  
INSURANCE AND  
ALL OTHER PROCEEDS ARISING DIRECTLY OR INDIRECTLY FROM THE  
DISPOSITION, EXCHANGE, LOSS, REPLACEMENT, RENEWAL, DESTRUCTION OF  
OR DEALING WITH THE COLLATERAL.

Serial Numbered Collateral

ADDED

DELETED

Collateral Type

Serial Number

Description

Motor Vehicle

2000 JOHN DEERE BACKOE LOADER 310SE

695239

2001-03-12  
20:06

Atlantic PPRS  
Notice to Secured Party

/CAAA001IQ  
page 4

TO310SE892994 Motor Vehicle	2000 JOHN DEERE BACKOE LOADER 310SE	695239	840363
TO310SE892985 Motor Vehicle	2000 JOHN DEERE 644H WHEEL LOADER	695239	840363
DW644HX578388 Motor Vehicle	2000 JOHN DEERE 544H WHEEL LOADER	695239	
DW544HX578389 Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080964 Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080941 Motor Vehicle	TCS4H T.C. LOADER	840363	
DWTCS4HS79078 Motor Vehicle	624H 4WD LOADER	840363	
DW624HX579048			

\*\*\* End of Report \*\*\*

November 8, 2000

Culease Financial Services  
2055 Albert Street  
Regina, Sk S4P 3G8

Subject Bill of Sale dated November 14, 2000

Gentlemen:

Please accept this letter as your authorization and direction to disburse proceeds of the subject Bill of Sale as follows:

Culease Financial Services	\$ 35,064.79
Hickman Equipment (1985) Limited	\$1,353,594.32


Payment by this method shall constitute full payment under the subject Bill of Sale.

Yours very truly,

Hickman Equipment (1985) Limited

Per: 

Name/Title GARY HILLIARD  
CHIEF FINANCIAL OFFICER

**CULEASE**  
Financial Services

2055 ALBERT STREET  
REGINA, SK S4P 3G8  
PHONE (306) 568-7910

6539

Nov 10, 2000  
DATE

PAY to the order of Hickman Equipment (1985) Limited \$ 676,797.16

- CULEASE -  
FINANCIAL SERVICES

676797 DOLS I 6 CTS

100 DOLLARS

CREDIT UNION CENTRAL - SASK.  
P.O. BOX 3030  
2055 ALBERT STREET  
REGINA, SASKATCHEWAN S4P 3G8


PER \_\_\_\_\_

PER \_\_\_\_\_

RE: Hickman Equipment

CULEASE FINANCIAL SERVICES

"006539" :99788-889: 100101023860

**CULEASE**  
Financial Services

2055 ALBERT STREET  
REGINA, SK S4P 3G8  
PHONE (306) 568-7910

6540

Nov 10, 2000  
DATE

PAY to the order of Hickman Equipment (1985) Limited \$ 676,797.16

- CULEASE -  
FINANCIAL SERVICES

676797 DOLS I 6 CTS

100 DOLLARS

CREDIT UNION CENTRAL - SASK.  
P.O. BOX 3030  
2055 ALBERT STREET  
REGINA, SASKATCHEWAN S4P 3G8

PER \_\_\_\_\_

PER \_\_\_\_\_

RE: Hickman Equipment

CULEASE FINANCIAL SERVICES

"006540" :99788-889: 100101023860



JOHN DEERE

**HICKMAN  
EQUIPMENT**

ANCHES

P.O. BOX 480, GRAND FALLS-WINDSOR, Nfld. A2A 2J8  
 TELEPHONE: (709) 488-2061 FAX: (709) 488-7243  
 P.O. BOX 1074, CORNER BROOK, Nfld. A2M 6G3  
 TELEPHONE: (709) 634-3161 FAX: (709) 634-5869  
 P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF. A0P 1S0  
 TELEPHONE: (709) 896-8866 FAX: (709) 896-8898

SAME AS BELOW

MODERN HOLDINGS LTD  
 P.O. BOX 580  
 GOULDS  
 NFLD A1S 1G6

Branch 01 - MOUNT PEAR*REPRINT*		
Date 03/01/2001	Time 12:36:54 (O)	Page 1
Account No. MODER002	Phone No. 7093647283	Invoice No. 7 000759
Ship Via		Purchase Order
Sales Tax License No.		Federal Exemption No.
		Salesperson PCB

## DESCRIPTION

## DESCRIPTION

## AMOUNT

Fold -

Stock #:	C000963	Serial #:	FF0330X080941	325000.00
ONE ONLY JOHN DEERE 330LC EXCAVATOR				
Stock #:	C001233	Serial #:	T0850CX896776	299000.00
ONE ONLY JOHN DEERE 850C DOZER				
Stock #:	N1678	Serial #:	35NB6911	20000.00
ONE ONLY USED CAT D350C TRUCK				

