

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>			
	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	STJ02858	\$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
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”).

	Stock#	Model	Serial #
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.

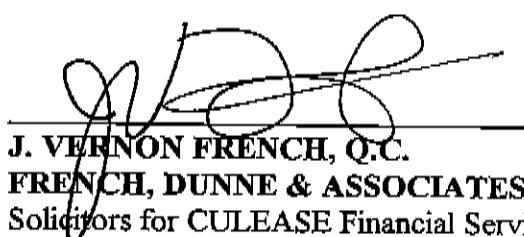
11. The proceeds arising from the sale of the Culease Units totaled \$2,338,275.00, particulars of which include:

	Stock#	Model	Serial #	Proceeds
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
4.	C001035	John Deere 160LC Excavator	P00160X041555	\$110,000.00
5.	N-C001512	John Deere 160LC Excavator	P00160X041361	\$110,000.00
6.	C001381	John Deere 330LC Excavator	FF0330X080964	\$199,500.00
7.	N-C001379	John Deere 200LC Excavator	FF0200X502017	\$131,100.00
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
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	STJ02858	\$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

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 on 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 Nellen
Clerk

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)
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 27th 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 Chatton Frederic Scalabroni	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)
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")

AFFIDAVIT OF TERRY WENSELY
[on behalf of Culease]

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

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
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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 11th through 18th pieces being trade ins.

	Stock#	Model	Serial #
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	LUI1050C005288
10.	C001105	John Deere 624H 4WD Loader	DW624HX79048
11.	C001229	I/R XP825 Compressor	172821
12.	C001228	I/R EXM350 Air Track ¹	R10031
13.	C001227	Terex Articulated Truck	74TDC7364
14.	C001226	CAT D8N Dozer	5TJ02858
15.	C001339	CAT 320B Excavator	06CR04706

¹ 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:

	Stock#	Model	Serial #	Proceeds
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
4.	C001035	John Deere 160LC Excavator	P00160X041555	\$110,000.00
5.	N-C001512	John Deere 160LC Excavator	P00160X041361	\$110,000.00
6.	C001381	John Deere 330LC Excavator	FF0330X080964	\$199,500.00
7.	N-C001379	John Deere 200LC Excavator	FF0200X502017	\$131,100.00
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:

	Stock#	Model	Serial #	Proceeds
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 STJ02858 [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 CIBCO, 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].

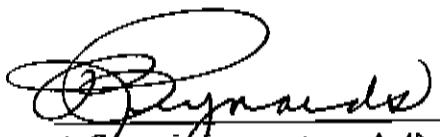
24. Now produced and shown to me and marked as Exhibit "TW #5" to this my Affidavit are copies of the various documents relating to Culease Unit #18 and referred to in paragraph 21 of this Affidavit.

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

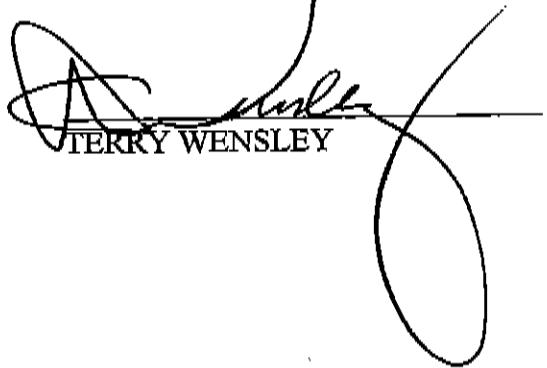
Court for an Order approving payment to Culease by the Receiver of the proceeds from
the sale of the following assets of Hickman Equipment:

	Stock#	Model	Serial #
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 expires
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"	-	Personal Property Security Act, 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*	2) 2000 JD 160LC Excavator*
(LU1050C005288)	(P00160X041361) ¹
3) 2001 JD 850C Dozer*	4) 2001 JD 200LC Excavator*
(T0850CX900908)	(FF0200X502017)
5) 2001 JD 160LC Excavator*	6) 2001 JD 160LC Excavator*
(P00160X041793)	(P00160X041792)
7) 2001 JD 160LC Excavator*	8) 2001 JD 450LC Base Excavator
(P00160X041741)	(FF0450X090590)
9) 2001 JD 310SG Backhoe Loader	10) 2001 JD 310SG Backhoe Loader
(T0310SG895252)	(T0310SG895027)
11) 2000 JD 160LC Excavator*	12) 2000 JD 200LC Excavator
(P00160X041555)	(FF0200X501636)
13) 2000 JD 670CH Motor Grader	14) 2000 JD 310SE Backhoe Loader
(DW670CH578392) ²	(T0310SE892994)
15) 2000 JD 544H Loader	16) 2000 JD 330LC Excavator*
(DW544HX578389)	(FF0330X080964)
17) 2000 JD 330LC Excavator	18) TC54H T.C. Loader
(FF0300X080941)	(DWTC54H579078)
19) 624H 4WD Loader*	
(DW624HX579048)	

5. Assumptions

¹ 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.

² 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.³

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. 13.⁴ 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)

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

⁴ *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.⁵

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.⁶

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.

⁵ Ibid. at p.140.

⁶ 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.⁷

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

⁷ 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**.

NET 1,942,400.00

0 - C
0 - C
0 - C
1 x 942,400.00 +
71 x 484.67 -
1 x 870,915.33 *
1 x 291,360.00 +
10 x 722.70 -
280,637.30 *

BILL OF SALE

SALE made this 13th day of December '2001 GST

29 x 0.54
29 x 0.54
2 x 2.22 x 0.54
2 x 2.22 x 0.54
1st Pmt NET 71,140.00
1st Pmt GST 2,131.72

21,151.72

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

- and -

Bar

Grantor (Signature)

CULEASE Financial Services
(hereinafter called the 'Grantee')

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	FF0160X041381	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.

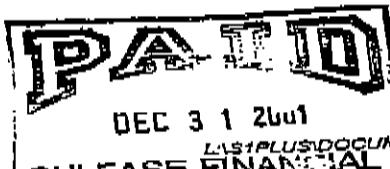
IN WITNESS WHEREOF the Grantor has hereunto set his hand and seal.

SIGNED, SEALED AND DELIVERED
in the presence of:

Hickman Equipment (1985) Ltd.

Per: *G. May*

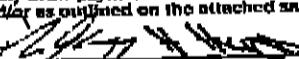
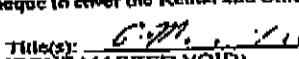
Name/Title: *G. May*



LEASE AGREEMENT

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

LEASE NUMBER: 4524-5
To be completed by CULEASE Financial Services

TOMER NAME		NAME: Hickman Equipment (1985) Limited						
ADDRESS		STREET: 1269 Topsail Road						
Legal Name & Address		CITY: Mount Pearl		PROVINCE: NFLD	POSTAL CODE: A1N 3C8			
TOMER CONTACT		PERSON TO CONTACT:		TELEPHONE NO. 709-368-9660	FAX NO. 709-368-1146			
EXEMPTION NUMBER		GST:		PST:				
TOR		NAME: Sale and Leaseback		SALES REP:				
UITEMPT DESCRIPTION		ADDRESS:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate) SEE ATTACHED SCHEDULE "A" - Equipment Description					
		END OF TERM MINIMUM RESALE VALUE: \$ 10,00						
TEAL DETAILS		ADVANCE PAYMENT DATE: 12/13/01 (mm/dd/yy) (To be completed by CULEASE Financial Services)						
ments will be made in time.		NEXT PAYMENT DATE: <input checked="" type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER						
ments subject to change -x options change.		INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX	PROVINCE TOTAL PAYMENT	
ments subject to "Return by CULEASE Financial Services)		48	SEE ATTACHED SCHEDULE "B" - Rental Payments			NFLD		
URANCE AGREEMENT		INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.						
ANCIAL INFORMATION		ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ <input type="checkbox"/> THIRD PARTY COVERAGE WAIVED <input type="checkbox"/> (Initial if coverage requirement waived)						
E-AUTHORIZED PAYMENT PLAN		NAME OF FINANCIAL INSTITUTION: Hickman Equipment (1985) Limited						
		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 under as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.						
		Authorized Cheque Signer (s):  Title(s):  (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)						

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 IS 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. WHETHER THERE IS MORE THAN ONE CUSTOMER YOU KNOWLEDGE YOUR OBLIGATION AND LIABILITY IS JOINT AND SEVERAL.

CULEASE Financial Services
EXECUTED AS LESSORBy: 
Authorized Signature

GST #: 10114 3915 RT0001

ASSIGNMENT

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 lessor, 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.

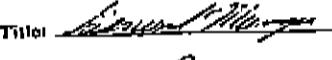
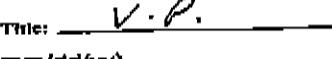
CULEASE Financial Services

By: 
Authorized SignatureSigned to: 
Accepted by: 
Authorized Signature

To be completed by CULEASE Financial Services

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

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

By: 
Title: 
Authorized SignatureBy: 
Title: 
Authorized SignatureDATE 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.)

DELIVERY AND ACCEPTANCE CERTIFICATE

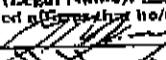
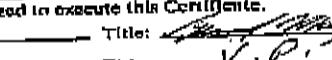
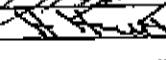
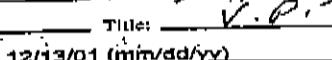
Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE Financial Services sign this lease and pay the equipment vendor.

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

Hickman Equipment (1985) Limited

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

By: 
Title: 
Authorized SignatureBy: 
Title: 
Authorized SignatureDATE 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.)

TERMS AND CONDITIONS

1. BOUNDARY OF THE AGREEMENT. The term "Customer" and "Customer" means from Lessor the property and described in this Agreement (the "Equipment") under the terms and conditions set forth herein. Customer warrants that the Equipment is being leased and will be used for business and commercial purposes only. This Agreement shall not become binding on or will be accepted in writing by Lessor as evidenced by the signature of the duly elected representative of Lessor.

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

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

4. 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. Pursuant all parts, including and repair required thereof. Customer shall observe the Equipment or exercised carefully in compliance with manufacturer's recommendations and applicable laws and regulations, by competent and duly qualified persons only.

