

SUMMARY OF CURRENT DOCUMENT																																				
Name of Issuing Party or Person	CULEASE Financial Services (“Culease”)																																			
Date of Document	3 February, 2003																																			
Summary of Order/Relief Sought or Statement of Purpose in Filing	<p>- Notice of Objection by Culease</p> <p>- Culease objects to the Interlocutory Application (<i>Inter Partes</i>) of the Royal Bank of Canada (“RBC”) for an Order approving the payment to RBC of the proceeds from the sale by the Receiver of:</p> <table><tr><th>Stock#</th><th>Model</th><th>Serial #</th><th>Proceeds</th></tr><tr><td>C001229</td><td>I/R XP825 Compressor</td><td>172821</td><td>\$9,656.00</td></tr><tr><td>C001228</td><td>I/R EXM350 Air Track</td><td>R10031</td><td>\$12,070.00</td></tr><tr><td>C001227</td><td>Terex Articulated Truck</td><td>74TDC7364</td><td>\$800.00</td></tr><tr><td>C001226</td><td>CAT D8N Dozer</td><td>5TJ02858</td><td>\$165,149.00</td></tr><tr><td>C001339</td><td>CAT 320B Excavator</td><td>06CR04706</td><td>\$135,000.00</td></tr><tr><td>C001340</td><td>CAT 320B Excavator</td><td>06CR05244</td><td>\$140,000.00</td></tr><tr><td>C001341</td><td>CAT 320B Excavator</td><td>06CR05245</td><td>\$135,000.00</td></tr></table>				Stock#	Model	Serial #	Proceeds	C001229	I/R XP825 Compressor	172821	\$9,656.00	C001228	I/R EXM350 Air Track	R10031	\$12,070.00	C001227	Terex Articulated Truck	74TDC7364	\$800.00	C001226	CAT D8N Dozer	5TJ02858	\$165,149.00	C001339	CAT 320B Excavator	06CR04706	\$135,000.00	C001340	CAT 320B Excavator	06CR05244	\$140,000.00	C001341	CAT 320B Excavator	06CR05245	\$135,000.00
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Court Sub-File Number:	7:43																																			

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 OF OBJECTION

1. Culease objects to the Interlocutory Application (*Inter Partes*) of RBC, Court Sub-File Number 7:43, for an Order approving the payment to RBC of the Proceeds from the sale by the Receiver of:

Stock#	Model	Serial #	Proceeds
C001229	I/R XP825 Compressor	172821	\$9,656.00
C001228	I/R EXM350 Air Track	R10031	\$12,070.00
C001227	Terex Articulated Truck	74TDC7364	\$800.00
C001226	CAT D8N Dozer	5TJ02858	\$165,149.00
C001339	CAT 320B Excavator	06CR04706	\$135,000.00
C001340	CAT 320B Excavator	06CR05244	\$140,000.00
C001341	CAT 320B Excavator	06CR05245	\$135,000.00

2. Culease presented its security interest claim to PWC (the “Culease Claim”).
3. 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

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

5. 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	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

6. 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".
7. PWC has not made any determination as to Culease's priority or entitlement to the proceeds arising from the sale of the Culease Units.
8. The basis for the objection of Culease to the Interlocutory Application (*Inter Partes*) of

RBC, Court Sub-File Number 7:43, is that Culease has a valid secured claim with respect to the following assets of Hickman Equipment:

Stock#	Model	Serial #	Proceeds
C001229	I/R XP825 Compressor	172821	\$9,656.00
C001228	I/R EXM350 Air Track	R10031	\$12,070.00
C001227	Terex Articulated Truck	74TDC7364	\$800.00
C001226	CAT D8N Dozer	5TJ02858	\$165,149.00
C001339	CAT 320B Excavator	06CR04706	\$135,000.00
C001340	CAT 320B Excavator	06CR05244	\$140,000.00
C001341	CAT 320B Excavator	06CR05245	\$135,000.00

9. Culease therefore requests, pursuant to paragraph 21 of the Claims Plan and section 68 of the PPSA:

- (i) a determination of the priority and entitlement of Culease, *vis-à-vis* RBC, to the proceeds from the sale of the following assets of Hickman Equipment:


Stock#	Model	Serial #	Proceeds
C001229	I/R XP825 Compressor	172821	\$9,656.00
C001228	I/R EXM350 Air Track	R10031	\$12,070.00
C001227	Terex Articulated Truck	74TDC7364	\$800.00
C001226	CAT D8N Dozer	5TJ02858	\$165,149.00
C001339	CAT 320B Excavator	06CR04706	\$135,000.00

C001340	CAT 320B Excavator	06CR05244	\$140,000.00
C001341	CAT 320B Excavator	06CR05245	\$135,000.00;

and

- (ii) an order that PWC pay the proceeds from the sale of the Culease units referenced herein at subparagraph 9(i) to Culease.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 7th day of February, 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

TO: Patterson Palmer Law
Solicitors for PWC
For Posting on the PWC Website

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]

Court Sub-File Number: 7:43

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
TRIAL DIVISION**

IN THE MATTER OF a Court ordered
Receivership of Hickman Equipment (1985)
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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 Operations Manager for CULEASE Financial Services ("Culease"), and as such I have knowledge of the matters referred to in the foregoing Notice of Objection 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, Culease 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	LU1050C005288
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
16.	C001340	CAT 320B Excavator	06CR05244

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].

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 #15, Unit #16 and Unit #17 are based on the following sources and grounds:

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 2, Page 1];
- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement dated December 14, 2000 [Tab 2, Page 3];
- (c) No interest letters from John Deere Credit Inc., CIBC, and John Deere Limited [Tab 2, Page 7, 8, 9];
- (d) Request for Amendment to Existing Lease dated November 20, 2001 [Tab 2, Page 11];
- (e) Equipment Lease registered under the PPSA by registration number

726158 dated December 29, 2000 [Tab 2, 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 2, page 15], and copy of cheque number 6760 in the amount of \$670,959.88 dated December 14, 2000 [Tab 2, page 16], and copy of CIBC Payment Order in the amount of \$670,959.88 [Tab 2, 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 [Tab 2, Page 18].