## TRADE INS

Stock #:	C001225	Serial #:	8FK00848	100000.00-
LESS TRADE ONE ONLY USED CAT 330 EXCAVATOR				
Stock #:	C001226	Serial #:	5TJ02858	260000.00-
LESS TRADE ONE ONLY USED CAT D8N DOZER				
Stock #:	C001227	Serial #:	N/A	18000.00-
LESS TRADE ONE ONLY USED TEREX TRUCK				
Stock #:	C001228	Serial #:	R10031	8000.00-
LESS TRADE ONE ONLY USED I/R ECM350 AIR TRACK				
Stock #:	C001229	Serial #:	172821	8000.00-
LESS TRADE ONE ONLY USED I/R XP825 COMPRESSOR				

Subtotal: 250000.00  
 15 % H.S.T.: 37500.00  
 Total: 287500.00

## DISCLAIMER OF WARRANTIES

Any warranties on the product sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties, either express or implied, including and implied warranty of merchantability or fitness for a particular purpose, and the seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the said products. Any limitation contained herein does not apply where prohibited by law. Title to goods described remain in Vendor's name until fully paid.

GOODS RECEIVED BY \_\_\_\_\_

## BILL OF SALE

This **BILL OF SALE** made this 9th day of February, 2001

BETWEEN:

**Hickman Equipment (1985) Limited**  
(hereinafter called the 'Grantor')

and -

**Culease Financial Services**  
(hereinafter called the 'Grantee')

IN CONSIDERATION of the sum of

Six Hundred Forty-Five Thousand Five Hundred Fifty-Four & 17/100 (\$645,554.17) plus HST

paid by the Grantee to the Grantor (receipt whereof is hereby acknowledged) the Grantor absolutely transfers unto the Grantee the following Chattels:

One(1) New John Deere 310SG Backhoe Loader S/N: T0310SG895027  
One(1) New John Deere 310SG Backhoe Loader S/N: T0310SG895252 Unit # 0004082  
One(1) New John Deere 450LC Base Excavator S/N: FF0450LC80520 Unit # 0004084

THE GRANTOR COVENANTS:

1. The Grantor is now rightfully and absolutely possessed of the Chattels and has the right to sell them;
2. That the Grantee shall enjoy the quiet possession of the
3. That the Chattels are free from and charge of encumbrance except as hereinafter noted.

IN WITNESS WHEREOF the Grantor has hereunto set his had and seal.

**SIGNED, SEALED AND DELIVERED**  
in the presence of:

Witness

**Hickman Equipment (1985) Limited**

Per: [Signature]

Name/Title: John Hickman  
President/General Manager

## LEASE AGREEMENT

(A service provided by Co-operative Trust Company of Canada)

CLIENT NUMBER: 3867  
LEASE NUMBER: 4322-2

<b>CUSTOMER NAME</b>	NAME: <u>Hickman Equipment (1985) Limited</u>					
<b>BILLING ADDRESS</b>	STREET: <u>1269 Topsall Road</u> PROVINCE: <u>NFLD</u> POSTAL CODE: <u>A1N 3C8</u>					
Full Legal Name & Address:	CITY: <u>Mount Pearl</u> TELEPHONE NO.: <u>709-368-9660</u> FAX NO.: <u>709-368-1146</u>					
<b>CUSTOMER CONTACT:</b>	PERSON TO CONTACT: <u>SALES REP:</u>					
<b>TAX EXEMPTION NUMBER:</b>	GST: <u>SALE AND LEASEBACK</u>					
<b>VENDOR:</b>	ADDRESS: <u>SALE AND LEASEBACK</u>					
<b>EQUIPMENT DESCRIPTION:</b>	QUANTITY:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)				
	1	One(1) New John Deere 310SG Backhoe Loader S/N: T0310SG895027				
	1	One(1) New John Deere 310SG Backhoe Loader Unit #C001082 S/N: T0310SG895252				
	1	One(1) New John Deere 450LC Base Excavator Unit #C001084 S/N: FF0450X090590				
	END OF TERM MINIMUM RESALE VALUE: \$ <u>10.00</u>					
<b>RENTAL DETAILS</b>	FREQUENCY: MONTHLY <input checked="" type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER <input type="checkbox"/>					
	FIRST PAYMENT DUE: <u>02/09/2001(mm/dd/yy)</u> (*Payments subject to change if tax amounts change)					
PAYMENTS WILL BE MADE IN ADVANCE	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	TOTAL PAYMENT
	48	48	16,522.38	N/A	2,478.36	19,000.74
<b>INSURANCE AGREEMENT</b>	INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.					
	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ <u>0</u> (Initial if coverage requirement waived)					
<b>FINANCIAL INFORMATION</b>	NAME OF FINANCIAL INSTITUTION: <u>REGIONAL SALES MGMT. INC.</u>					
<b>PRE-AUTHORIZED PAYMENT PLAN</b>	BRANCH LOCATION: <u>ACCOUNT INFORMATION:</u>					
	Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.					
	Authorized Cheque Signer (S): <u>CHIEF FINANCIAL OFFICER</u> (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)					

**CUSTOMER ACKNOWLEDGEMENTS**  
IN THIS AGREEMENT THE WORDS CUSTOMER, LESSOR AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THE LESSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES REGARDING THE EQUIPMENT; YOU ACKNOWLEDGE AND AGREE YOU HAVE SELECTED THE EQUIPMENT FOR LEASE; YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT; IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU HEREBY APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE.