5. REPRESENTATIONS AND WARRANTIES. Customer acknowledges that the vendor and/or manufacturer of the Equipment and the Equipment and its specifications have been selected by Customer for the purpose of the rental thereof to the Customer under this Agreement. Except hereinafter set forth, no representation or warranty, express or implied, legal, statutory, commercial or otherwise is given or made in respect to the Equipment, including without limitation the non-biased, condition, design, operation or fitness for purpose or use thereof or its freedom from bias and encumbrances. If the Equipment is not properly installed, does not operate as intended by Customer, is not as represented by the manufacturer or vendor, would fail to function or perform as set to give rise to a fundamental breach or alleged fundamental breach with respect to the Equipment, or is unsatisfactory for any other reason whatsoever, Customer shall claim only against such vendor or manufacturer under such warranties made available to customer and shall nevertheless unconditionally pay Lessor all Rental and other amounts payable to Lessor. To the extent that the Equipment is subject to any warranty, guarantee and other representation of the Equipment's manufacturer or supplier, the Lessor assigns all rights and remedies of the Lessor under such warranties, guarantees or representations to the Lessee to the extent that the same are assignable. The Lessor makes no representation to the Customer as to the amounts in which amounts paid under this Agreement will be treated in calculating the Customer's income tax. From the Lessor's perspective, this Lease Agreement shall be construed as a financial lease.

6. ASSIGNMENT. Lessor may at any time assign all or part of its interest in this Agreement or the Equipment. In the event of any such assignment, the assignee ("Assignee") shall be entitled to enforce the rights so assigned and to provide any notice, correspondence or demand provided hereunder in its own name in place of Lessor and Customer hereby accepts all such rights. In this Agreement the word Lessor shall refer to the original Lessor and after assignment the Assignee or my subsequent Assignee. The sale, assignment and transfer of this Agreement including all rights and other amounts payable hereunder, including any insurance proceeds. Upon assignment, Lessor is fully released from any and all claims by the Customer and/or the Assignee under this Agreement.

7. PRE-AUTHORIZED PAYMENT PLAN. If Customer completes the pre-authorized payment section in this Agreement, Customer agrees that the signatures appearing in this Agreement are those of the persons authorized to sign on the account. Customer authorizes and requests the Financial Institution to pay and debit the account specified in this Agreement ("Specified Account") whether continually maintained at the location set forth in this Agreement or elsewhere all payments purporting to be drawn on behalf of Customer payable to Lessor, or its Assignee and presented for payment and to pay and debit the Specified Account all amounts specified on any magnetic or computer produced paper tape that is or purports to be direction on behalf of the Customer to credit an amount to the payee. Customer acknowledges that provision and delivery of this authorization to the Lessor constitutes delivery by the Customer to the Financial Institution.

8. CONTINUING AGREEMENT. Provided Customer is not in default hereunder, this Agreement will be automatically renewed on a month-to-month basis upon the expiration of the Term ("Renewal Period") upon and subject to the terms and conditions set forth in this Agreement including the periodic Rental unless either Lessor or Customer has notified the other in writing within thirty (30) days prior to the expiration of the Term to the effect that the Renewal Period will not be entered into. During the Renewal Period, either party may cancel this Agreement by providing thirty (30) days' written notice to the other party.

9. RETURN OF EQUIPMENT. In the event either party elects not to proceed into the Renewal Period or is in the Renewal Period elects to cancel this Agreement, Customer shall, at its own risk and expense, immediately return the Equipment to Lessor, or its designated agent, in the same condition as when delivered, ordinary wear and tear excepted, at such location as Lessor shall designate. If the Equipment is not returned in the same condition Customer is responsible for and shall pay all costs required to put the Equipment in the condition required. If the Lessor and Customer have established usage or operation levels and the Customer exceeds those levels Customer shall pay the fee established by the Lessor for such excessive usage at the end of the Term or the Renewal Period.

10. MINIMUM RESALE VALUE. In the case where there is no separate agreement to purchase or guarantee the resale value of the Equipment Customer hereby unconditionally guarantees the end of Term Minimum Resale Value of the Equipment as set forth in this Agreement or at the expiration of the Lease or any Renewal Term. In the event the Equipment is sold by the Lessor at the expiration of the Lease and such sale yields an amount less than the End of Term Minimum Resale Value, as the opinion of the Lessor Lessor shall pay to the Lessor the amount required to make up the difference between the net sale price and the End of Term Minimum Resale Value.

11. EQUIPMENT RISK AND INSURANCE. The Equipment shall be at the risk of the Customer. Unless waived by the Lessor, Customer shall obtain and maintain during this Term and any Renewal Period, at the expense of the Customer: (a) liability insurance, with the Lessor as an insured party, in an amount not less than \$1,000,000.00 or the greater amount stated in this Agreement against liability arising from bodily injury, death or property damage of third parties; and (b) equipment insurance, with the Lessor as first payee, in an amount not less than the sum of the remaining Rental Amounts payable to the expiration of the Term, plus its End of Term Minimum Resale Value, all as set out in this Agreement. Customer will furnish to Lessor within 30 days a certificate of insurance or other evidence satisfactory that such insurance is in effect from the commencement of this Agreement. If any Equipment is lost or stolen, destroyed or damaged beyond repair for any reason or if the Equipment is confiscated, seized or expropriated, Customer shall pay to Lessor all amounts equal to the remaining Rental Amounts and the End of Term Minimum Resale Value for the Equipment. In the event of loss or damage beyond repair, the Lessor is under no obligation to the Customer to replace the Equipment and continue with the lease or enter into a new lease, and the Customer will have no control over the pay out or use of the insurance proceeds. If the Customer has not provided satisfactory proof of insurance, Lessor reserves the right to obtain insurance on its own behalf and Customer hereby agrees that the Rental shall be increased by 3% (minimum \$5.00 increase) during the period that such insurance coverage is in effect. Lessor may, at its sole discretion, at any time discontinue insurance coverage by providing the Customer with thirty (30) days' written notice of such discontinuation, in which event the Customer's insurance obligations become those that would have otherwise been in effect on the reverse side.

12. FINANCIAL OBLIGATION. Customer agrees to indemnify the Lessor from and against any and all claims, damages, claims, demands and expenses (including environmental liability, losses, damages, claims and legal fees) arising out of the use, maintenance and operation of the Equipment.

13. ASSIGNMENT BY CUSTOMER. 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 rights, 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 outstanding balance of payments and other amounts owing under any such replaced contract have been provided and included to the Rental payable under this Agreement.

16. 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 five (5) 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 such failure shall continue for a period of 30 days; (iii) any representation or warranty made by Customer in this Agreement or in any document or certificate furnished to Lessor in connection therewith or pursuant thereto shall prove to be incorrect at any time in any material respect; (iv) Customer becomes insolvent or bankrupt, or a trustee or receiver is appointed for Customer or for substantial part of its property without its consent; (v) if bankruptcy, reorganization or insolvency proceedings be instituted by or against Customer; (vi) a writ of execution, attachment or similar process be issued or levied against the Equipment. Upon the happening of an event of default, Lessor to its 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 name of and as the lawfully appointed agent and attorney for Customer and without 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 such period of time as Lessor may deem fit and receive, hold and apply the same against any amounts 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 five (5) 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) a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty, no amount equal to the remaining Rental Amounts payable to the expiration of the Term, and (iii) 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 interest at the rate of 4% per annum on each payment calculated and compounded monthly over the period commencing on the date of default and ending on the date such final payment would have become due and payable. Upon payment by Customer of its 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 a solicitor/client 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 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 considered to be original documents.

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

19. COLLECTION CHARGES. Should Customer fail to pay when due any part of the Rental or renewal Rental referred to 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 any 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 \$20.00 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.

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

21. FINANCING STATEMENT. Should Customer fail to pay when due any part of the Rental or renewal Rental referred to 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 any 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 \$20.00 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.

22. MISCELLANEOUS. This Agreement shall be governed by the laws of the Province or Territory first set out above. Time is of the essence with respect to this Agreement. No waiver by Lessor of any default shall constitute a waiver of any other default by Customer or waiver of Lessor's rights. Should Customer fail to perform any obligation hereunder, Lessor may cause such obligation to be performed and the cost thereof together with interest at 2% per month compounded monthly (26.82% per annum) shall be considered as additional rent to be paid by 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 modifications, amendments or variations shall be effective or binding unless agreed to in writing and properly executed by the parties. This Agreement shall be binding upon and inure to the 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 provision hereof, and any such prohibition or unenforceability in any other jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Clerical errors shall not affect the validity of this agreement and Lessor shall be entitled to unilaterally correct the same. To the extent permitted by law or statute and to the extent the same extends to and relates to this Agreement as amended or renewed or any collateral security thereto or promissory note, Customer waives the benefit of all provisions of any applicable conditional sales, regulator credit and other statutes and regulations made in any manner, which affect, restrict or limit the rights of Lessor including without limiting the generality of the foregoing, all of the rights, benefits and protection given or afforded to it by Section 49 of the Law of Property Act of Alberta as amended and the provisions of the Limitations of Civil Rights Act of Saskatchewan as amended. Customer also waives any right to demand security for costs in the event of litigation. Lessor and Customer represent and agree that the persons signing this Agreement have authority and authority to sign the Agreement and the Corporate Seal of either party need not be affixed to this Agreement. Where this is more than one customer you acknowledge your obligation and liability is joint and several.

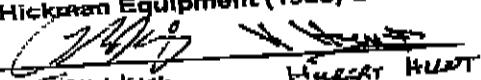
23. BUSINESS NAME. CULEASE Financial Services is a Registered Trade Mark of Culease Union Central of Canada. Co-operative Trust Company of Canada is a licensed user.

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:  WILFRED HICK

Name/Title: WILFRED HICK V.P.