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 #15, Unit #16 and Unit #17 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 #11, Unit #12, Unit #13 and Unit #14 are based on the following sources and grounds:

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

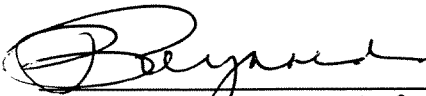
November 14, 2000 for the total purchase price of \$1,207,529.66 plus HST [Tab 3, Page 1];

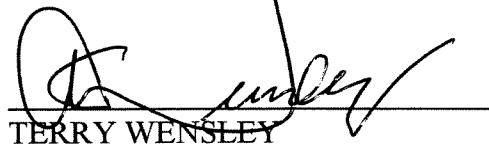
- (b) Leased to Hickman Equipment by Culease pursuant to Lease Agreement dated November 14, 2000 [Tab 3, Page 3];
- (c) No interest letters from CIBC and John Deere Limited [Tab 3, Page 6 and 8];
- (d) Substitution Agreement dated February 13, 2001, between Hickman Equipment as Lessee and Culease as Lessor [Tab 3, 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 3, 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 3, 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 3, 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

20. 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 #11, Unit #12, Unit #13 and Unit #14 and referred to in paragraph 19 of this Affidavit.
21. This Affidavit is sworn and filed in support of Culease's Notice of Objection to the Interlocutory Application (*Inter Partes*) of RBC, Court Sub-File Number 7:43, for an Order approving the payment to DCFS of the Proceeds from the sale by the Receiver of:

Stock#	Model	Serial #	Proceeds
C001229	I/R XP825 Compressor	172821	\$9,656.00
C001228	I/R EXM350 Air Track	R10031	\$12,070.00
C001227	Terex Articulated Truck	74TDC7364	\$800.00
C001226	CAT D8N Dozer	5TJ02858	\$165,149.00
C001339	CAT 320B Excavator	06CR04706	\$135,000.00
C001340	CAT 320B Excavator	06CR05244	\$140,000.00
C001341	CAT 320B Excavator	06CR05245	\$135,000.00

SWORN before me at Regina,
in the Province of Saskatchewan,
this 5th day of February, 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"	-	<i>Personal Property Security Act</i> , S.N.L. 1998, c.P - 7.1
"PMSI"	-	Purchase Money Security Interest
"Province"	-	Newfoundland and Labrador
"Regulations"	-	Personal Property Security Regulations (103/99)
"s/n"	-	serial number

4. Assets

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

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

BILL OF SALE

This is Exhibit "142" referred to in the Affidavit hereto

808.60
808.60
808.517.00
808.517.00
808.517.00
17,557.47
870.959.00

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")

[Handwritten signature]

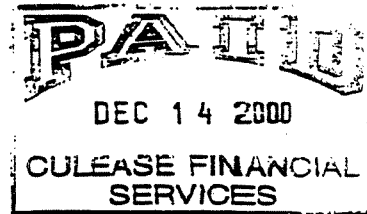
IN CONSIDERATION of the sum of

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

(\$598,710.69)

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

SEE ATTACHED SCHEDULE 'A'



THE GRANTOR COVENANTS:

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

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

SIGNED, SEALED AND DELIVERED
in the presence of:

[Handwritten signature]

Hickman Equipment (1985) Limited
Per: *[Handwritten signature]*

Name/Title: GARY HILLIARD JOHN KINL
C.F.O. SALTS MANAGER

SCHEDULE "A"

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

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

S/N: P00160X041555 ✓

S/N: ⁵⁰¹⁶³⁶
~~FF0200X581636~~

S/N: DW670CH578392

Hickman Equipment (1985) Limited

By:  

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

JOHN KIVIK
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:		TELEPHONE NO: <u>709-368-9660</u>		FAX NO:		
TAX EXEMPTION NUMBER	GST:		PST:				
ENDOR	NAME: <u>SALE AND LEASEBACK</u>		SALES REP:				
	ADDRESS:						
EQUIPMENT DESCRIPTION	QUANTITY:	DESCRIPTION: (Year, Make, Model, Serial Number - include as appropriate)					
		<u>PER ATTACHED SCHEDULE 'A'</u>					
	END OF TERM MINIMUM RESALE VALUE: \$ <u>10.00</u>						
RENTAL DETAILS	ADVANCE PAYMENT DATE: <u>N/A</u>						
Payments will be made in advance.	NEXT PAYMENT DATE: (To be completed by CULEASE Financial Services)						
Payments subject to change if tax amounts change.	FREQUENCY: MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> ANNUAL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>						
Estimated: subject to certification by CULEASE Financial Services)	INITIAL TERM NO. OF MONTHS	NUMBER OF PAYMENTS	RENTAL AMOUNT EXCLUDING PST & GST	PROVINCIAL SALES TAX	GOODS & SERVICES TAX HST	PROVINCE	TOTAL PAYMENT
	<u>36</u>	<u>24</u>	<u>23,221.28</u>	<u>N/A</u>	<u>3,425.19</u>	<u>NFLD</u>	<u>26,704.47</u>
		<u>PER ATTACHED</u>	<u>SCHEDULE 'B'</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: \$						
	THIRD PARTY COVERAGE WAIVED (Initial if coverage requirement waived)						
FINANCIAL INFORMATION	NAME OF FINANCIAL INSTITUTION:						
	BRANCH LOCATION:			ACCOUNT INFORMATION:			
RE-AUTHORIZED PAYMENT PLAN	Lessor is hereby authorized to periodically draw payment under its Pre-Authorized Payment Plan from the account specified in the Financial Information section above and/or as outlined on the attached sample cheque to cover the Rental and other amounts due under this Agreement.						
	Authorized Cheque Signer (s): <u>[Signature]</u>			Title(s): <u>GENERAL MANAGER</u>			
	(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 ACKNOWLEDGE AND AGREE YOU HAVE SELECTED THE EQUIPMENT FOR LEASE; YOU ACKNOWLEDGE AND AGREE TO ALL TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT; IN THE EVENT THE AGREEMENT IS ASSIGNED TO A CREDIT UNION, TO THE EXTENT THAT IT MAY BE NECESSARY YOU HEREBY APPLY FOR MEMBERSHIP IN THE CREDIT UNION, YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE. WHERE THERE IS MORE THAN ONE CUSTOMER YOU ACKNOWLEDGE YOUR OBLIGATION AND LIABILITY IS JOINT AND SEVERAL.