### CULEASE Financial Services EXECUTED AS LESSOR

BY: [Signature]  
Authorized Signature

GST #: 10114 3915 RT0001

### ASSIGNMENT

If this part is completed, LESSOR HEREBY ASSIGNS, CONVEYS AND TRANSFERS all right, title and interest in this Agreement and the Equipment to the named Assignee and where completed at the time of signing Customer acknowledges notice of such assignment. The Assignee acknowledges having read the entire lease and accepts the Terms and Conditions that are part of this lease.

### CULEASE Financial Services

Lessor: [Signature]  
Assigned to: Weyburn Kelvington  
Accepted by: [Signature]  
Authorized Signature

### CUSTOMER: (Legal Name)

Hickman Equipment (1985) Limited

The undersigned affirms that he/she is duly authorized to execute this Agreement.

By: [Signature] Title: REGIONAL SALES MGMT. INC.  
By: [Signature] Title: CHIEF FINANCIAL OFFICER

DATE OF AGREEMENT: 02/09/2001(mm/dd/yy)

### DELIVERY AND ACCEPTANCE CERTIFICATE

Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE sign this lease and pay the equipment vendor.

Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.  
1269 Topsall Road Mount Pearl, NFLD A1N 3C8

CUSTOMER (Legal Name): Hickman Equipment (1985) Limited

The undersigned affirms that he/she is duly authorized to execute this Certificate.

BY: [Signature] Title: REGIONAL SALES MGMT. INC.  
BY: [Signature] Title: CHIEF FINANCIAL OFFICER

DATE OF DELIVERY AND ACCEPTANCE: 02/09/2001(mm/dd/yy)





## LEASE AGREEMENT

(A service provided by Co-operative Trust Company of Canada)

CLIENT NUMBER: 3867  
LEASE NUMBER: 4322-3  
To be completed by CULEASE Financial Services

<b>CUSTOMER NAME</b>	NAME: <u>HICKMAN EQUIPMENT (1985) LIMITED</u>					
<b>BILLING ADDRESS</b>	STREET: <u>1269 TOPSAIL RD</u>					
Full Legal Name & Address	CITY: <u>MOUNT PEARL</u>	PROVINCE: <u>NFLD</u>	POSTAL CODE: <u>A1N-3C8</u>			
<b>CUSTOMER CONTACT</b>	PERSON TO CONTACT:		TELEPHONE NO.:		FAX NO.:	
<b>TAX EXEMPTION NUMBER</b>	GST:		PST:		SALES REP:	
<b>VENDOR</b>	NAME: <u>SALE AND LEASEBACK</u>					
	ADDRESS:					
<b>EQUIPMENT DESCRIPTION</b>	QUANTITY:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)				
	1	ONE NEW JOHN DEERE 310SG BACKHOE LOADER SN: T0310SG695027 UNIT# C001082				
	1	ONE NEW JOHN DEERE 310SG BACKHOE LOADER SN: T0310SG695252 UNIT# C001084				
	1	ONE NEW JOHN DEERE 450 LC BASE EXCAVATOR SN: FF045X090590				
	END OF TERM MINIMUM RESALE VALUE: \$ <u>10.00</u>					
<b>RENTAL DETAILS</b>	ADVANCE PAYMENT DATE: <u>N/A</u> (To be completed by CULEASE Financial Services)					
Payments will be made in advance.	NEXT PAYMENT DATE:					
Payments subject to change if tax amounts change.	FREQUENCY: <input type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input checked="" type="checkbox"/> OTHER					
(estimated; subject to verification by CULEASE Financial Services)	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	TOTAL PAYMENT
	38	24	26,353.57	N/A	3953.04	30,306.61
	PER ATTACHED SCHEDULE 'B'					
<b>INSURANCE AGREEMENT</b>	INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.					
	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ <u>5</u>					
	THIRD PARTY COVERAGE WAIVED (Initial if coverage requirement waived)					
<b>FINANCIAL INFORMATION</b>	NAME OF FINANCIAL INSTITUTION:					
	BRANCH LOCATION:			ACCOUNT INFORMATION:		
<b>PRE-AUTHORIZED PAYMENT PLAN</b>	Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque in cover the Rental and other amounts due under this Agreement.					
	Authorized Cheque Signer (s): * <u>[Signature]</u> Title(s): * <u>General Manager</u>					
	(PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)					

**CUSTOMER ACKNOWLEDGEMENTS**  
IN THIS AGREEMENT THE WORDS CUSTOMER, LESSEE AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER(S). BY SIGNING THIS AGREEMENT YOU ACKNOWLEDGE THE LESSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES REGARDING THE EQUIPMENT. YOU ACKNOWLEDGE AND AGREE YOU HAVE SELECTED THE EQUIPMENT FOR LEASE. YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT. IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU HEREBY APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE. WHERE THERE IS MORE THAN ONE CUSTOMER YOU ACKNOWLEDGE YOUR OBLIGATION AND LIABILITY IS JOINT AND SEVERAL.