PPSA WAIVER LETTER



VIA FAX: 905-621-7650

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: T. Oley
 Name/Title: Customer Service

DEC. 31, 2001 9:30AM MERCA DO CAPITAL CORPORATION
 Tel (403) 296-0191 Fax (403) 296-0192 295 2880 Glenmore Trail S.E. Calgary Alberta T2C 2E7

RECEIVED - BEEN OBTAIN

9:30

NO. 877

TOE



WAIVER

Date: January 18, 2002

To: CANADIAN IMPERIAL BANK OF COMMERCE
ATLANTIC PLACE, P.O. 340
MOUNT PEARL, NEWFOUNDLAND
A1C 3J9

ATTENTION: SCOTT FERGUSON
RE: RICKMAN 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-specified Obligor, to lease to, or finance for the Obligor, the equipment described herein, together with all attachments, accessories, replacement parts to, or fixtures for the Obligor, (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: P001600041783
1	2001 JOHN DEERE 200LC EXCAVATOR	S/N: P002000302017
1	2001 JOHN DEERE 350C DOZER	S/N: T08590000000008
1	2000 JOHN DEERE 160LC EXCAVATOR	S/N: P001600041361
1	2001 JOHN DEERE 1050C DOZER	S/N: L010500000288

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. By 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,

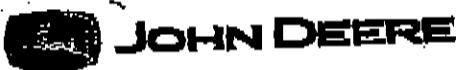
CULEASE FINANCIAL SERVICES

For valuable consideration, and recognizing that Culease is relying on this acknowledgement 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 in the right, title, interest, hypothec, charge and security interest now or hereafter held by Culease in the Collateral, and we hereby promise and subordinate to Culease for all purposes all rights, title, interest, hypothec, charge and security interests that we may now have or hereafter acquire in the Collateral to all the rights, title, interest, hypothec, charge and security interests that Culease may now have or hereafter acquire in the Collateral.

Done this 11/15 day of January, 2002

CANADIAN IMPERIAL BANK OF COMMERCE (Secured Creditor)

For: SCOTT FERGUSON
M. A. Ferguson
Manager, Commercial Credit



Worldwide Construction & Forestry Division
a division of JOHN DEERE LIMITED
200 Hunter Street, P.O. Box 7000
Galt, Ontario, CAN L2M 4H3
Phone: 519-845-7348 Fax: 519-845-1287
E-mail: CMG1000@jdeere.com

Christine M. Savard
Manager, Dealer Administration (Canada)

11 January 2002

Customer Financial Services
30 Commerce Court, Suite 200
Napanee, ON
K2B 7V7

Attn: Alison Mallette

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 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 account-specific basis and is unaffiliated 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 conditioned 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
For:

Christine M. Savard
Manager, Dealer Administration (Canada)

Schaduw "A"

TOTAL P.03

2002-01-12
16:47

Atlantic PPSI
Verification Statement
(New)

/444000Px
page 1

Province/Territory : Newfoundland and Labrador
Registration Type : PPSI Financing Statement
Registration Number : 1544225
Registration Date/Time : 2002-01-12 / 16:58
Expiry Date : 2007-01-12
Your File Number :

Registrant Name and Address

Registrant User ID: P174460
Equifax Canada Inc.

National PPSI Services
110 Sheppard Avenue East
Toronto ON Canada M2N6S1

Debtors

Debtor Type : Enterprise
HICKMAN EQUIPMENT (1985) LIMITED

1269 TOPSOIL Road
MOUNT PEARL NF Canada A1N3C0

Secured Parties

CREDIT UNION CENTRAL OF SASKATCHEWAN C/O CULEASE FINANCIAL SERVICES

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

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

JOHNSON, BRENT
P.O. BOX 3030
2055 ALBERT Street
REGINA SK Canada S4P3G8
Telephone : 800-409-2029
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	1D1050H0000000000000	2001 HONDA CRV 4WD 5 SPEED

2002-01-12
16:47

Atlantic PPRS
Verification Statement
(New)

/111a000Px
page 2

Motor Vehicle	FF01603041361
Motor Vehicle	TO850CX500008
Motor Vehicle	FF02001X503017
Motor Vehicle	PO01603041793
Motor Vehicle	PO01603041792
Motor Vehicle	PO01603041741

2000 JOHN DEERE 160LC EXCAVATOR	✓
2001 JOHN DEERE 650C DOZER	✓
2001 JOHN DEERE 300LC EXCAVATOR	✓
2001 JOHN DEERE 160LC EXCAVATOR	✓
2001 JOHN DEERE 160LC EXCAVATOR	✓
2001 JOHN DEERE 160LC EXCAVATOR	✓

Additional Information

AMOUNT SECURED: \$2,151,852.63
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



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

Yours very truly,

Hickman Equipment (1985) Ltd.

By: 

Name/Title: 



BOX 3030
2055 ALBERT STREET
REGINA, SK S4P 3G8
Tel: 1-800-409-2029

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

38953

001752

CHEQUE NO. 1752

Two Million One Hundred Fifty One Thousand Five Hundred Fifty Two

63/100

DATE	AMOUNT
12/31/2001	\$*****2,151,552.63

Hickman Equipment (1985) Limited
1259 Topaz Road
Mount Pearl, NF, L2
A1N 3C8

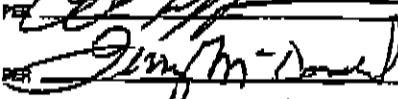
SPECIAL CLEARING

Comment: Hickman Equipment

#001752# 199788-8891# 100101023860

#0215155263#

GULEASE FINANCIAL SERVICES

PER 
PER

2 5 8 9 12 13 14 15

● (M) മലബാറാ പ്രാണിക്കാരി

卷之三

DEPOSIT TO THE CREDIT
HICKMAN EQUIPMENT
& (1885) LIMITED

~~IF NOT NEGOTIABLE
AT TIME OF PRESENTATION
PLEASE CALL COLLECT 768-388-DATE~~

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'

PAI
DEC 14 2000
CULEASE FINANCIAL
SERVICES

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:

Stan Zillman

Hickman Equipment (1985) Limited

Per

Name/Title: GARY HILLIARD John Kunt
C.F.O. SAC-1, 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 180LC Excavator
Unit #C000968
One(1) New 2000 200LC Excavator
Unit #C000969
One(1) New 2000 670CH Motor Grader

S/N: P00160X041555 ✓
S/N: FF0200X561636
S/N: DW670CH578392

Hickman Equipment (1985) Limited

By:

Name/Title: GARY HICKMAN John Kier
C.F.O. SALES MANAGER

CUSTOMER NAME		NAME: <u>HICKMAN EQUIPMENT (1985) LIMITED</u>								
BILLING ADDRESS		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>				
CUSTOMER CONTACT		PERSON TO CONTACT: <u>709-368-9660</u>		TELEPHONE NO. <u>709-368-9660</u>		FAX NO. <u></u>				
TAX EXEMPTION NUMBER		GST: <u></u>		PST: <u></u>						
VENDOR		NAME: <u>SALE AND LEASEBACK</u>		SALES REP: <u></u>						
EQUIPMENT DESCRIPTION		ADDRESS:		QUANTITY: <u></u> 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>								
RENTAL DETAILS		ADVANCE PAYMENT DATE: <u>N/A</u> (To be completed by CULEASE Financial Services)								
Payments will be made in advance.		NEXT PAYMENT DATE: <u></u> FREQUENCY: <input checked="" type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER <u></u>								
Payments subject to change if tax amounts change.		INITIAL TERM NO. OF MONTHS <u>36</u>	NUMBER OF PAYMENTS <u>34</u>	RENTAL AMOUNT EXCLUDING PST & GST <u>23,221.28</u>	PROVINCIAL SALES TAX <u>N/A</u>	GOODS & SERVICES TAX HST <u>3,463.19</u>	PROVINCE <u>NFLD</u>	TOTAL PAYMENT <u>26,704.47</u>		
Estimated: subject to confirmation by CULEASE Financial Services)		PER ATTACHED SCHEDULE 'B'								
INSURANCE AGREEMENT		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></u>		ADDITIONAL THIRD PARTY COVERAGE WAIVED <u></u> (Initial if coverage requirement waived)								
FINANCIAL INFORMATION		NAME OF FINANCIAL INSTITUTION: <u></u>								
RE-AUTHORIZED PAYMENT PLAN		BRANCH LOCATION: <u></u> ACCOUNT INFORMATION: <u></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>John M. Hayes</u> Title(s): <u>* General Manager</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 THIS 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 IN ACTUAL 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: John M. Hayes
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: John M. Hayes
Authorized Signature
Assigned to: Yves L. Beliveau
("Assignee")
Accepted by: John M. Hayes
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: John M. Hayes Title: * General Manager
Authorized Signature

By: John M. Hayes Title: * V.P. of Sales & Marketing
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: John M. Hayes Title: * General Manager
Authorized Signature

By: John M. Hayes Title: * V.P. of Sales & Marketing
Authorized Signature

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.

TERMS AND CONDITIONS

Customer hereby grants to Lessor the property, rights and interests in the Equipment and described in this Agreement ("Rental" or "Equipment") under the terms and conditions set forth herein. Customer warrants that the Equipment is being rented and will be used for business and commercial purposes only. This Agreement shall not become binding on Lessor until accepted in writing by Lessor as evidenced by the signature of the duly authorized representative of Lessor.

10. CANCELABLE CONTRACT. This Agreement cannot be terminated during the term set forth in this Agreement (the "Term") except as expressly provided in this Agreement.

11. RENTAL. Lessor shall pay to Lessor on the first day of each payment period of the Term an amount set forth in this Agreement ("Rental") commencing in the month during which the Equipment is delivered to Customer and continuing for the Term. If the Rental includes a cost of insurance, Lessor shall deduct such amount from the Customer's compensation or maintenance, maintenance or the like which Customer might have under any service or maintenance agreement.

12. 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 is to own, care and expense keep the Equipment in good repair, condition and working order and shall, at its own expense, service and repair, required thereof. 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.

13. REPRESENTATIONS AND WARRANTIES. Customer acknowledges that the vendor and/or manufacturer of the Equipment and the Equipment and its specifications have been selected by Lessor for the purpose of the rental thereof to the Customer under this Agreement. Exemplified set forth, no representation or warranty, express or implied, legal, statutory, customary or otherwise is given or made in respect to the Equipment, including without limitation the workability, condition, design, operation or fitness for purpose of use thereof or its freedom from latent and encumbrances. If the Equipment is not properly installed, does not operate as specified by Customer, is not as represented by the manufacturer or vendor, totally fails to operate or perform as to give rise to a fundamental breach or alleged fundamental breach with respect to the Equipment, or is unacceptable for any other reason whatsoever, Customer shall not only against such vendor or manufacturer under such warranties made available to Customer and shall nevertheless unconditionally pay Lessor all Rental and other amounts payable to Lessor. To the extent that the Equipment is subject to any warranty, guarantee and other obligation of the Equipment's manufacturer or supplier, the Lessor accepts all rights and remedies of the Lessor under such warranties, guarantees or representations to the Lessor to the extent that the same are assignable. The Lessor makes no representation to the Customer as to the amount in which amounts paid under this Agreement will be treated in calculating the Customer's income tax. From the Lessor's perspective, this Lease Agreement shall be construed as a financial lease.