CULEASE Financial Services
 EXECUTED AS LESSOR

BY: [Signature]
 Authorized Signature

GST #: 10114 3915 RT0001

ASSIGNMENT

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

CULEASE Financial Services

Lessor: [Signature]
 Authorized Signature

Assigned to: YORKTON / KELVINGTON
 ("Assignee")

Accepted by: [Signature]
 Authorized Signature

To be completed by CULEASE Financial Services

CUSTOMER: (Legal Name)

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

By: [Signature] Title: GENERAL MANAGER
 Authorized Signature

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

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

DELIVERY AND ACCEPTANCE CERTIFICATE

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

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

1269 TOPSAIL ROAD MOUNT PEARL NFLD, A1N-3C8

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

BY: [Signature] Title: GENERAL MANAGER

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

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

SECRET

12. **INDEMNITY.** Customer agrees to indemnify the Lessor from and against any and all liability, losses, damages, claims, injuries, demands and expenses (including environmental claims and legal fees) arising out of the use, maintenance and operation of the Equipment. Customer agrees not to sell, assign, sublet, pledge, or otherwise dispose of or encumber any interest in this Agreement.

13. ASSIGNMENT: Lessor shall not assign, subcontract, or otherwise encumber or suffer a lien upon its rights in the Equipment without the prior written consent of Lessee.

14. FULL COMPLIANCE. Customer's compliance with and fulfillment of all obligations under this Agreement shall constitute a condition upon Customer's compliance with and fulfillment of all obligations under this Agreement for the full Term and any Extension Period. Lessor and Customer hereby confirm their intent that the Equipment shall remain the property of Lessor throughout the term of this Agreement, even though said Equipment may be used by Customer.

always remain and be deemed personal or individual property of Lessee and shall not 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's contract is terminated or 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 assigned to the Company and shall be 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 date such information is requested by Lessor; (ii) no representation or warranty made by Customer in this agreement, condition or agreement to be performed or observed hereunder and such intent shall constitute a breach of this agreement; (iii) any representation or warranty made by Customer in this agreement, condition or agreement to be performed or observed hereunder and such intent shall constitute a breach of this agreement; (iv) any representation or warranty made by Customer in this agreement, condition or agreement to be performed or observed hereunder and such intent shall constitute a breach of this agreement.

pursuant hereto shall prove to be incorrect at any time in any material respect, or if Customer becomes insolvent or bankrupt or a trustee or receiver be appointed for Customer or for substantially all of its property without its consent; (v) if bankruptcy, reorganization or insolvency proceedings are instituted against Customer or by or against Customer, or if execution, attachment or similar legal process is obtained against Customer or its assets.

proceedings be instituted by or against Customer; (vi) a writ of attachment process be issued or levied against the Equipment.

applicable law; (a) enter upon the premises where such equipment is located or to real property or not, and remove possession thereof, whether it is affixed to equipment or by reason of such entry or taking of possession same, without liability to the Lessor for or otherwise dispose of the same

whether for damage to property or otherwise, and such consideration shall be deemed to have been paid by Customer at the time of such consideration and upon such terms and conditions as Lessor may reasonably deem fit; (b) the name of and as the irrevocably appointed agent and attorney for Customer and with

the name of and as the irrevocably appointed agent and attorney for Customer and with

Equipment and proceed to rent the Equipment to any other person, firm or corporation on the same terms and conditions, for such rental and for such period of time as Lessor may deem fit.

by Customer hereunder; (c) terminates this Agreement and by written notice in Customer specifying a payment date not earlier than five(5) days from the date of such notice, rec

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, an amount payable to the remaining Rental Amounts payable to the expiration of the Term, and (iii) the amount of the charges described in the notice, together with interest on the sum of (i) and (ii) at the rate of 12% per annum from the date of the notice to the date of payment.

of the End of Term Minimum Resale Value; (d) require payment of the rate of 4% per annum on each payment calculated and compounded monthly over the period commencing on the date of the first payment and ending on the date of the final payment would have become due and payable.

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 of default and ending on the date such final payment is made.

expenses incurred by reason of the event or events described above shall be paid by Lessor 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 or remedies available to Lessor at law or in equity.

17. NOTICES. Any notices and demands required to be given in this Agreement, or to the parties in writing and by registered mail at the address set forth in this Agreement, or to the parties as the parties may hereafter substitute by written notice given in the manner herein provided, shall be deemed to have been duly given if made to the following persons, including:

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 and/or unaudited financial statements within fourteen days of such request.

Customer shall pay to Lessor, in addition thereto, a late charge of ten dollars (\$10.00) per month or part thereof for which said Rent or other sum shall be delinquent together with

on any such sums in default from the due date hereof. Customer further agrees to pay to Lessor a compounded monthly (26.82% per annum). Customer further agrees to pay to Lessor a charge of \$25.00 per item to reimburse Lessor for cheque or non-sufficient funds (NSF) charge of \$25.00 per item to reimburse Lessor for

20. **INITIAL DIRECT COSTS.** Customer acknowledges and agrees to pay all initial direct costs for the leasing, including but not limited to credit investigation, processing and expense incurred with respect to a lease for any reason.