### CULEASE Financial Services EXECUTED AS LESSOR

BY: [Signature]  
Authorized Signature

GST #: 10114 3915 RT0001

### ASSIGNMENT

If this part is completed, LESSOR HEREBY ASSIGNS, CONVEYS AND TRANSFERS all right, title and interest in this Agreement and the Equipment to the named Assignee and where completed at the time of signing Customer acknowledges notice of such assignment. The Assignee acknowledges having read the entire lease and accepts the Terms and Conditions that are part of this lease.

### CULEASE Financial Services

LESSOR: [Signature]  
Authorized Signature

Assigned to: WELBURN KELWING TR

Accepted by: [Signature]  
Authorized Signature

To be completed by CULEASE Financial Services

### CUSTOMER: (Legal Name)

HICKMAN EQUIPMENT (1985) LIMITED

The undersigned affirms that he/she is duly authorized to execute this Agreement.

By: \* [Signature] Title: \* General Manager

By: \* [Signature] Title: \* V.P. Sales & Mktg

DATE OF AGREEMENT: \* Dec 9 2011  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.

### DELIVERY AND ACCEPTANCE CERTIFICATE

Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE Financial Services sign this lease and pay the equipment vendor.

Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.

CUSTOMER (Legal Name): HICKMAN EQUIPMENT (1985) LIMITED

The undersigned affirms that he/she is duly authorized to execute this Certificate.

BY: \* [Signature] Title: \* General Manager

BY: \* [Signature] Title: \* V.P. Sales & Mktg

DATE OF DELIVERY AND ACCEPTANCE: \* Dec 10 2011  
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.



NOV-25-2001 11:45

CULEASE

9 1 800 852 9097 P.04/04

Schedule "B"

Payment Schedule for Lease# 4322-3

December 09, 2001 to March 09, 2002 (inclusive)	\$0.00
April 09, 2002 to November 09, 2002 (inclusive)	\$26,353.57 + HST
December 09, 2002 to March 09, 2003 (inclusive)	\$0.00
April 09, 2003 to November 09, 2003 (inclusive)	\$26,353.57 + HST
December 09, 2003 to March 09, 2004 (inclusive)	\$0.00
April 09, 2004 to November 09, 2004 (inclusive)	\$26,353.57 + HST
December 09, 2004 to January 09, 2005 (inclusive)	\$0.00

February 09, 2005 (End of Term Minimum Resale Value) \$10.00

Hickman Equipment (1985) Limited

By:

[Signature]  
Authorized Signature

John King - General Manager  
Print Name & Title

[Signature]  
Authorized Signature

Harriet Hunt V.P. Finance & Administration  
Print Name & Title

FEB. 14. 2001 2:04PM

ADVANTA FINANCIAL

Commercial Banking Centre, St. John's Nfld.

NO. 635

P. 3/6



# PRIORITY AGREEMENT

This Agreement is entered into as of February 13, 2001 between Canadian Imperial Bank of Commerce ("CIBC"), Culcross Financial Services (the "Creditor") and Richmond Equipment (1965) Limited (the "Customer").

## Recitals

CIBC and the Creditor (each a "Secured Party") conduct business with the Customer who has given or intends to give security to each of them. The Secured Parties and the Customer have entered into this Agreement for the purpose, among other reasons, of establishing the priority of the Security of the Secured Parties.

Accordingly, for good and valuable consideration, the Secured Parties and the Customer agree to the following:

## 1. DEFINITIONS

- (a) "Asset" means any of the assets described in the Schedule to this Agreement. (A)
- (b) "Collateral" means all personal property, present and future, which the Customer owns or has an interest in.
- (c) "Proceeds" means identifiable or traceable property in any form derived directly or indirectly from any dealing with an Asset (including, among other things, any sale, lease, transfer or exchange of Assets, and any payment representing indemnity or compensation for loss of, damage to or destruction of an Asset or proceeds therefrom).
- (d) "Security" of a Secured Party means all security interests in the Collateral now or in the future held by that Secured Party for the payment of all or any part of the Customer's present or future indebtedness (whether matured or unmatured, direct or indirect, or absolute or contingent, however incurred) to that Secured Party.

## 2. PRIORITY OF SECURITY

### (a) Priority of Security

CIBC's Security has priority over all of the Creditor's Security except (i) as provided in paragraph 2(b) below, and (ii) that the Creditor's Security in an Asset and its Proceeds has priority over CIBC's Security in the Asset and its Proceeds to the extent of the unpaid principal amount of the value provided by the Creditor and used by the Customer to acquire rights in the Asset, plus interest and all reasonable expenses of representation and realization of the Asset or its Proceeds.