14. ASSIGNMENT. Lessor may at any time assign all or part of its interest in this Agreement or the Equipment. In the event of any such assignment, the assignee ("Assignee") shall be entitled to all rights so assigned and to provide no notice, correspondence or demand provided under its own name in place of Lessor and Customer hereby accepts all such rights. In this Agreement the word Lessor shall refer to the original Lessor and after assignment the Assignee or any subsequent Assignee. The title, assignment and transfer of this Agreement including all rights and other amounts payable hereunder, including any insurance proceeds. Upon assignment, Lessor is fully released from any and all claims by the Customer and/or the Assignee under this Agreement.

15. PRE-AUTHORIZED PAYMENT PLAN. If Customer commences the pre-authorized payment plan in this Agreement, Customer warrants that the signatures appearing in this Agreement are those of the persons authorized to sign on the account. Customer authorizes and requires the financial institution to pay and debit the account specified in this Agreement ("Specified Account") whether continuously maintained at the location set forth in this Agreement or elsewhere all payments pertaining to be drawn on behalf of Customer payable to Lessor or his assignee and presented for payment and to pay and debit the Specified Account all amounts called for on any magnetic or computer produced paper tape that is or purports to be direction on behalf of the Customer to credit an amount to the payee. Customer acknowledges that provision and delivery of this authorization to the Lessor constitutes delivery by the Customer to the financial institution.

16. CONTINUING AGREEMENT. Provided Customer is not in default hereunder, this Agreement will be automatically renewed on a month-to-month basis upon the expiration of the Term ("Renewal Period") upon and subject to the terms and conditions set forth in this Agreement during the periodic Rental unless either Lessor or Customer has notified the other in writing within thirty (30) days prior to the expiration of the Term to the effect that the Renewal Period will not be entered into. During the Renewal Period, either party may cancel this Agreement by providing thirty (30) days' written notice to the other party.

17. RETURN OF EQUIPMENT. In the event either party elects not to proceed into the Renewal Period or to end the Renewal Period elects to cancel this Agreement, Customer shall, at its own risk and expense, immediately return the Equipment to Lessor or its designated agent, in the same condition as when delivered, ordinary wear and tear excepted, at such location as Lessor shall designate. If the Equipment is not returned in the same condition Customer is responsible for and shall pay all costs required to put the Equipment in the condition required. If the Lessor and Customer have established usage or operation levels and the Customer exceeds those levels Customer shall pay the fee established by the Lessor for such excessive usage at the end of the term or the Renewal Period.

18. MINIMUM REGALE VALUE. In the case where there is no separate agreement to purchase or guarantee the resale value of the Equipment Customer hereby unconditionally guarantees the End of Term Minimum Resale Value of the Equipment as set forth in this Agreement or, at the expiration of the Lease or any Renewal Term. In the event the Equipment is sold by the Lessor at the expiration of the Lease and such sale yields an amount less than the End of Term Minimum Resale Value, at the option of the Lessor Lessor shall pay to the Lessor the amount required to make up the difference between the fair sale price and the End of Term Minimum Resale Value.

19. LAWS AND TAXES. Customer shall comply with all laws, regulations and orders relating to this Agreement, the Equipment and its use including all applicable environmental laws and regulations and agrees to pay when due all license fees, assessments and all taxes, including but not limited to sales, GST, property, and other taxes now or hereafter imposed by any federal, provincial, municipal or other taxing authority upon this Agreement or any Equipment, or the purchase, ownership, delivery, renting, possession, use, operation and return thereof, excluding income and capital taxes of Lessor. Any fees, taxes or other lawful charges paid by Lessor upon failure of Customer to make such payments shall at Lessor's option become immediately due from Customer to Lessor. Any environmental liability resulting from the possession or use of the Equipment shall be the sole responsibility of the Customer.

20. EQUIPMENT RISK AND INSURANCE. The Equipment shall be at the risk of the Customer. Unless waived by the Lessor, Customer shall obtain and maintain during the Term and any Renewal Period, at the expense of the Customer: (a) liability insurance, with the Lessor as an insured party, in an amount not less than \$1,000,000.00 or the greater amount stated in this Agreement against liability arising from bodily injury, death or property damage of third parties; and (b) equipment insurance, with the Lessor as first payee, in an amount not less than the sum of the remaining Rental Amount payable to the Lessor at the end of Term Minimum Resale Value, all as set out in this Agreement. Customer will furnish to Lessor within 30 days a certificate of insurance or other evidence satisfactory that such insurance is in effect from the commencement of this Agreement. If any Equipment is lost or stolen, destroyed or damaged beyond repair for any reason or if the Equipment is confiscated, seized or expropriated, Customer shall pay to Lessor all amounts equal to the remaining Rental Amounts and the End of Term Minimum Resale Value for the Equipment. In the event of loss or damage beyond repair the Lessor is under no obligation to the Customer to replace the Equipment and continue with the lease or enter into a new lease, and the Customer will have no control over the pay out or use of the insurance proceeds. If the Customer has not provided satisfactory proof of insurance, Lessor reserves the right to obtain insurance on its own behalf and Customer hereby agrees that the Rental shall be increased by 3% (minimum \$5,000 increase) during the period that such insurance coverage is in effect. Lessor may, at its sole discretion, at any time discontinue insurance coverage by providing the Customer with thirty (30) days' written notice of such discontinuation, in which event the Customer's financial obligations become those that would have otherwise been in effect on the reverse side.

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

22. ASSIGNMENT BY CUSTOMER. 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.

23. TITLE. Customer shall have no right, title or interest in this Equipment other than, conditioned 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.

24. 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.

25. 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 five(5) 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 such failure shall continue for a period of 20 days; (iii) any representation or warranty made by Customer in this Agreement or in any document or certificate furnished to Lessor in connection therewith or pursuant thereto shall prove to be incorrect at any time in any material respect; (iv) Customer becomes insolvent or bankrupt or a trustee or receiver be appointed for Customer or for substantial part of its property without its consent; (v) if bankruptcy, reorganization or insolvency proceedings be instituted by or against Customer; (vi) a writ of execution, attachment or similar process 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 or 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 name of and as the irrevocably appointed agent and attorney for Customer and without 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 receive, hold and apply the same against any moneys 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 five(5) days from the date of such notice, require Customer to pay to Lessor as 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) on a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty, an amount equal to the remaining Rental Amounts payable to the expiration of the Term, and (iii) 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 interest at the rate of 4% per annum on each payment calculated and compounded monthly over the period commencing on the date of default and ending on the date such final payment would have become due and payable. Upon payment by Customer of its Financial Obligation, Lessor shall refund to Customer the net amount received by Lessor at any rate, 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 a collection/court 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.

26. 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 considered to be original documents.

27. FURTHER ASSURANCES. At Lessor's request, Customer shall send Lessor its audited and/or unaudited financial statements within fourteen days of such request.

28. COLLECTION CHARGES. Should Customer fail to pay when due any part of the Rental or 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 any such sum in default from the due date thereof until paid in full at the rate of 3% 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 for any reason.

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

30. FINANCING STATEMENT. Lessor may file a financing statement or similar registration with respect to this Lease. Any such filings or registrations are not necessarily to be deemed evidence of intent to create a security interest under Personal Property Security legislation or 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.

31. MISCELLANEOUS. This Agreement shall be governed by the laws of the Province or Territory set out above. Time is of the essence with respect to this Agreement. No waiver by Lessor of any default shall constitute a waiver of any other default by Customer or waiver of Lessor's rights. Should Customer fail to perform any obligation hereunder, Lessor may enjoin such obligation to be performed and the cost thereof together with interest at 2% per month compounded monthly (26.82% per annum) shall be considered as additional rent to be paid by 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 modifications, amendments or variations shall be effective or binding unless agreed to in writing and properly executed by the parties. This Agreement shall be binding upon and inure to the 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 hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Clerical errors shall not affect the validity of this agreement and Lessor shall be entitled to unilaterally correct the same. To the extent permitted by law or statute and to the extent the same extends to and relates to this Agreement as amended or renewed or any collateral security thereto or preexisting note, Customer waives the benefit of all provisions of any applicable conditional sales, regulatory credit and other statutes and regulations made in any manner which affect, restrict or limit the rights of Lessor including without limiting the generality of the foregoing, all of the rights, benefits and protection given or afforded to it by Section 49 of the Law of Property Act of Alberta as amended and the provisions of the Limitations of Civil Rights Act of Saskatchewan as amended. Customer also waives any right to demand security for costs in the event of litigation. Lessor and Customer represent and agree that the persons signing this Agreement have the capacity and authority to sign the Agreement and the Corporate Seal of either party need not be affixed to this Agreement. Where there is more than one customer you acknowledge your obligation and liability is joint and several.

32. BUSINESS NAME. CULEASE Financial Services is a Registered Trade Mark of Credit Union Central of Canada. Co-operative Trust Company of Canada is a licensed user.

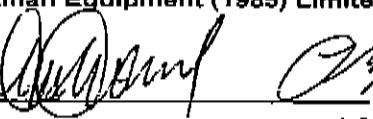
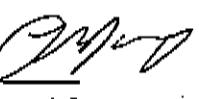
SCHEDULE "A"

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 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: FF0200X561636 *SD1636* ✓
S/N: DW670CH578392 ✓

Hickman Equipment (1985) Limited

By:  

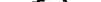
Name/Title: Gary Hulzen John Kivik
C.F.O. SALES MANAGER

-- 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

Torrey Kniss, Graduate Manager
Print Name & Title

Authorized Signature

Holger Hatt V.P. of Greenstar Materials
Print Name & Title



1001 Champlain Avenue, Suite 401, Burlington, Ontario, L7L 5Z4

P7

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

DEC-08-2000 14:46

905 319 5870

99%

P.01

CULEASE
FINANCIAL SERVICES

2055 ALBERT STREET, P.O. BOX 3030
REGINA, SASKATCHEWAN S4P 3C8
TEL: 306-566-7910 FAX: 306-566-7915

WAIVER

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: MICKMAN 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 Obliger, to lease to, or finance for the Obliger, the equipment described hereto, together with all attachments, accessories, replacements and/or additions 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 in all rentals and proceeds thereof (collectively, the "Collateral").