21. **FINANCING STATEMENT.** Lessor may file a financing statement or similar registration, and brokerage or origination costs.

evidence of intent to create a security interest under Personal Property Security Regulation similar legislation. To the extent permitted by law, Customer waives requirement provided with a copy of any financing or verification statement or renewal thereof.

22. MISCELLANEOUS. This Agreement shall be governed by the laws of the Territory first set out above. Time is of the essence with respect to this Agreement. Non-compliance by Lessor of any default shall constitute a waiver of any other default by Customer or Lessor of any default shall constitute a waiver of any other default by Customer or Lessor.

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 rental to be paid by Customer to Lessor. Should Customer fail to perform any obligation under this agreement, Lessor shall be entitled to terminate this agreement and to repossess the equipment without incurring any liability to Customer. The obligations of Customer under this agreement shall survive the termination or expiration of this agreement. The entire agreement between the parties and the terms and conditions of sale hereunder shall be governed by the laws of the State of New York.

no collateral agreements or conditions not specifically set forth in this Agreement shall be effective or binding unless agreed to by modifications, amendments or variations shall be effective or binding unless agreed to by the parties. This Agreement shall be binding upon and in

Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be

herof, and any such prohibition or unenforceability in any jurisdiction shall not in-
render unenforceable such provision in any other jurisdiction. Clerical errors shall not
validity of this agreement and Lessor shall be entitled to unilaterally correct the same

Agreement as amended or renewed or any collateral security thereto or promise to execute such Agreement, the Customer waives the benefit of all provisions of any applicable conditional sales, lease or financing agreement which affects restriction of the use of the goods.

rights of Lessor including without limiting the generality of the foregoing, all of the benefits and protection given or afforded to it by Section 49 of the Law of Property Act of Saskatchewan, and the limitations of the Civil Rights Act of Saskatchewan.

as amended and the provisions of the Leasehold Estate Security Agreement, as amended. Customer also waives any right to demand security for costs in the event of non-payment of the Leasehold Estate Security Agreement, as amended. Lessor and Customer represent and agree that the persons signing this Agreement are duly authorized to sign the Agreement and the Corporate Seal of either party.

capacity and authority to sign the Agreement on behalf of the Customer. Where this is more than one customer you acknowledge and agree that all such customers must sign and affix their seal to this Agreement. Where this is more than one customer you acknowledge and agree that all such customers must sign and affix their seal to this Agreement. Where this is more than one customer you acknowledge and agree that all such customers must sign and affix their seal to this Agreement.

23. **BUSINESS NAMES:** The Union Central of Canada. Co-operative Trust Company of Canada is a licensed user

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Feb 1997

SCHEDULE "A"

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

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

S/N: P00160X041555 ✓

S/N: FF0200X581636 ✓

S/N: DW670CH578392 ✓

Hickman Equipment (1985) Limited

By:  

Name/Title: GARY HILLARD JOHN KIRI
C.F.O. SALES MANAGER

Schedule "B"


Payment Schedule for Lease# 4322-4

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

Hickman Equipment (1985) Limited

By: 

Authorized Signature

John King, General Manager
Print Name & Title
Authorized SignatureHaider Hout V.P. & General Manager
Print Name & Title

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

December 8, 2000

Via Facsimile 306-566-7915

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

Dear Susan:

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

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

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

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

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

Yours Truly,



Michelle Ritter
Wholesale Note Auditor

**CULEASE
FINANCIAL SERVICES**

P8

WAIVER

2055 ALBERT STREET, P.O. BOX 3030
REGINA, SASKATCHEWAN S4P 3G8
TEL: 306-566-7910 FAX: 306-566-7915

Date: December 8, 2000

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

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

Attention: Ms. Susan Ewanick

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

S/N P00160X041555
S/N FP0200X1501636
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
[Signature]

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

Dated this 8 day of December 2000.

Canadian Imperial Bank of Commerce

Per:

Name:

Title:

[Signature] CLS 707 738-8407

TOTAL P.01

DEC-13-2000 14:26

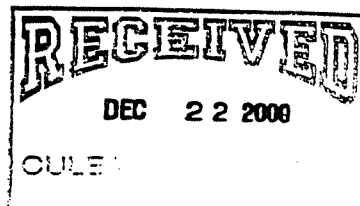
403 296 0192

98%

P.14

JOHN DEERE LIMITED

P.O. Box 999, 295 Hunter Road, Grimsby, Ontario L3M 4S9



GINETTE M. SAVARD
Finance Administration, Canada

18 December, 2000

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

Att: Susan McAllister

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

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

refer to schedule "A" attached

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

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

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

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

Yours very truly

JOHN DEERE LIMITED

Per: 

Ginette M. Savard
Finance Administration, Canada

JOHN DEERE LIMITED

Schedule "A"

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



REQUEST FOR AMENDMENT TO EXISTING LEASE

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

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

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

Existing Payment Structure:

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

Amended Payment Structure:

AMOUNT: \$23,234.35
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:

[Signature]
 RELU WATON Credit Union Ltd.



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:

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

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

LEASE AMENDMENT APPROVAL

I/WE

☒ **APPROVE**

☐ **DECLINE**

☐ **DEFER**

Fax Number: (306) 786-6878

Attn: TERRY PETERS

Lease Amendment is approved subject to:

Date:

20 Nov. 01

Signed:

2000-12-29
20:03

Atlantic PPRS
Verification Statement
(New).

/AAA003Sn
page 1

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

Registrant Name and Address

Registrant User ID: P174460
Equifax Canada Inc.