### (b) Bank Accounts with CIBC

CIBC may operate and deal with any account or deposit of the Customer (including, among other things, applying any amount credited to those accounts or deposits against any of the Customer's

FEB-13-2001 07:25

352 423 5847

P. 52

FEB.14.2001 2:04PM ADVANTA FINANCIAL

NO.635 P.4/6

date to CIBC from time to time) free of the Creditor's Security, mail a CIBC branch where those accounts are maintained or those deposits are banked respective written notice from the Creditor stating that the Customer is in default in connection with the Creditor's Security. When the branch receives such a notice, CIBC need not pay any cheques drawn by the Customer on any of its accounts at that branch, and may prohibit the withdrawal or transfer of funds in such accounts or from such deposits, until CIBC is notified, on a reasonable basis, that it would not incur any liability or loss in doing so. In order to be effective, notice under this paragraph 2(b) must be addressed to the attention of the Manager of the Banking Office noted above. Notice under this paragraph 2(b) is effective on the date it is actually received, and only affects accounts and deposits of the Customer with the branch that receives the notice.

(c) **Application**

Except as provided in section 3, the priorities established under this Agreement apply despite the rules established under any personal property security legislation or other applicable law.

### 3. ENFORCEABILITY OF SECURITY

Each Secured Party represents and warrants to the other that its Security is enforceable, valid and perfected, and that it has not been, and will not be, subordinated or postponed to any other person, firm or corporation. If any of the foregoing is not true, now or in the future, this Agreement does not apply to the applicable portion of the Secured Party's Security, and any amounts paid to a Secured Party as a result of this Agreement in respect of that applicable portion will be held in trust for, and paid over to, the other Secured Party.

### 4. INFORMATION ABOUT THE COLLATERAL

Each Secured Party will, from time to time, upon reasonable request, provide the other in writing with any information requested by the other Secured Party that it has about the Collateral. The Customer consents to each of the Secured Parties providing the other Secured Party with such information.

### 5. RIGHT TO DEAL

A Secured Party may from time to time increase, reduce, discontinue or otherwise vary the Customer's credit facilities, grant extensions of time or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer and others as the Secured Party considers appropriate without affecting the rights and obligations of the other Secured Party or the Customer.

### 6. MISCELLANEOUS

#### (a) Assignment of Security

A Secured Party may not assign any of its Security unless the assignor consents in writing to be bound by this Agreement and agrees to provide the other Secured Party with a copy of that consent.

#### (b) Termination

A Secured Party may terminate this Agreement upon 10 days' prior written notice to the other Secured Party and the Customer. This Agreement does not govern transactions after that

FEB-13-2001 07:38

982 425 3847

P.03

FEB.14.2001 2:05PM ADVANTA FINANCIAL

NOTICE INFORMATION:

Commercial Building Corp  
Box 340, St John's NF A1C 3B  
TEL 709-576-5764

NOTICE INFORMATION:

CULFAS FINANCIAL SERVICES  
Box 2036, Miramichi, NB E1V 2A8  
TEL (506) 524-7715

NOTICE INFORMATION:

Hickman Equipment (NS) Limited  
Box 500, Miramichi, NB E1V 2A8  
TEL (506) 524-1116

NO.635 P.5/6

CANADIAN IMPERIAL BANK OF COMMERCE

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: CLERK

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: DIRECTOR

CULFAS FINANCIAL SERVICES

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: MANAGER, CREDIT CONTROL

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: MANAGER, OPERATIONS

HICKMAN EQUIPMENT (NS) LIMITED

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: REGIONAL CREDIT MANAGER

By: [Signature]  
 Name: DAVID J. FURBER  
 Title: V.P.

FEB. 14. 2001 2:05PM ADVANTA FINANCIAL

D 1 00NO.635097 P.6/635097

## Schedule A

The following is the description of the assets referred to in Section 1 of this Agreement:

- 2 - New John Deere 3155G Backhoe Loaders
- 1 - New John Deere 450LC Backhoe Loader
- 1 - New 624H 4WD Loader
- 1 - New TC54H T.C. Loader

✓ S/N T0108C680007, T0108C680002 ✓  
 ✓ S/N 5704300000000 ✓  
 S/N DW624EC00000000  
 S/N DWTC04H579078

FEB-13-2001 07:28

002 400 0047

RE TOTAL, FEB-05 00  
 P.05

FEB 13 '01 16:44

TOTAL P.05

D 1 00NO.635097 P.6/635097



FEB-15-2001 10:58AM 10:22 ADVANTIA FINANCIAL

FAX: 613 226 8091 NO. 723 P. 2/3 PAGE 2

FEB-15-2001 18:35

JOHN DEERE LIMITED

985 945 1267 P. 02/03

# JOHN DEERE LIMITED

P.O. Box 500, 205 Hunter Road, Oshawa, Ontario L3M 4S0



GINETTE M. SAVARD  
Finance Administration, Canada

15 February, 2001

Calcase Financial Services  
2055 Albert Street, Box 3030  
Regina, SK  
S4P 3G8

Attn: Susan McAllister

RE: Hickman Equipment (1985) Ltd. (the "Dealer")

We understand that you have or intend to provide financing to the Dealer and as security therefor, you have taken or you will take security (the "Lender's Security") charging the equipment of the Dealer which is described in the following:

refer to schedule "A" attached

together with the proceeds, if any, arising from the sale, lease, rental or other disposition thereof (collectively referred to as the "Collateral").