One (1) new 2000 160LC Excavator Unit#C000968	S/N P00160X041555
One (1) new 2000 200LC Excavator Unit#C000969	S/N FFB200X1501636
One (1) New 2000 670CH Motor Grader	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 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,

for Culease Financial Services
Susan Ewanick

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 8 day of December 2000.

Canadian Imperial Bank of Commerce

Per: Susan Ewanick CLS 202 738-8407
Name: _____ Title: _____

TOTAL P. 81

DEC-13-2000 14:26

403 296 0192

98%

P. 14

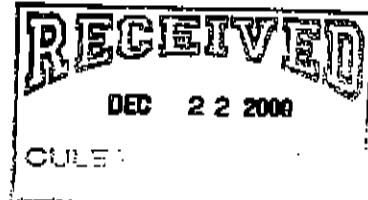
JOHN DEERE LIMITED

P.O. Box 888, 285 Hunter Road, Grimsby, Ontario L3M 4B9



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
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**



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: \$16,267.31
 FREQUENCY: Monthly
 TERM: 48 months
 RATE: 8.600%
 RATE of RETURN: 7.820%

Amended Payment Structure:
 AMOUNT: 523,234.36
 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 20/01

Signed:



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: \$15,287.31
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: (306) 786-6878

Attn: TERRY PETERS

Lease Amendment is approved subject to:

Date: 20 Nov. 01

Signed:

2000-12-29
20:03Atlantic PPRS
Verification Statement
(New)./Alia0035n
page 1

Province : Newfoundland and Labrador
 Registration Type : PPSL 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 PPSL Services
 110 Sheppard Avenue East
 Toronto ON Canada M2N6S1

Debtors

Debtor Type : Enterprise
 HICKMAN EQUIPMENT (1985) LIMITED

1269 TOPSAIL Road
 MOUNT PEARL NF Canada A1N3C6

Secured Parties

YORKTON CREDIT UNION LIMITED

PO BOX 1210
 YORKTON SK Canada S3N2X3

KELVINGTON CREDIT UNION LIMITED

PO BOX 459
 KELVINGTON SK Canada S0A1V0

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

JOHNSON, BRENT
 BOX 3030
 2055 ALBERT Street
 REGINA SK Canada S4P3G8
 Telephone : 800-409-2029
 Fax : 800-852-5087

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 PP\$A-EQUIFAX CDA. 1 800 263 5582 TO 918000529097

P.04/04

2000-12-29
20:03

Atlantic PP\$S
Verification Statement
(New)

71140035n
page 2

Collateral Type	Serial Number	Description
Motor Vehicle	DE670CE578392	2000 JOHN DEERE 160LC EXCAVATOR
Motor Vehicle	FTD200X501636	2000 JOHN DEERE 200LC EXCAVATOR
Motor Vehicle	PCD160X041555	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	\$ 17,557.41
Hickman Equipment (1985) Limited	\$670,959.89

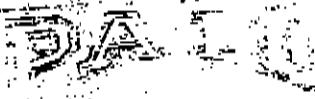
Payment by this method shall constitute full payment under the subject Bill of Sale.

Yours very truly,

Hickman Equipment (1985) Limited

By:  

Name/Title: Gary Haynes John King
C.F.O. SALES MANAGER

DATE: 
DEC 14 2000
CULEASE FINANCIAL
SERVICES

DEC 14, 2000

DATE

PAY to Hickman Equipment (1985) Limited \$ 670,959.85
the order of CULEASE FINANCIAL SERVICES LTD
670959 DOLS 88 CTS DOLLARS 88

CREDIT UNION CENTRAL - SASK.
P.O. BOX 3000
2055 ALBERT STREET
REGINA, SASKATCHEWAN S4P 3G8RE: HICKMAN EQUIPMENT LTD

CULEASE FINANCIAL SERVICES

PER

PER

#0067601 199788888910 1001010238601

Deposited directly into
CIBC account 12114100

11TH AVE. & HAMILTON
REGINA, SASK

BY INTERBRANCH PAYMENT

PAYMENT ORDER ORDRE DE PAIEMENT
670,959.88 CANADIAN DOLLAR VALUE DATED Dec/15/2000

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

CURRENCY..... CANADIAN DOLLAR RECEIVING TRANSIT... 00563

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

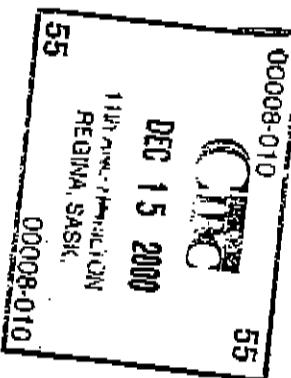
2055 ALBERT ST

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 accepté d'être lié par celles-ci. Si plus d'un client signe le présent ordre de paiement, les clients reconnaissent qu'ils seront solidiairement responsables conformément au présent ordre de paiement.

John Johnson *John Johnson*

DATE NAME OF CUSTOMER/ NOM DU CLIENT DES CLIENTS AUTHORIZED SIGNATURE SIGNATURE AUTORISÉE AUTHORIZED SIGNATURE SIGNATURE AUTORISÉE
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 reconnaissions par la présente 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 IMPÉRIALE DE COMMERCE

SIGNATURES - BRANCH OFFICERS

CIBC 11TH AVE. & HAMILTON, REGINA, SASK.



JOHN DEERE

HICKMAN
EQUIPMENT
R
A
N
C
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S
 TELEPHONE: (709) 489-9900 FAX: (709) 366-1146
 P.O. BOX 480, GRAND FALLS-WINDSOR, NFLD. A2A 2J9
 TELEPHONE: (709) 489-2551 FAX: (709) 489-7243
 P.O. BOX 1074, CORNER BROOK, NFLD. A2H 6G3
 TELEPHONE: (709) 634-3161 FAX: (709) 634-5889
 P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF, A0P 1S0
 TELEPHONE: (709) 895-8666 FAX: (709) 895-8899

P18

SAME AS BELOW

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

Branch		
01 - MOUNT PEAR*REPRINT*		
Date	Time	Page
05/31/2001	16:42:16 (O)	1
Account No.	Phone No.	Invoice No. 03
MARIN004	7096862015	000817
Ship Via	Purchase Order	
Sales Tax License No.	Federal Exemption No.	
	Salesperson	
	WGH	

DESCRIPTION

AMOUNT

Fold -

DESCRIPTION

Stock #: C001036	Serial #: FF0200X501636 <i>Release</i>	225000.00
ONE ONLY NEW JOHN DEERE 200-LC EXCAVATOR		
Stock #: C001107	Serial #: FF0200X501668 <i>with C001071 Contact funds</i>	225000.00
NE ONLY NEW JOHN DEERE 200-LC EXCAVATOR		
Stock #: C001127	Serial #: FF0200X501676 <i>royal bank</i>	225000.00
NE 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 Venger'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 -

Culease 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:

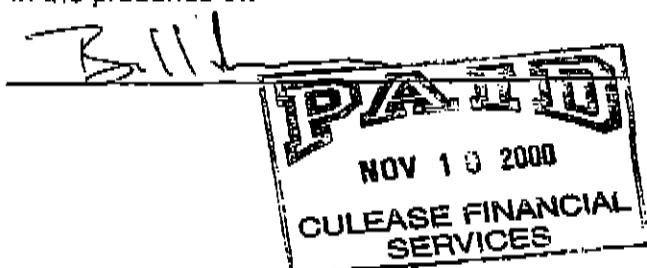
SEE ATTACHED SCHEDULE 'A'

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 or 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:



Hickman Equipment (1985) Limited

Per: Gary Hillyard

Name/Title: GARY HILLYARD
CHIEF FINANCIAL OFFICER

CULEASE

Financial Services

Box 3030

Albert Street

Inn. Saskatoon S4P 3G8

culeasefa.com / 1-800-409-2029

LEASE AGREEMENT

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

CLIENT NUMBER: 3790
LEASE NUMBER: 4234

CUSTOMER NAME: BILLING ADDRESS		NAME: Hickman Equipment (1985) Limited STREET: 1269 Topsall Road CITY: Mount Pearl						
BILLING ADDRESS		PROVINCE: NFLD			POSTAL CODE A1N 3C8			
CUSTOMER CONTACT:		PERSON TO CONTACT: TELEPHONE NO. 709-368-9660		FAX NO. PST:				
TAX EXEMPTION NUMBER:		GST:						
VENDOR:		NAME: Sale and Leaseback						
EQUIPMENT DESCRIPTION:		ADDRESS: QUANTITY: DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)						
SEE ATTACHED SCHEDULE 'A'								
END OF TERM MINIMUM RESALE VALUE: \$ 10.00								
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: 11/14/2000(mm/dd/yy) (*Payments subject to change if tax amounts change)								
ENTAL DETAILS 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	PROVINCE	TOTAL PAYMENT
		48	48	30,491.12	N/A	4,573.67	NFLD	35,064.79
INSURANCE AGREEMENT		INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.						
FINANCIAL INFORMATION		ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ THIRD PARTY COVERAGE WAIVED <input checked="" type="checkbox"/> (Initial if coverage requirement waived)						
PRE-AUTHORIZED PAYMENT PLAN		NAME OF FINANCIAL INSTITUTION: CIBC ATLANTIC PL, ST. JOHN'S NF BRANCH LOCATION: 00063 ACCOUNT INFORMATION: 00-02801 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. 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.						

CUSTOMER ACKNOWLEDGEMENTS
IN AGREEMENT THE WORDS CUSTOMER, LESSEE 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 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 ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE.

