

LIEN NOTE

This part to be completed only if sale of equipment involves TIME PAYMENTS.

DO NOT COMPLETE THIS PART ON A CASH SALE.

For value received, I (we) jointly and severally promise to pay to the dealer or the dealer's order the amount designated above as the "Time Payment Balance". This amount shall be paid in the instalments on dates shown in clause 15 "Terms of Lien Note" of the sale contract, designated in the schedule of payments or as monthly instalments. Each instalment under this Lien Note shall bear interest before maturity at the rate of ____ percent and after maturity at the rate of ____ percent until paid. ***

The title to, property in and ownership of the farm machinery or farm equipment that I (we) agree to purchase under the attached sale contract shall remain in the dealer or the dealer's assignee until full payment of the purchase price of the machinery or equipment, including any accrued interest.

IN ORDER TO QUALIFY TO PURCHASE ON TIME PAYMENTS THE FARM MACHINERY OR FARM EQUIPMENT SET OUT IN CLAUSE 2 OF THE ATTACHED CONTRACT, I (WE), THE UNDERSIGNED, CONSENT TO A PERSONAL CREDIT INVESTIGATION. THIS CONSENT IS GIVEN SUBJECT TO *THE PERSONAL INVESTIGATIONS ACT*.

THIS LIEN NOTE IS TAKEN AND GRANTED IN ACCORDANCE WITH AND SUBJECT TO THE PROVISIONS OF *THE FARM MACHINERY AND EQUIPMENT ACT*.

I (WE) ACKNOWLEDGE RECEIPT OF A DUPLICATE SIGNED COPY OF THIS LIEN NOTE.

Section	Township/Range	Town/City	Province
Witness		Purchaser's Signature	
Mailing address _____		Note dated and signed _____	

*** Statement under the *Interest Act* (Canada): Where the rate(s) of interest set out in this Lien Note is (are) to be calculated and compounded more frequently than once per year, the equivalent yearly rate(s) is(are) as follows: ____ percent per annum before maturity and ____ percent per annum after maturity.

16. The purchaser(s) agree(s) with the description(s) set out in clause 2 and with the terms of this sale contract, including the warranty and emergency repair parts procedure set out in *The Farm Machinery Act* details of which are summarized on the reverse of this page, both of which are expressly made a part of this contract. The dealer warrants that the machinery or equipment (or its engine or motor) being sold is capable of developing _____ horse power at the belt _____, power take-off _____, drawbar _____, or at the _____ (check one) if properly maintained and operated under suitable conditions. The machinery or equipment is intended to perform the following work ("the intended purpose(s)"): _____

The trial period under this contract shall be at least 50 hours for machinery or equipment equipped with an hour meter or at least 10 consecutive days starting on the first day of use for machinery or equipment not equipped with an hour meter.

17. The purchaser certifies the farm machinery or farm equipment is for the purchaser's own farming use and that the purchaser will not use the machinery or equipment as a custom operator within the meaning of *The Farm Machinery and Equipment Act*.

The purchaser and dealer have hereunto set their hands the day and year first above mentioned, and the purchaser acknowledges receipt of a duplicate signed copy of this contract.

Witness to Purchaser's Signature

Purchaser's Signature

Witness to Dealer's Signature

Dealer's Signature

WARRANTY

The new farm machinery or farm equipment being sold under the attached sale contract is sold subject to the terms of *The Farm Machinery and Equipment Act* ("the Act"), by virtue of which the dealer, and the vendor of the machinery or equipment as defined in the Act ("the vendor"), are jointly and severally responsible for the following warranty and other obligations. The following description of the warranty is not intended to override the express provisions of the Act, which provisions shall take precedence in the event of any inconsistency.

The dealer warrants that the machinery and equipment will under reasonable operating conditions and with proper care and maintenance perform satisfactorily the intended purpose(s) set out in the attached sale contract if properly used and operated and, in the case of engines or motors, develop the warranted horse power. The trial period under this contract shall be at least 50 hours for machinery or equipment equipped with an hour meter or at least 10 consecutive days starting on the first day of use for machinery or equipment not equipped with an hour meter. If the purchaser cannot within the trial period make the machinery or equipment perform the intended purpose(s) satisfactorily under reasonable operating conditions and with proper care and maintenance, the purchaser shall notify the dealer without delay that the purchaser rejects the machinery or equipment as a result of its failure to perform its intended purposes. The notice must be in writing and sent to the dealer by registered mail or facsimile transmission, or by delivering the notice personally to the dealer's place of business, without delay after the failure of the machinery or equipment to perform its intended purpose(s).