We also hold security charging the Collateral, in whole or in part, such security as now held or as may be hereinafter acquired by us being referred to as the "IDL Security".

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we consent to the Dealer granting to you a security interest in the Collateral and we further agree that the Lender's Security as it relates to the Collateral shall rank in priority to the IDL Security, provided that the Lender's Security is validly perfected and enforceable in priority to all other parties and provided further, that the financing provided by you to the Dealer and the corresponding indebtedness of the Dealer to you is accounted for on an asset-specific basis and is attributed to the Collateral on an item by item basis.

Please be advised that this agreement as to priority is not given in perpetuity. Rather, it is given coincidental to the security interest granted to you by the Dealer in the Collateral. In this regard, when the obligations secured by such security interest are satisfied on any one or more item(s) of Collateral, the priority with respect to such item(s) of Collateral granted to you hereunder shall immediately and automatically cease and terminate.

Yours very truly  
JOHN DEERE LIMITED

Per

Ginette M. Savard  
Finance Administration, Canada

FEB 16 2001 12:10:59 PM 10:27 ADVANTAGE FINANCIAL  
FEB-15-2001 18:36 JOHN DEERE LIMITED

FAX: 8132268091 NO. 723 P. 3/3  
PAGE 3  
925 945 1257 P. 03/03

JOHN DEERE LIMITED

Schedule "A"

JOHN DEERE 310SG BACKHOE, S/N T0310SG295027  
JOHN DEERE 310SG BACKHOE, S/N T0310SG295252  
JOHN DEERE 450LC EXCAVATOR, S/N FF0450X090590  
JOHN DEERE 624H 4WD WHEEL LOADER, S/N DW624HKS79048  
JOHN DEERE TC34H WHEEL LOADER, S/N DWTC34HS79076 } ON LEASE # 4234-1

11/21/01 WED 08:58 FAX 306 327 5100

KELVINGTON CREDIT UNION

001



**REQUEST FOR AMENDMENT TO EXISTING LEASE**

**Lessee:** Hickman Equipment (1985) Limited  
**Lease Number:** 4322-02

Subject lease was booked in Feb/01. The assets are 2 backhoes and one excavator. The Gross Contract Receivable as at 11/19/01 is \$627,853.98. The lease is up to date, 10 monthly payments have been made as agreed.

The lessee has requested an amendment to the existing lease contract. In an effort to better manage their cash flow, they have requested payment skips for the months of December through March inclusive. Their request does not require a change of term, thus the remaining monthly payments would increase as per the schedule below:

Existing Payment Structure:		Amended Payment Structure:	
AMOUNT:	\$16,522.21	AMOUNT:	\$26,365.38
FREQUENCY:	Monthly	FREQUENCY:	Monthly*
TERM:	48 months	TERM:	48 months
RATE:	8.800%	RATE:	8.800%
RATE of RETURN:	7.509%	RATE of RETURN:	7.558%
		*Payment skips for the months of December to March inclusive each year.	

We note that an additional lease for \$2,000,000 was approved by CULEASE and CUCS in Oct/01. We have attached a copy of the Credit Submission, including financial statement analysis, for your review.

**LEASE AMENDMENT APPROVAL**

I/WE ☒ **APPROVE** ☐ **DECLINE** ☐ **DEFER**  
 Fax Number: Attn:

Lease Amendment is approved subject to:

Date: Nov 20 2001 Signed:   
 KELVIN GORDON Credit Union Ltd.

0-21-01 09:37 FROM WEYBURN CREDIT UNION

ID: 305 042 8820

PAGE 1.



**REQUEST FOR AMENDMENT TO EXISTING LEASE**

<b>Lessee:</b>	Hickman Equipment (1985) Limited
<b>Lease Number:</b>	4322-02

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FREQUENCY:	Monthly	FREQUENCY:	Monthly*
TERM:	48 months	TERM:	48 months
RATE:	8.800%	RATE:	8.800%
RATE of RETURN:	7.508%	RATE of RETURN:	7.558%
		*Payment skips for the months of December to March inclusive each year.	

We note that an additional lease for \$2,000,000 was approved by CULEASE and CUCS in Oct/01. We have attached a copy of the Credit Submission, including financial statement analysis, for your review.