National PPSA Services
110 Sheppard Avenue East
Toronto ON Canada H2N6S1

Debtors

Debtor Type : Enterprise
HICKMAN EQUIPMENT (1985) LIMITED

1269 TOPSAIL Road
MOUNT PEARL NF Canada A1N3C8

Secured Parties

YORKTON CREDIT UNION LIMITED

PO BOX 1210
YORKTON SK Canada S3N2X3

KELVINGTON CREDIT UNION LIMITED

PO BOX 459
KELVINGTON SK Canada S0A1W0

CO-OPERATIVE TRUST COMPANY OF CANADA C/O CULEASE FINANCIAL SERVICES
JOHNSON, BRENT
BOX 3030
2055 ALBERT Street
REGINA SK Canada S4P3G8
Telephone : 800-409-2029
Fax : 800-852-9097

General Description Collateral

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

Serial Numbered Collateral

DEC-29-2000 17:54

1 800 263 5582

96%

P.03

2000 19:54 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 918008529097

P.04/04

2000-12-29
20:03

Atlantic PPRS
Verification Statement
(New)

/AAAA0035n
page 2

Collateral Type	Serial Number	Description
Motor Vehicle	DN670CH578392	2000 JOHN DEERE 160LC EXCAVATOR
Motor Vehicle	FF0200X501636	2000 JOHN DEERE 200LC EXCAVATOR
Motor Vehicle	P00160X041555	2000 JOHN DEERE 160LC EXCAVATOR

Additional Information

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

*** End of Report ***

December 7, 2000

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

Subject: Bill of Sale dated December 14, 2000

Gentlemen:

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

CULEASE Financial Services
Hickman Equipment (1985) Limited

\$ 17,557.41
\$670,959.89

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

Yours very truly,

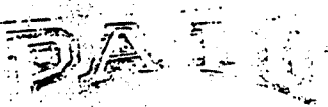
Hickman Equipment (1985) Limited

By:  

Name/Title:

GARY HAYWARD
C.F.O.

JOHN KINT
SALES MANAGER


DEC 14 2000
CULEASE FINANCIAL
SERVICES

DEC 14, 2000
DATE

P16

PAY TO HICKMAN EQUIPMENT (1985) LIMITED \$ 670.959.85
the order of
- PLEASE -
FINANCIAL SERVICE 670959 DOLS 88 CTS



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

100 DOLLARS
PLEASE FINANCIAL SERVICESRE: HICKMAN EQUIPMENT LTD

PER

PER

⑈006760⑈ ⑆99788⑈889⑆ 100101023860⑈

Deposited directly into
CIBC account 12/14/00



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... 00063

FOREIGN AMOUNT..... 670,959.88

EXCHANGE RATE..... 1.0

CANADIAN EQUIVALENT: 670,959.88

HANDLING CHARGES.... 0.00

CANADIAN AMOUNT..... 670,959.88

CUSTOMER'S ACCOUNT.: 00008/

COMMENTS: CHQ

REMITTER..... CULEASE FINANCIAL SERVICES

2055 ALBERT ST

REGINA SASK

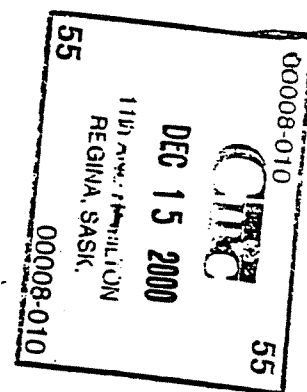
306 566-7910

BENEFICIARY..... ACCOUNT==> 0002801

HICKMAN EQUIPMENT

PAYMENT DETAILS..... RE

PAYMENT INSTRUCTION: CREDIT ACCOUNT UNDER ADVICE



Please arrange the payment described above upon the Terms and Conditions on the reverse of this Payment Order. The undersigned acknowledges having read the Terms and Conditions and agrees to be bound by them. If more than one Customer signs this Payment Order the Customers agree that their liability pursuant to this Payment Order shall be joint and several.

Veuillez prendre des dispositions pour effectuer le paiement décrit ci-dessus conformément aux modalités et conditions figurant au verso du présent ordre de paiement. Le soussigné reconnaît qu'il a pris connaissance de ces modalités et conditions et accepte d'être lié par celles-ci. Si plus de un client signe le présent ordre de paiement, les clients reconnaissent qu'ils seront solidairement responsables.

DATE: Dec 15/2000 NAME OF CUSTOMER(S): NOM DU OU DES CLIENTS: x David Johnson AUTHORIZED SIGNATURE: SIGNATURE AUTORISEE: AUTHORIZED SIGNATURE: SIGNATURE AUTORISEE:

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

Nous accusons par les présentes réception, à titre de mandataires du donneur d'ordre, du montant nécessaire pour effectuer le paiement indiqué ci-dessus, sous réserve des modalités et conditions figurant au verso des présentes.

CANADIAN IMPERIAL BANK OF COMMERCE BANQUE CANADIENNE IMPERIALE DE COMMERCE

SIGNATURES - BRANCH OFFICERS
SIGNATURE DES EMPLOYES DU CENTRE BANCAIRE

**HICKMAN
EQUIPMENT**N
C
H
E
STELEPHONE: (709) 469-4201 FAX: (709) 469-1243
P.O. BOX 1074, CORNER BROOK, NFLD. A2H 6G3
TELEPHONE: (709) 634-3161 FAX: (709) 634-5899
P.O. BOX 860, STN "C", GOOSE BAY, LAB. NF. A0P 1S0
TELEPHONE: (709) 896-8666 FAX: (709) 896-8999

P18

SAME AS BELOW

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

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

DESCRIPTION

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

DISCLAIMER OF WARRANTIES

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

GOODS RECEIVED BY _____

BILL OF SALE

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

BETWEEN:

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

- and -

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'

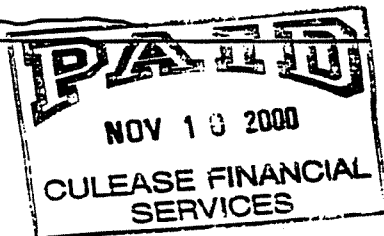
THE GRANTOR COVENANTS:

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 of encumbrance except as hereinafter noted.