LEASE Financial Services
EXECUTED AS LESSORAuthorized Signature: 

GST #: 10114 3915 RT0001

ASSIGNMENT

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 accept the terms and conditions that are part of this lease.

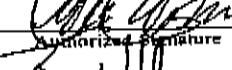
LEASE Financial Services

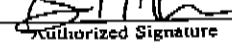
At: 1269 Topsall Road Mount Pearl, NFLD A1N 3C8
Signed by: C. J. Murphy (Signature, be C. J. Murphy)
Signed by: Biagio C. L. P. F. I. V. I. N. G. F. O. (Signature, be Biagio C. L. P. F. I. V. I. N. G. F. O.)
Copied by: John F. O. (Signature, be John F. O.)
Copied by: John F. O. (Signature, be John F. O.)

CUSTOMER: (Legal Name)

Hickman Equipment (1985) Limited

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

By:  Title: CHIEF FINANCIAL OFFICER
Authorized Signature

By:  Title: VICE PRESIDENT OPERATIONS
Authorized Signature

DATE OF AGREEMENT: 11/14/2000(mm/dd/yy)

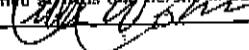
DELIVERY AND ACCEPTANCE CERTIFICATE

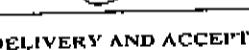
Customer hereby certifies that all equipment referred to above has been delivered, is fully installed and is in good operating condition. Customer unconditionally accepts the equipment and requests that CULEASE sign this lease and pay the equipment vendor.

Legal location of Equipment: (If different than billing address) Required for all leases including portable structures, for registration of fixture filing notice.
1269 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:  Title: C. J. O.
Authorized Signature

By:  Title: John F. O.
Authorized Signature

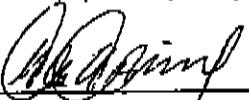
DATE OF DELIVERY AND ACCEPTANCE: 11/14/2000(mm/dd/yy)

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

WAVER

Date: November 9, 2000

To: CANADIAN IMPERIAL BANK OF COMMERCE
ATLANTIC PLACE
P.O. BOX 340
MOUNT PEARL, NEWFOUNDLAND
A1C 5B1

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, accessions, 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,

CULEASSE 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 know have or hereafter acquire in the Collateral.

Dated this 10 day of November, 2000.

CANADIAN IMPERIAL BANK OF COMMERCE (Secured Credit)

Per: Mrs. *James* *Connelly*

NCU-10-2000 10:04

916033

709 576 8744 P.03/03

SCHEDULE "A"

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

QTY	EQUIPMENT DESCRIPTION	SERIAL NUMBER
1	One (1) J105E Backhoe Loader c/w 24" HD Backhoe Bucket Unit # C000945	S/N: T03105E89294
1	One (1) J105E Backhoe Loader c/w 24" HD Backhoe Bucket Unit # C000939	S/N: T03105E89295
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

Initial: ME

TOTAL P.03

JOHN DEERE LIMITED

P.O. Box 999, 285 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

Attn: 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.

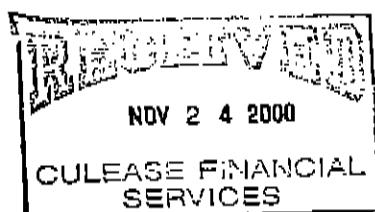
Please be advised that this agreement as to priority is not given in perpetuity. Rather, it is given coincidental to the security interest granted to you by the Dealer in the Collateral. In this regard, when the obligations secured by such security interest are satisfied on any one or more item(s) of 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 FF0330X080964
JOHN DEERE 330LC EXCAVATOR, S/N FF0330X080941

SUBSTITUTION AGREEMENT

THIS Lease Amending Agreement, made as of this 13th day of FEBRUARY, 2001

BETWEEN

**CULEASE Financial Services
2055 Albert Street
Regina, Contacts(Funder)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";

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
One (1) 644H 4WD Wheel Load Unit # C000910

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

One(1) TC54H T.C. Loader S/N: DW1TC54HX578047
One(1) 624H 4WD Loader S/N: DW624HX579046

(the "Revised Equipment")

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

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 17 day
of February, 2001.

CU LEASE Financial Services

LESSEE: Hickman Equipment (1985) Limited

By: _____

By:

Titu

By:

Title:

Ernesto M. Gómez

图24 金毛犬

6000' HONGKAO
1000' PINEWOOD CREST

2000-11-20
11:48

Atlantic PPRS
Verification Statement
(New)

/A88005DE
page 1

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 A1N3CB

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
Fax : 800-852-9097

CO-OPERATIVE TRUST CO OF CANADA C/O CULEASE 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 PM PPSA-EQUIFAX CDA 1 800 263 5582 TD 916008525097 P.04/07

2000-11-20
11:48

Atlantic PPMS
Verification Statement
(New)

/A11a0502Z
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	FF0330X080941

SERIAL #
T0310SE892994
T0310SE892985
DW644HX576388
DW544HX576389
FF0330X080954

*** End of Report ***

NOV 20 2000 12:35 PM PPMS-EQUIPMAX CDA. 1 800 263 5582 TO 9160088529097 P.05/07

/A/006006D4
page 22000-11-20
12:13Atlantic 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		
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 #

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKOE LOADER TU310SE892994
310SE	JOHN DEERE BACKOE LOADER TU310SE892985
2000	JOHN DEERE 644H WHEEL DW644HX578388
310SE	JOHN DEERE 644H WHEEL DW644HX578388
2000	JOHN DEERE 544H WHEEL DW544HX578389
LOADER	JOHN DEERE 330LC HYDRAULIC FF0330X080964
2000	JOHN DEERE 330LC HYDRAULIC FF0330X080971
LOADER	
EXCAVATOR	
2000	
EXCAVATOR	

*** End of Report ***

2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

/111800156
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	ADDED	DELETED
	661355	695239

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

Debtor Type : Enterprise	695239
HICKMAN EQUIPMENT (1985) LIMITED	

1269 TOPSAIL Road
MOUNT PEARL NF Canada A1N3C8

Secured Parties	ADDED	DELETED
	661355	695239
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	661355	695239
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2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

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page 2

Fax	: 800-852-9097		
CO-OPERATIVE TRUST CO OF CANADA C/O CULEASE FINANCIAL SERVICES		661355	695239
GOLESKI, CORLEEN 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		661371	
KELVINGTON CREDIT UNION LIMITED		661371	
PO BOX 459 KELVINGTON SK Canada S0A1W0		661371	
YORKTON CREDIT UNION LIMITED		661371	
PO BOX 1210 YORKTON SK Canada S3N2X3		661371	
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 CULEASE 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 CULEASE 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 PPMS
Verification Statement
(Amendment)

/Afile001b6
page 3

AMOUNT SECURED: \$1,200,000.00

DATE OF MATURITY: NOV 14, 2005
GENERAL COLLATERAL: PROCEEDS INCLUDING BUT NOT LIMITED TO: GOODS
CHATTTEL 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:

YEAR	MAKE/MODEL	SERIAL #
2000	JOHN DEERE BACKOE LOADER	
310SE	TD310SE892994	
2000	JOHN DEERE BACKOE LOADER	
310SE	TD310SE892985	
2000	JOHN DEERE 644H WHEEL	
LOADER	DW644HX578388	
2000	JOHN DEERE 544H WHEEL	
LOADER	DW544HX578389	
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330X080954	
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
CHATTTEL 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
TD310SE892994		
Motor Vehicle	2000 JOHN DEERE BACKOE 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
FF0330X080954		
Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239
FF0330X080941		

2000-12-11
13:47

Atlantic FPRS
Verification Statement
(Amendment)

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Page 4

*** End of Report ***

2001-03-12
20:06

Atlantic PPRS
Notice to Secured Party

/CRAa00110
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

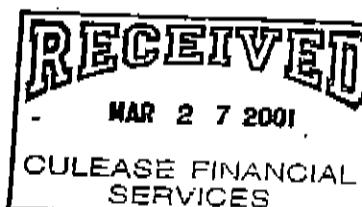
Activity	Number	Date	Time	Expiry Date	Your File Number
Original	661355	2000-11-20	12:07	2005-11-20	
Amendment	661371	2000-11-20	12:31	2005-11-20	
Amendment	695239	2000-12-11	14:05	2005-11-20	
Amendment	840363	2001-03-12	20:21	2005-11-20	

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

/cLHa0011Q
page 2

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

661355 695239

CREDIT UNION CENTRAL OF SASK C/O CULEASE 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 CULEASE 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 SOH0B0

661371

KELVINGTON CREDIT UNION LIMITED
PO BOX 459
KELVINGTON SK Canada S0L1W0

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 SOKOMO
Telephone : 800-409-2029
Fax : 800-852-9097

695239

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

695239

2001-03-12
20:06

Atlantic PPBS
Notice to Secured Party

/CAR000110
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

ADDED

661355

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, 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 544H 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

/CMA0011Q
page 4

TO310SF892994 Motor Vehicle	2000 JOHN DEERE BACKOE LOADER 310SE	695239	840363
TO310SF892985 Motor Vehicle	2000 JOHN DEERE 644H WHEEL LOADER	695239	840363
DW644HX578188 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	
DWTC54H579078 Motor Vehicle	624H 4WD LOADER	840363	
DW624HX579046			

*** 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: W. Hillyard

Name/Title Wally Hillyard

Chief Financial Officer

6539



2055 ALBERT STREET
REGINA, SK S4P 3G8
PHONE (306) 566-7910

Nov 10, 2000
DATE

PAY to Hickman Equipment (1985) Limited \$ 676,797.16
the order of CULEASE
- CULEASE -
FINANCIAL SERVICES 676797 DOLS 16 CTS 100 DOLLARS LOCK
CULEASE FINANCIAL SERVICES



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

PER _____

PER _____

RE: Hickman Equipment

#0065390 1997888891 100101023860P

6540



2055 ALBERT STREET
REGINA, SK S4P 3G8
PHONE (306) 566-7910

Nov 10, 2000
DATE

PAY to Hickman Equipment (1985) Limited \$ 676,797.16
the order of CULEASE
- CULEASE -
FINANCIAL SERVICES 676797 DOLS 16 CTS 100 DOLLARS LOCK
CULEASE FINANCIAL SERVICES