**LEASE AMENDMENT APPROVAL**

I/WE ☒ **APPROVE** ☐ **DECLINE** ☐ **DEFER**  
Fax Number: \_\_\_\_\_ Attn: \_\_\_\_\_

Lease Amendment is approved subject to:

Date: Nov 21, 2001 Signed: [Signature]

FEB 20 2001 18:00 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 918008529097

P.03/04

PPSA

2001-02-20  
17:25

Atlantic PPRS  
Verification Statement  
(New)

/AA1a002y-  
page 1

Province : Newfoundland and Labrador  
Registration Type : PPSA Financing Statement  
Registration Number : 808178  
Registration Date/Time : 2001-02-20 / 17:42  
Expiry Date : 2006-02-20  
Your File Number :

Registrant Name and Address

Registrant User ID: P174460  
Equifax Canada Inc.

National PPSA Services  
110 Sheppard Avenue East  
Toronto ON Canada M2N6S1

Debtors

Debtor Type : Enterprise  
HICKMAN EQUIPMENT (1985) LIMITED

1269 TOPSAIL Road  
MOUNT PEARL NT Canada A1N3C8

Secured Parties

WEYBURN CREDIT UNION LIMITED

PO BOX 1117  
WEYBURN SK Canada S4H2L3

KELVINGTON CREDIT UNION LIMITED

PO BOX 459  
KELVINGTON SK Canada S0A1W0

General Description Collateral

CLASSIFICATION: EQUIPMENT  
PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS, CHATTEL PAPER, SECURITIES,  
DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, INSURANCE AND ALL OTHER  
PROCEEDS ARISING DIRECTLY OR INDIRECTLY FROM THE DISPOSITION, EXCHANGE, LOSS,  
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE COLLATERAL.

Serial Numbered Collateral

Collateral Type	Serial Number	Description
Motor Vehicle	FF04SDX090590	2001 JOHN DEERE 450LC BASE EXCAVATOR
Motor Vehicle	T0310SG895252	2001 JOHN DEERE BACKHOE LOADER 310SG
Motor Vehicle	T0310SG895027	2001 JOHN DEERE BACKHOE LOADER 310SG

Additional Information

FEB 20 2001 18:00 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 918008529097

P.04/04

2001-02-20  
17:25

Atlantic PPRS  
Verification Statement  
(New)

/1111002y-  
page 2

=====

AMOUNT SECURED: \$645,554.17  
DATE OF MATURITY: FEB. 15. 2006

\*\*\* End of Report \*\*\*

P17

February 7, 2001

Culease Financial Services  
2055 Albert Street  
Regina, SK  
S4P 3G8

Subject: Bill of Sale dated February 9, 2001.

Gentlemen:

Please accept this letter as your authorization and direction to disburse proceeds of the subject Bill of Sale as follows:

Culease Financial Service  
Hickman Equipment (1985) Limited

\$ 19,000.74  
\$723,386.56

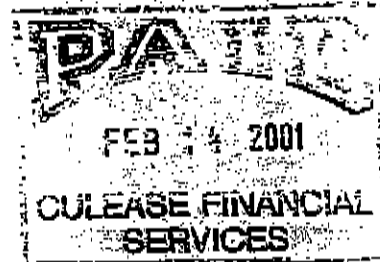
Payment by this method shall constitute full payment under the subject Bill of Sale.

Yours very truly,

Hickman Equipment (1985) Limited

Per: 




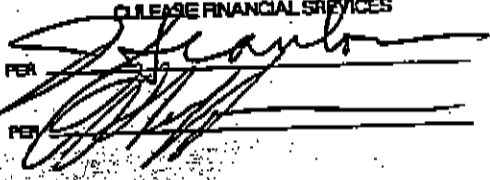
Name/Title: JOHN KIRK, REGIONAL SALES MANAGER



To Shirley

Fr Brenda - CULEASE.

We are depositing this cheque this afternoon. done

		2055 ALBERT STREET REGINA, SK S4P 3G8 PHONE (306) 566-7910	7093
			<u>FEB 14 2001</u> DATE
PAY to the order of	<u>HICKMAN EQUIPMENT (1985) LTD</u>		\$ 723,386.56
	<u>- CULEASE - 723386 DOLLARS 56 CTS</u>		DOLLARS 
	CREDIT UNION CENTRAL - SASK. P.O. BOX 3030 2055 ALBERT STREET REGINA, SASKATCHEWAN S4P 3G8		CULEASE FINANCIAL SERVICES
RE:	<u>HICKMAN EQUIPMENT (1985) LTD</u>		PER 
⑈007093⑈ ⑆99788⑈889⑆ 100101023860⑈			





11TH AVE. & HAMILTON  
REGINA, SASK.