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

SIGNED, SEALED AND DELIVERED
in the presence of:

Bill



Hickman Equipment (1985) Limited

Per: *[Signature]*

Name/Title: GARY HILLIARD
CHIEF FINANCIAL OFFICER

Schedule "A"

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

One(1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit#C000945	S/N: T0310SE892994
One(1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket Unit#C000939	S/N: T0310SE892985
One(1) 644H 4WD Wheel Loader Unit#C000910	S/N: DW644HX578388
One(1) 544H 4WD Wheel Loader Unit#C000912	S/N: DW544HX578389
One(1) 330LC Hydraulic Excavator Unit#C000944	S/N: FF0330XO80964
One(1) 330LC Hydraulic Excavator Unit#C000919	S/N: FF0330XO80941

Hickman Equipment (1985) Limited

By: _____

Authorized Signature

JOHN KIRK, GENERAL MANAGER
Print Name & Title

Authorized Signature

HAILEY HUNT, V.P. & GENERAL MANAGER
Print Name & Title

CULEASE Financial Services
 Box 3030
 1 Albert Street
 Regina, Saskatchewan S4P 3G8
 www.culeasefs.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:	NAME: Hickman Equipment (1985) Limited					
BILLING ADDRESS	STREET: 1269 Topsail Road					
Full Legal Name & Address:	CITY: Mount Pearl	PROVINCE: NFLD	POSTAL CODE: A1N 3C8			
CUSTOMER CONTACT:	PERSON TO CONTACT:		TELEPHONE NO. 709-368-9660	FAX NO:		
AX EXEMPTION NUMBER:	GST:		PST:			
VENDOR:	NAME: Sale and Leaseback		SALES REP:			
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					
RENTAL DETAILS	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)					
PAYMENTS WILL BE MADE IN ADVANCE	INITIAL TERM NO. OF MONTHS 48	NUMBER OF PAYMENTS 48	RENTAL AMOUNT EXCLUDING PST & GST 30,491.12	PROVINCIAL SALES TAX N/A	GOODS & SERVICES TAX HST 4,573.67	TOTAL PAYMENT 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. ADDITIONAL THIRD PARTY COVERAGE AMOUNT: \$ THIRD PARTY COVERAGE WAIVED <input checked="" type="checkbox"/> (Initial if coverage requirement waived)					
FINANCIAL INFORMATION	NAME OF FINANCIAL INSTITUTION: CIBC ATLANTIC PL. ST. JOHN'S NF BRANCH LOCATION: 00063 ACCOUNT INFORMATION: 00-02801					
PRE-AUTHORIZED PAYMENT PLAN	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): [Signature] Title(s): CHIEF FINANCIAL OFFICER (PLEASE ATTACH AN UNSIGNED SAMPLE CHEQUE MARKED VOID)					

CUSTOMER ACKNOWLEDGEMENTS
 BY SIGNING THIS AGREEMENT, THE CUSTOMER, LESSEE AND YOU ALL REFER TO THE ABOVE NAMED CUSTOMER. YOU ACKNOWLEDGE AND AGREE TO THE TERMS AND CONDITIONS OF THIS LEASE. 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 MAY APPLY FOR MEMBERSHIP IN THE CREDIT UNION. YOU ACKNOWLEDGE HAVING READ THE ENTIRE LEASE AND ACCEPT THE TERMS AND CONDITIONS THAT ARE PART OF THIS LEASE.

CULEASE Financial Services
 EXECUTED AS LESSOR

Authorized Signature: **[Signature]**

POST # : **10114 3915 RT0001**

ASSIGNMENT

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

LEASE Financial Services

Assigned to: **[Signature]**
 Accepted by: **[Signature]**
 Authorized Signature

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

By: **[Signature]** Title: **CHIEF FINANCIAL OFFICER**
 By: **[Signature]** Title: **VICE PRESIDENT OPERATIONS**

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

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

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

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

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

KEYS AND TRANSFERS all rights, title and interest in

CULEASE FINANCIAL SERVICES

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

WAIVER

Date: November 9, 2000

To: CANADIAN IMPERIAL BANK OF COMMERCE
ALTANTIC PLACE
P.O. BOX 340
MOUNT PEARL, NEWFOUNDLAND
A1C 5J9**ATTENTION: BARRY CHALK****RE: HICKMAN EQUIPMENT (1985) LIMITED ("Obligor")**

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

CULEASE FINANCIAL SERVICES

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

Dated this 10 day of November 2000

CANADIAN IMPERIAL BANK OF COMMERCE (Secured Creditor)

Per: _____
Name:
Title:

SCHEDULE "A"

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

QTY EQUIPMENT DESCRIPTIONSERIAL NUMBER

1 One (1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket
Unit # C000945

1 One (1) 310SE Backhoe Loader c/w 24" HD Backhoe Bucket
Unit # C000939

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

1 One (1) 544H 4WD Wheel Loader
Unit # C000912

1 One (1) 330LC Hydraulic Excavator
Unit # C000944

1 One (1) 330LC Hydraulic Excavator
Unit # C000919

S/N: T0310SE892994

S/N: T0310SE892985

S/N: DW644HX578388

S/N: DW544HX578389

S/N: FF0330X080964

S/N: FF0330X080941

Initial: RE

TOTAL P 03

JOHN DEERE LIMITED

P.O. Box 999, 295 Hunter Road, Grimsby, Ontario L3M 4S9

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").