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

RE: Hickman Equipment

#0065400 1997888891 100101023860P



JOHN DEERE

HICKMAN
EQUIPMENT

P24

SAME AS BELOW

 MODERN HOLDINGS LTD
 P.O. BOX 580
 GOULDS
 NFLD A1S 1G6
A
N
C
H
E
S
 P.O. BOX 480, GRAND FALLS-WINDSOR, NFLD. A2A 2J8
 TELEPHONE: (709) 489-2561 FAX: (709) 489-7243
 P.O. BOX 1074, CORNER BROOK, NFLD. A2H 6G3
 TELEPHONE: (709) 634-3161 FAX: (709) 634-5889
 P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF. A0P 1S0
 TELEPHONE: (709) 898-8666 FAX: (709) 898-8988

Branch 01 - MOUNT PEAR*REPRINT*		
Date 03/01/2001	Time 12:36:54 (O)	Page 1
Account No. MODER002	Phone No. 7093647283	Invoice No 07 000759
Ship Via	Purchase Order	
Sales Tax License No.	Federal Exemption No.	
	Salesperson PCB	

DESCRIPTION

DESCRIPTION	AMOUNT	Fold
Stock #: C000963 Serial #: FF0330X080941 ONE ONLY JOHN DEERE 330LC EXCAVATOR	325000.00	<i>list C000919</i>
Stock #: C001233 Serial #: T0850CX896776 ONE ONLY JOHN DEERE 850C DOZER	299000.00	<i>royal Bank</i>
Stock #: N1678 Serial #: 35NB6911 ONE ONLY USED CAT D350C TRUCK	20000.00	<i>500</i>

TRADE INS

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

This is Exhibit "TWS" referred to
in the Affidavit hereto

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 # 881982
One(1) New John Deere 450LC Base Excavator S/N: FF0450LCB0570, Unit # G0041084

THE GRANTOR COVENANTS:

EEB 15 2001

1. The Grantor is now rightfully and absolutely possessed of the
Chattels and has the right to sell them: I SERVICES
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 hand and seal.

~~SIGNED, SEALED AND DELIVERED~~
in the presence of: /

Witness

Hickman Equipment (1985) Limited

Peri

440 *Environ Biol Fish* (2004)



P.O. Box 3030
2055 Albert Street
Regina, Saskatchewan S4P 3G8
www.culeasefsa.com / 1-800-409-2029

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

CLIENT NUMBER: 3867

LEASE NUMBER: 4323-2

CUSTOMER NAME	NAME: Hickman Equipment (1985) Limited						
	BILLING ADDRESS	STREET: 1269 Topsall Road	PROVINCE: NFLD	POSTAL CODE: A1N 3C8	FAX NO.: 709-368-1146	TELEPHONE NO.: 709-368-9660	PST.:
CUSTOMER CONTACT:	PERSON TO CONTACT: Mount Pearl						
TAX EXEMPTION NUMBER:	GST: SALES REP:						
VENDOR:	NAME: Sale and Leaseback ADDRESS:						
EQUIPMENT DESCRIPTION:	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 Backhoe Excavator Unit #C001084 S/N FF0450X090590					
END OF TERM MINIMUM RESALE VALUE: \$ 10.00							
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: 02/09/2001(mm/dd/yy)* Payments subject to change if tax amounts change							
RENTAL DETAILS	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	PROVINCE	TOTAL PAYMENT
PAYMENTS WILL BE MADE IN ADVANCE	48	48	16,522.38	N/A	2,478.36	NFLD	19,000.74
INSURANCE AGREEMENT	INSURANCE AGREEMENT: Customer agrees to obtain the insurance coverage in accordance with the Equipment Risk and Insurance section of this Agreement.						
FINANCIAL INFORMATION	ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ <input type="checkbox"/> THIRD PARTY COVERAGE WAIVED <input type="checkbox"/> (Initial if coverage requirement waived)						
PRE-AUTHORIZED PAYMENT PLAN	NAME OF FINANCIAL INSTITUTION: ACCOUNT INFORMATION: BRANCH LOCATION: BRANCH LOCATION: 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. <i>Regional Sales Manager</i> Title(s): <i>Chief Financial Officer</i> Authorized Cheque Signer(s): <i>JM-J</i> <i>John M. Hayes</i> Title(s): <i>Chief Financial Officer</i> (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)						

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 THIS 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:	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:	Hickman Equipment (1985) Limited
Assigned to:	Customer (Legal Name):
Accepted by:	Authorized Signature:

CUSTOMER: (Legal Name)

Hickman Equipment (1985) Limited
The undersigned affirms that he/she is duly authorized to execute this Agreement.

By: Title: *Regional Sales Manager*

By: 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

Hickman Equipment (1985) Limited

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

By: Title: *Regional Sales Manager*

By: Title: *Chief Financial Officer*

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

CUSTOMER NAME		NAME: <u>HICKMAN EQUIPMENT (1985) LIMITED</u>					
BILLING ADDRESS		STREET: <u>1369 TOPSAIL RD</u>					
Full Legal Name & Address		CITY: <u>MOUNT PEARL</u>		PROVINCE: <u>NFLD</u>	POSTAL CODE: <u>A1N - 3C6</u>		
CUSTOMER CONTACT		PERSON TO CONTACT: <u></u> PST: <u></u>					
TAX EXEMPTION NUMBER		GST: <u></u> SALES REP: <u></u>					
VENDOR		NAME: <u>SALE AND LEASEBACK</u>					
EQUIPMENT DESCRIPTION		ADDRESS: <u></u>					
		QUANTITY: <u></u> DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)					
		<u>1</u> ONE NEW JOHN DEERE 310SG BACKHOE LOADER <u>SN: T0310SG095027</u> <u>1</u> ONE NEW JOHN DEERE 310SG BACKHOE LOADER <u>SN: T0310SG095251</u> <u>1</u> ONE NEW JOHN DEERE 450 LC BASE EXCAVATOR <u>SN: FFO45K090590</u>					
		END OF TERM MINIMUM RESALE VALUE: <u>\$ 10.00</u>					
RENTAL DETAILS		ADVANCE PAYMENT DATE: <u>N/A</u> (To be completed by CULEASE Financial Services)					
Payments will be made in advance.		NEXT PAYMENT DATE: <u></u> FREQUENCY: <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 checked="" type="checkbox"/>					
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	TOTAL PAYMENT
(Estimated: subject to verification by CULEASE Financial Services)		<u>38</u>	<u>24</u>	<u>26,353.57</u>	<u>N/A</u>	<u>3953.04</u>	<u>NFLD</u> <u>30,306.61</u>
		F.E.R. ATTACHED SCHEDULE <u>E</u>					
INSURANCE AGREEMENT		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: <u>(Initial if coverage requirement waived)</u>					
FINANCIAL INFORMATION		NAME OF FINANCIAL INSTITUTION: <u></u>					
PRE-AUTHORIZED PAYMENT PLAN		BRANCH LOCATION: <u></u> ACCOUNT INFORMATION: <u></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 Rent and other amounts due under this Agreement.							
Authorized Cheque Signer (s): <u>John M. Hayes</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: John M. Hayes
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: John M. Hayes
Authorized Signature

Assigned to: WIEBURN KELVINGTON
(Accepted)

Accepted by: John M. Hayes
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: John M. Hayes Title: * General Manager
Authorized Signature

By: V.P. 445-3222 Title: V.P. 445-3222
Authorized Signature

DATE OF AGREEMENT: Dec 9 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.

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

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

By: John M. Hayes Title: * General Manager
Authorized Signature

By: V.P. 445-3222 Title: V.P. 445-3222
Authorized Signature

DATE OF DELIVERY AND ACCEPTANCE: Dec 10 2001
If Agreement is undated when signed, it shall be deemed to be dated the date of advance payment above.

NOV-26-2001 11:45

RELEASE

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

Authorized Signature

Jefferson Standard Insurance
Print Name & Title

Authorized Signature

Hector Hens, V.P. Lawrence Montessori
Print Name & Title

FEB. 14, 2001 2:04PM



ADVANTA FINANCIAL

Commercial Banking Centre, St. John's NL

NO. 635 P. 3/6

PRIORITY AGREEMENT

This Agreement is entered into as of February 13, 2001 between Canadian Imperial Bank of Commerce ("CIBC"), Calrose Financial Services (the "Creditor") and Richmont Equipment (1985) 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. (1)
- (b) "Collateral" means all personal property, present and future, which the Customer owns or has an interest in.
- (c) "Proceeds" means (debtifiable or undebtible) 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 indirectly or compensation for loss of, damage to or destruction of an Asset or Proceeds thereof).
- (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 is 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 repossession and realization of the Asset or its Proceeds.

(see Schedule A)

(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

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FEB-13-2001 07:28

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2001-12-12 16:43

5 1 600 652 6297

PAGE. 62

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NO. 625 P.4/6

date to CIBC from time to time) free of the Creditor's Security, until a CIBC branch where those accounts are maintained or those deposits are held receives 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 satisfied, on a reasonable basis, that it would not incur any liability or loss in doing so. In order to be effective, notice under 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, authorized or permitted by 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 assignee 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

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982 425 5947

P.83

FEB 13 '01 16:44

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NOTICE INFORMATION:

Commercial Banking Corp.
Box 349, St. John's, NF A1C 3B2
Fax: 709-756-5764

NOTICE INFORMATION:

Calgary Financial Services
Box 3600, Red Deer, AB T4N 2G8
Fax: (403) 322-7715

NOTICE INFORMATION:

Western Equipment (Inc.) Limited
Box 300, Fort Macleod, AB T0L 1C0
Fax: 403-992-0755

NO. 635 P. 5/6

CANADIAN IMPERIAL BANK OF COMMERCE

By: John D. P. D'Amico
Name: John D. P. D'Amico
Title: VICE PRESIDENT

By: John D. P. D'Amico
Name: John D. P. D'Amico
Title: VICE PRESIDENT

By: John D. P. D'Amico
Name: John D. P. D'Amico
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Name: John D. P. D'Amico
Title: VICE PRESIDENT

By: John D. P. D'Amico
Name: John D. P. D'Amico
Title: VICE PRESIDENT

S-1 44740.635797 P.6/65/05

FEB. 14, 2001 2:05PM ADVANTA FINANCIAL

Schedule A

The following is the description of the assets referred to in Section 1 of this agreement.