The dealer shall have seven days after receipt of the notification to correct the failure. If within that time limit the dealer is unable to make the machinery and equipment perform the intended purpose(s) satisfactorily, the purchaser may reject the machinery or equipment and cancel the contract by giving notice of cancellation in writing to the dealer by registered mail or facsimile transmission sent within three working days after the seven day period, in which case, the contract shall be at an end with regard only as to that farm machinery or equipment that failed to perform the intended purpose(s). Where the contract is so cancelled, the dealer shall return to the purchaser all moneys paid by the purchaser to the dealer under the attached sale contract, together with any goods given by the purchaser in trade in the same condition in which they were given. If those goods, or any part of them, have been sold by the dealer, the dealer shall pay to the purchaser the market value of the goods sold as specified in the attached sale contract. (Where more than one piece of farm machinery or farm equipment is included in a sale contract, refer to section 25 of the Act if the contract is not cancelled as to all the pieces.)

Where the dealer is required to return traded-in goods but has, prior to cancellation of the sale contract incurred costs or performed work in repairing and reconditioning the goods, the dealer may refuse to return the traded-in goods until the purchaser pays the reasonable costs of the repairs or reconditioning, or makes satisfactory arrangements with the dealer for their payment as provided for in subsection 23(4) of the Act.

Any dispute with respect to the computation of the trial period or the failure of the farm machinery and equipment to perform its intended purpose(s) shall be referred to The Farm Machinery Board for decision.

The new farm machinery or farm equipment sold under the attached sale contract shall carry a warranty against defects in material and workmanship for a period of one year from the date of first use of the machinery or equipment. The warranty does not apply to farm machinery and equipment purchased by a custom operator.

The warranty shall include the cost of defective parts, labour and transportation up to a maximum distance of 80 km from the dealer's place of business or repair shop for repairs when the farm machinery or farm equipment is incapable of being driven due to mechanical breakdown, where the dealer specifies the machinery or equipment should not be driven due to its mechanical condition, or where the purchaser cannot deliver the farm machinery and equipment to the dealer's shop for repairs because of the significant size, weight or nature of the machinery or equipment.

The dealer and the vendor shall ensure that repair parts for the farm machinery or farm equipment shall be available for a period of 10 years from the date of purchase. Where within that period the original purchaser orders repair parts, the dealer and vendor shall ensure those parts are available within 14 days from the date of the order unless delivery is delayed due to conditions beyond their control. (For emergency repair parts service, refer to separate section below.)

EMERGENCY REPAIR PARTS SERVICE

Emergency repair parts can be ordered from the dealer if the farm machinery or farm equipment breaks down during its season of use and cannot with reasonable efficiency be operated to perform the intended purpose(s) set out in the attached sale contract. The purchaser shall inform the dealer when a part required is for emergency repairs. The dealer shall inform the vendor when a part order is for emergency repairs. The dealer shall ensure that a part ordered for emergency repairs is available to the purchaser at the dealer's place of business within 72 hours after the making of the order, not including Saturdays, Sundays and holidays, unless the delivery of the part cannot be made within that time because of conditions beyond the control of the dealer or vendor. Emergency repair parts can be ordered from the dealer during the dealer's normal business hours.

NOTICES TO DEALER

(under *The Farm Machinery and Equipment Act*)

The following notices may be used to notify the dealer should new farm machinery or farm equipment purchased under a sale contract fail within the trial period to perform the intended purpose(s) set out in the sale contract under reasonable operating conditions with proper care and maintenance.

Notice No. 1 must be sent to the dealer without delay after the failure of the machinery or equipment.

Notice No. 2 must be sent to the dealer within 3 working days after the 7 days allowed to the dealer to attempt correct the failure.

(Tear off here)

(Notice No. 2)

NOTICE OF CANCELLATION OF SALE CONTRACT

TO _____
(Name of Dealer) (Address)

Take notice that I, _____,
(Name of Purchaser) (Address of Purchaser)

having purchased a _____
(Make, Type, Model, Size and Serial Number of Equipment Purchased)

on _____, _____, REJECT the above farm machinery or equipment
and CANCEL the sale contract.

Date of Notice _____, _____
(Purchaser's Signature)

NOTE: This notice must be sent within three working days from the expiry of the seven-day period allowed to the dealer to attempt to correct the failure of the machinery or equipment.

(SEND BY REGISTERED MAIL OR FACSIMILE TRANSMISSION.)

(Tear off here)

(Notice No. 1)

NOTICE OF REJECTION (TRIAL PERIOD)

TO _____
(Name of Dealer) (Address)

Take notice that the _____
(Make, Type, Model, Size and Serial Number of Equipment Purchased)

on _____, _____, does not perform the intended purpose(s) set out in the sale

contract and I, the purchaser, REJECT the farm machinery or equipment.

Date of Notice _____, _____

(Purchaser) (Address of Purchaser)

NOTE: This notice must be sent without delay after the failure of the farm machinery or equipment during the trial period to perform the intended purpose(s) set out in the sale contract.

(SEND BY REGISTERED MAIL OR FACSIMILE TRANSMISSION, OR DELIVER TO DEALER)