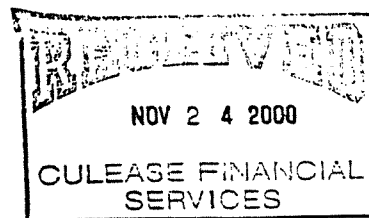
We also hold security charging the Collateral, in whole or in part, such security as now held or as may be hereinafter acquired by us being referred to as the "JDL Security".

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(Fundor)001State]
S4P 3G8

(herein called "Lessor")

OF THE FIRST PART

AND

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

(herein called "Lessee")

OF THE SECOND PART

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

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

One (1) 310SEBackhoe Loader c/w 24" HD Backhoe Bucket Unit #C000939
One (1) 644H 4WD Wheel Load Unit # C000910

S/N: T0310SSE892985
S/N: DW644HX578388

(the "Lost Equipment")

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

One(1) TC54H T.C. Loader
One(1) 624H 4WD Loader

S/N: DWTC54H579078
S/N: DW624HX579048

(the "Revised Equipment")

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

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

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

CULEASE Financial Services

LESSEE: Hickman Equipment (1985) Limited

By: _____

Title: _____

By: [Signature]

Title: Richard S. S. S. S. S.

By: [Signature]

GARY HICKMAN
CHIEF FINANCIAL OFFICER

2000-11-20
11:48

Atlantic PPRS
Verification Statement
(New)

/AAAA005dE
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
1269 TOPSAIL Road
MOUNT PEARL NF Canada A1N3C8

Secured Parties

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

CREDIT UNION CENTRAL OF SASK C/O 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 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 9180085529097 P.04/07

2000-11-20
11:48

Atlantic PPRS
Verification Statement
(New)

/AAAA005dE
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	SERIAL #
2000	JOHN DEERE BACKHOE LOADER 310SE	T0310SE892994
2000	JOHN DEERE BACKHOE LOADER 310SE	T0310SE892985
2000	JOHN DEERE 644H WHEEL LOADER	DW644HX578388
2000	JOHN DEERE 544H WHEEL LOADER	DW544HX578389
2000	JOHN DEERE 330LC HYDRAULIC EXCAVATOR	FF0330XD80964
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330XD80941	

*** End of Report ***

NOV 20 2000 12:35 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 918008529097 P.05/07

2000-11-20
12:13

Atlantic PPRS
Verification Statement
(Amendment)

/AAAA006Dq
page 2

Fax : 800-852-9097

ASSINIBOIA CREDIT UNION LIMITED
PO BOX 760
ASSINIBOIA SK Canada SOH080
KELVINGTON CREDIT UNION LIMITED
PO BOX 459
KELVINGTON SK Canada SOA1W0
YORKTON CREDIT UNION LIMITED
PO BOX 1210
YORKTON SK Canada S3N2X3
WEYBURN CREDIT UNION LIMITED
PO BOX 1117
WEYBURN SK Canada S4H2L3

661371

661371

661371

661371

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, LOOS,
REPLACEMENT, RENEWAL, DESTRUCTION OF OR DEALING WITH THE
COLLATERAL.

SERIAL NUMBERS:

SERIAL #-

YEAR	MAKE/MODEL
2000	JOHN DEERE BACKHOE LOADER
310SE	TO310SEB92994
2000	JOHN DEERE BACKHOE LOADER
310SE	TO310SEB92985
2000	JOHN DEERE 644H WHEEL
LOADER	DW644HX578388
2000	JOHN DEERE 544H WHEEL
LOADER	DW544HX578389
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080964
2000	JOHN DEERE 330LC HYDRAULIC
EXCAVATOR	FF0330X080941

*** End of Report ***

NOV 20 2000 12:36 FR PPSA-EQUIFAX CDA. 1 800 263 5582 TO 91808529097 P.07/07

2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

/AAAA001b6
page 1

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

Registrant Name and Address

Registrant User ID: P174460
Equifax Canada Inc.

National PPSA Services
110 Sheppard Avenue East
Toronto ON Canada M2N6S1

History of Registration Activity

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

Debtors

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

ADDED

DELETED

661355

695239

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

695239

Secured Parties

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

ADDED

DELETED

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

661355

695239

2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

/Aaaa001b6
page 2

Fax : 800-852-9097

CO-OPERATIVE TRUST CO OF CANADA C/O CULEASE FINANCIAL SERVICES 661355 695239
GOLESKI, CORALEE
PO BOX 3030
REGINA SK Canada S4P3G8
Telephone : 800-409-2029
Fax : 800-852-9097

ASSINIBOIA CREDIT UNION LIMITED 661371
PO BOX 760
ASSINIBOIA SK Canada S0H0B0

KELVINGTON CREDIT UNION LIMITED 661371
PO BOX 459
KELVINGTON SK Canada S0A1W0

YORKTON CREDIT UNION LIMITED 661371
PO BOX 1210
YORKTON SK Canada S3N2E3

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
661355

COLLATERAL CLASSIFICATION: EQUIPMENT

2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

/A11a001b6
page 3

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

SERIAL NUMBERS:		SERIAL #-
YEAR	MAKE/MODEL	
2000	JOHN DEERE BACKHOE LOADER	
310SE	TD310SEB92994	
2000	JOHN DEERE BACKHOE LOADER	
310SE	TD310SEB92985	
2000	JOHN DEERE 644H WHEEL	
LOADER	DW644HX578388	
2000	JOHN DEERE 544H WHEEL	
LOADER	DW544HX578389	
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330X080964	
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330X080941	

695239

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

Serial Numbered Collateral		ADDED	DELETED
-----		-----	-----
Collateral Type	Description		
Serial Number			
Motor Vehicle	2000 JOHN DEERE BACKHOE LOADER 310SE	695239	
TD310SEB92994			
Motor Vehicle	2000 JOHN DEERE BACKHOE LOADER 310SE	695239	
TD310SEB92985			
Motor Vehicle	2000 JOHN DEERE 644H WHEEL LOADER	695239	
DW644HX578388			
Motor Vehicle	2000 JOHN DEERE 544H WHEEL LOADER	695239	
DW544HX578389			
Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080964			
Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080941			