REFERENCE RÉFÉRENCI

8065162

DATE

Feb/14/2001 15:4

PAYMENT ORDER ORDRE DE PAIEMENT

BY INTERBRANCH PAYMENT

723,386.56 CANADIAN DOLLAR

VALUE DATED Feb/14/2001

CURRENCY.....: CANADIAN DOLLAR

RECEIVING TRANSIT...: 00063

FOREIGN AMOUNT.....: 723,386.56

EXCHANGE RATE.....: 1.0

CANADIAN EQUIVALENT: 723,386.56

HANDLING CHARGES....: 15.00

CANADIAN AMOUNT.....: 723,401.56

CUSTOMER'S ACCOUNT.: 00008/

COMMENTS: CHEQUE FROM CREDIT

REMITTER.....: CULEASE FINANCIAL SERVICES

CHEQUE DRAWN ON CREDIT UNION SASK

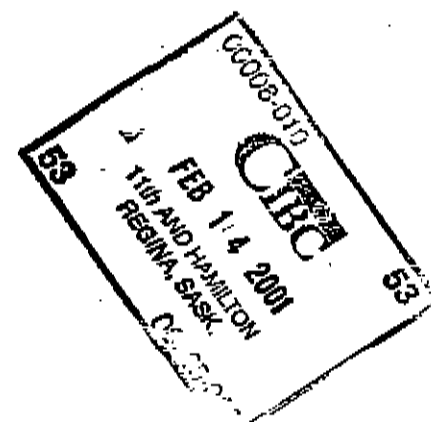
FUNDS NOT GUARANTEED

BENEFICIARY.....: ACCOUNT==&gt; 2801

HICKMAN EQUIPMENT

PAYMENT DETAILS.....: RE

PAYMENT INSTRUCTION: CREDIT ACCOUNT UNDER ADVICE



Please arrange the payment described above upon the Terms and Conditions on the reverse of this Payment Order. The undersigned acknowledges having read the Terms and Conditions and agrees to be bound by them. If more than one Customer signs this Payment Order the Customers agree that their liability pursuant to this Payment Order shall be joint and several. Nous accusons par les présentes réception, à titre de mandataire du donneur d'ordre, du montant nécessaire pour effectuer le paiement indiqué ci-dessus, sous réserve des modalités et conditions figurant au verso du présent ordre de paiement. Le soussigné reconnaît et accepte d'être lié par celles-ci. Si plus d'un client signe le présent ordre de paiement, les clients reconnaissent qu'ils seront solidairement responsables.

DATE: \_\_\_\_\_ NAME OF CUSTOMER: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_  
Receipt is hereby acknowledged by us, as agents of the remitter, of the signature of the customer to arrange the payment described above, subject to the terms and conditions appearing on the reverse hereof. Nous accusons par les présentes réception, à titre de mandataire du donneur d'ordre, du montant nécessaire pour effectuer le paiement indiqué ci-dessus, sous réserve des modalités et conditions figurant au verso des présentes.

CANADIAN IMPERIAL BANK OF COMMERCE BANQUE CANADIENNE IMPERIALE DE COMMERCE

SIGNATURES - BRANCH OFFICERS SIGNATURE DES EMPLOYES DU CENTRE



JOHN DEERE

**HICKMAN  
EQUIPMENT**B  
R  
A  
N  
C  
H  
E  
S

P.O. BOX 620, MT. PEARL, MS. 39262 FAX: (709) 368-1146  
 TELEPHONE: (709) 368-9660  
 P.O. BOX 460, GRAND FALLS-WINDSOR, Nfld. A2A 2J9  
 TELEPHONE: (709) 489-2561 FAX: (709) 489-7243  
 P.O. BOX 1074, CORNER BROOK, Nfld. A2H 6G3  
 TELEPHONE: (709) 634-3161 FAX: (709) 634-5899  
 P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF. A0P 1S0  
 TELEPHONE: (709) 896-8666 FAX: (709) 896-8999

P20

SAME AS BELOW

COMPLETE PAVING LTD  
 PO BOX 746  
 MOUNT PEARL  
 NF A1N 2Y2

Branch 01 - MOUNT PEAR*REPRINT*		
Date 04/09/2001	Time 13:29:07 (O)	Page 1
Account No. COMPL001	Phone No. 7093646637	Invoice No. 04 000781
Ship Via		Purchase Order
Sales Tax License No.		Federal Exemption No.
		Salesperson PCB

## DESCRIPTION

AMOUNT

DESCRIPTION

Fold —

Stock #: C001120	Serial #: FF0450X090590	455000.00
ONE ONLY JOHN DEERE 450LC EXCAVATOR		
Stock #: C001294	Serial #: 131948	113000.00
ONE ONLY TRAMAC V55 BREAKER		

## TRADE INS

=====

Stock #: C001295	Serial #: FF992EX007040	In Stock	250000.00-
ESS TRADE ONE ONLY USED JOHN DEERE 992E EXCAVATOR			

Subtotal: 318000.00  
 15 % H.S.T.: 47700.00  
 Total: 365700.00

## DISCLAIMER OF WARRANTIES

Any warranties on the product sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties, either express or implied, including and implied warranty of merchantability or fitness for a particular purpose, and the seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the said products. Any limitation contained herein does not apply where prohibited by law. Title to goods described remain in Vendor's name until fully paid.

GOODS RECEIVED BY \_\_\_\_\_