- 2 - New John Deere 3105G Backhoe Loader
- 1 - New John Deere 450LC Back End Loader
- 1 - New 624H 4WD Loader
- 1 - New TCG4H T.C. Loader

- ✓ S/N TD10260007, TD10260002
- ✓ S/N 970450000590
- ✓ S/N DW524000079048
- ✓ S/N DWTC4H579078

THE TOTAL P-05 P-05
P-05

FEB-13-2001 87:28

802 423 8247

FEB 13 2001 16:44

TOTAL P-05

FILED: 15.2001 12/10:58AM 10:22 ADVANTA FINANCIAL

FEB-15-2001 18:35

JOHN DEERE LIMITED

FAX: 6132268091 NO. 723 P. 2/3 PAGE 2
905 945 1267 P. 02/03

JOHN DEERE LIMITED

P.O. Box 888, 203 Hunter Road, Brampton, Ontario L6W 4S6



GISELLE M. SAVARD
Finance Administration, Canada

15 February, 2001

Colcase Financial Services
2055 Albert Street, Box 3030
Regina, SK
S4P 1G8

Attn: Sean 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 coincidently 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:

Giselle M. Savard
Finance Administration, Canada

FEB 16 2001 10:58AM 10:24 ADVANTA FINANCIAL
FEB-15-2001 18:36 JOHN DEERE LIMITED

FAX: 6132268091 NO. 723 P. 3/3
905 945 1267 PAGE 3

JOHN DEERE LIMITED

Schedule "A"

JOHN DEERE 310SG BACKHOE, S/N T0310SG895027
JOHN DEERE 310SG BACKHOE, S/N T0310SG895252
JOHN DEERE 450LC EXCAVATOR, S/N PFD450X090590
JOHN DEERE 624H 4WD WHEEL LOADER, S/N DW624HDX579048
JOHN DEERE 7C54H WHEEL LOADER, S/N DWTC54HS79076 *ON LEASE # 4234-1*

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

KELVINGTON CREDIT UNION

0-01



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:
 AMOUNT: \$16,522.21
 FREQUENCY: Monthly
 TERM: 48 months
 RATE: 8.800%
 RATE of RETURN: 7.509%

Amended Payment Structure:
 AMOUNT: \$26,365.36
 FREQUENCY: Monthly*
 TERM: 48 months
 RATE: 8.800%
 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 CUFS 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 20/01Signed: J. B. (Signature)

Signed: J. B. (Signature)
 Kelvington Credit Union Ltd.

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

ID: 308 842 8820

PAGE 1



CULEASE
Financial Services

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LEASE AMENDMENT APPROVAL

I/WE

 APPROVE DECLINE DEFER

Fax Number:

Attn:

Lease Amendment is approved subject to:

Date: Nov 21, 2001Signed: R

FEB 20 2001 10:00 FR PPSA-EQUIFAX CDA, 1 800 263 5582 TO 918008529097

P.03/04

PPSA

2001-02-20
17:25

Atlantic PPRS
Verification Statement
(New)

/RKA002y-
page 1

Province : Newfoundland and Labrador
Registration Type : PPSA Financing Statement
Registration Number : B08178
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 M2N 6S1

Debtors

Debtor Type : Enterprise
HICKMAN EQUIPMENT (1985) LIMITED

1269 TOPSAIL Road
MOUNT PEARL NF 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	FF0450X090590	2001 JOHN DEERE 450LC BASE EXCAVATOR
Motor Vehicle	T031056895252	2001 JOHN DEERE BACKHOE LOADER 310SG
Motor Vehicle	T031056895027	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)

/111a002y-
page 2

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

*** End of Report ***

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	\$ 19,000.74
Hickman Equipment (1985) Limited	\$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: J. M. G.

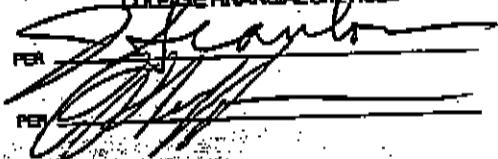
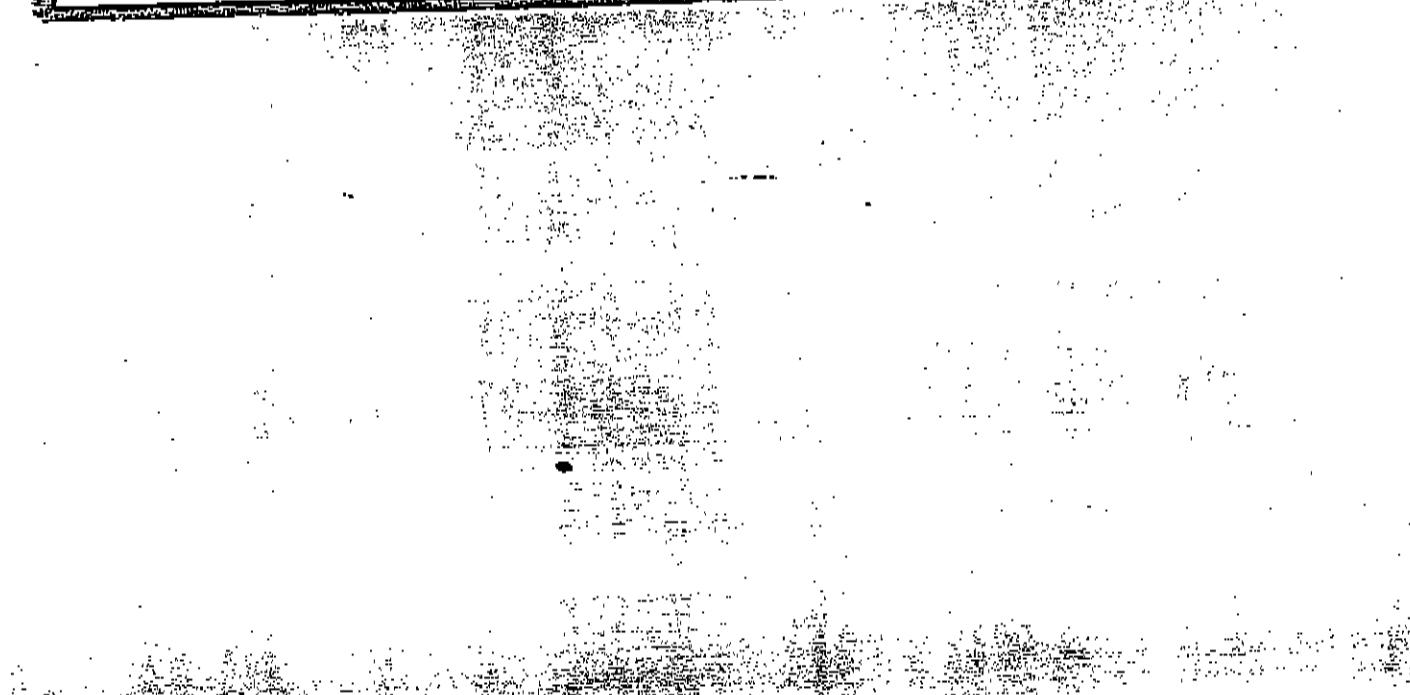
Name/Title: Terry K. Hickman, Sales Manager



to Shirley

to Bonda - CULEASE

We are depositing this cheque this
afternoon. done

 CULEASE Financial Services		2055 ALBERT STREET REGINA, SK S4P 3G8 PHONE (306) 566-7910	7093
			<u>FEB 14 2001</u>
PAY to <u>HICKMAN EQUIPMENT (1985) LTD</u> the order of		<u>723386.00</u> <u>56 CTS</u> DOLLARS 	
- CULEASE - FINANCIAL SERVICES  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>			
#007093# 199788-8890 100101023860# 			

PAYMENT ORDER ORDRE DE PAIEMENT

11TH AVE. & HAMILTON
REGINA, SASK.

BY INTERBRANCH PAYMENT

REFERENCE RÉFÉRENCE

8065162

DATE

Feb/14/2001 15:4

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

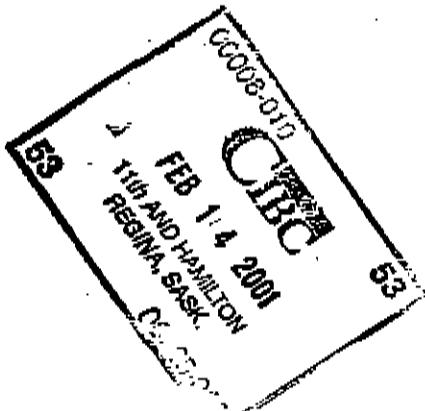
FUND'S NOT GUARANTEED

BENEFICIARY.....: ACCOUNT==> 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.

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 la 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.

John W. Johnson

NAME OF CUSTOMER/ NOM DU DES CLIENTS: *John W. Johnson* AUTHORIZED SIGNATURE/ SIGNATURE AUTORISÉE: *John W. Johnson* AUTHORIZED SIGNATURE/ SIGNATURE AUTORISÉE:

RECEIVER is hereby acknowledged by us, as agents of the remitter, of the sum necessary to arrange the payment described above, subject to the terms and conditions appearing on the reverse hereof.

Nous accordons par les présentes réception, à titre de mandataires du débiteur 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 IMPÉRIALE DE COMMERCE

PER: *John W. Johnson* PER: *John W. Johnson*

SIGNATURES - BRANCH OFFICERS SIGNATURE DES EMPLOYÉS DU CENTRE



JOHN DEERE

HICKMAN
EQUIPMENT
B
R
A
N
C
H
E
S

SAME AS BELOW

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

 P.O. BOX 620, MTL. PEARL, NF.LD. A2L 2J9
 TELEPHONE: (709) 368-9660 FAX: (709) 368-1146
 P.O. BOX 480, GRAND FALLS-WINOSOR, NF.LD. A2A 2J9
 TELEPHONE: (709) 489-2561 FAX: (709) 489-7243
 P.O. BOX 1074, CORNER BROOK, NF.LD. 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

Branch		
01 - MOUNT PEARL *REPRINT*		
Date	Time	Page
04/09/2001	13:29:07 (0)	1
Account No.	Phone No.	Invoice No 04
COMPL001	7093646637	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
LESS 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.