2000-12-11
13:47

Atlantic PPRS
Verification Statement
(Amendment)

/AAAA001b6
page 4

*** End of Report ***

2001-03-12
20:06

Atlantic PPRS
Notice to Secured Party

/CAAA001IQ
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 : 840363
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

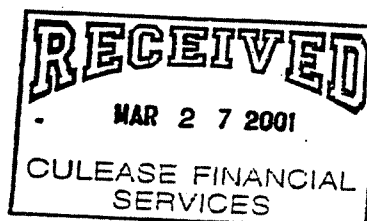
Debtor Type : Enterprise
HICKMAN EQUIPMENT (1985) LIMITED
GOLESKI, CORALEE
1269 TOPSAIL Road
MOUNT PEARL NF Canada A1N3C8

ADDED	DELETED
661355	695239

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

695239

Secured Parties



ADDED	DELETED

2001-03-12
20:06

Atlantic PPRS
Notice to Secured Party

/CAAa001IQ
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

661371

PO BOX 760
ASSINIBOIA SK Canada SOHOBO

KELVINGTON CREDIT UNION LIMITED

661371

PO BOX 459
KELVINGTON SK Canada SOA1WO

YORKTON CREDIT UNION LIMITED

661371

PO BOX 1210
YORKTON SK Canada S3N2X3

WEYBURN CREDIT UNION LIMITED

661371

PO BOX 1117
WEYBURN SK Canada S4H2L3

BIGGAR AND DISTRICT CREDIT UNION LIMITED

695239

PO BOX 670
BIGGAR SK Canada SOKOMO
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

2001-03-12
20:06

Atlantic PPRS
Notice to Secured Party

/CAAA001IQ
page 3

Fax : 800-852-9097

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

695239

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

General Description Collateral

ADDED

661355

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

SERIAL NUMBERS:

YEAR	MAKE/MODEL	SERIAL #-
2000	JOHN DEERE BACKOE LOADER	
310SE	TO310SE892994	
2000	JOHN DEERE BACKOE LOADER	
310SE	TO310SE892985	
2000	JOHN DEERE 644H WHEEL	
LOADER	DW644HX578388	
2000	JOHN DEERE 544H WHEEL	
LOADER	DW544HX578389	
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330X080964	
2000	JOHN DEERE 330LC HYDRAULIC	
EXCAVATOR	FF0330X080941	

695239

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

Serial Numbered Collateral

ADDED

DELETED

Collateral Type

Serial Number Description

Motor Vehicle 2000 JOHN DEERE BACKOE LOADER 310SE

695239

2001-03-12
20:06

Atlantic PPRS
Notice to Secured Party

/CAAa001IQ
page 4

TO310SE892994 Motor Vehicle	2000 JOHN DEERE BACKOE LOADER 310SE	695239	840363
TO310SE892985 Motor Vehicle	2000 JOHN DEERE 644H WHEEL LOADER	695239	840363
DW644HX578388 Motor Vehicle	2000 JOHN DEERE 544H WHEEL LOADER	695239	
DW544HX578389 Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080964 Motor Vehicle	2000 JOHN DEERE 330LC HYDRAULIC EXCAV.	695239	
FF0330X080941 Motor Vehicle	TC54H T.C. LOADER	840363	
DWTC54H579078 Motor Vehicle	624H 4WD LOADER	840363	
DW624HX579048			

*** End of Report ***

November 8, 2000

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

Subject: Bill of Sale dated November 14, 2000

Gentlemen:

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

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




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




Yours very truly,

Hickman Equipment (1985) Limited

Per: 

Name/Title GARY HILLIARD
CHIEF FINANCIAL OFFICER

 CULEASE Financial Services		2055 ALBERT STREET REGINA, SK S4P 3G8 PHONE (306) 566-7910	6539
PAY to the order of <u>Hickman Equipment (1985) Limited</u>		DATE <u>Nov 10, 2000</u>	\$ 676,797.16
- CULEASE - FINANCIAL SERVICES		<u>676797 DOLS I 6 CTS</u>	100 DOLLARS 
 CREDIT UNION CENTRAL - SASK. P.O. BOX 3030 2055 ALBERT STREET REGINA, SASKATCHEWAN S4P 3G8		CULEASE FINANCIAL SERVICES	
RE: <u>Hickman Equipment</u>		PER _____ PER _____	
006539 :99788-889: 100101023860*			

 CULEASE Financial Services		2055 ALBERT STREET REGINA, SK S4P 3G8 PHONE (306) 566-7910	6540
PAY to the order of <u>Hickman Equipment (1985) Limited</u>		DATE <u>Nov 10, 2000</u>	\$ 676,797.16
- CULEASE - FINANCIAL SERVICES		<u>676797 DOLS I 6 CTS</u>	100 DOLLARS 
 CREDIT UNION CENTRAL - SASK. P.O. BOX 3030 2055 ALBERT STREET REGINA, SASKATCHEWAN S4P 3G8		CULEASE FINANCIAL SERVICES	
RE: <u>Hickman Equipment</u>		PER _____ PER _____	
006540 :99788-889: 100101023860*			

N
C
H
E
S

TELEPHONE: (709) 489-2061 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) 896-8666 FAX: (709) 896-3999

P24

SAME AS BELOW

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

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

DESCRIPTION

DESCRIPTION

AMOUNT

Fold -

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

*M list
as C000919
Royal Bank
JDC*

TRADE INS

=====

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

SOLD
IN Stock
IN Stock
IN Stock
IN Stock

*note
had*

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 _____