

NEW NUMBER

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D. C.  
20006-2973

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

TELEX  
440367 A AND A  
440348 CDAU UI

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

October 22, 1984

14454

4-296A068

REGISTRATION NO. FILED 1428

OCT 22 1984 - 1 05 PM

No. \_\_\_\_\_  
Date OCT 22 1984

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

ICC Washington, D.C.

Dear Mr. Bayne:

On behalf of Procor Limited, I submit herewith for filing and recordation pursuant to the provisions of 49 U.S.C. §11303, and the regulations promulgated thereunder, two fully executed counterparts of a Trust Indenture dated as of October 1, 1984, a "primary document" as that term is defined in 49 C.F.R. §1177.1(a).

A description of the railroad equipment covered by the enclosed document is set forth in Schedule B attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed document are:

Debtor: Procor Limited  
2001 Speers Road  
Oakville, Ontario  
Canada  
L6J 5E1

Trustee: The Royal Trust Company  
P.O. Box 7500  
Station A  
Toronto, Ontario  
Canada  
M5W 1P9

Kindly return one stamped counterpart of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C 20006.

OCT 22 12 56 PM '84  
MOTOR OPERATING UNIT  
ICC OFFICE OF  
THE SECRETARY

*Charles T. Kappler*

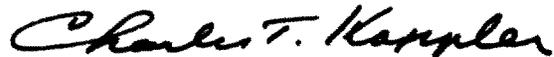
Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
April 22, 1984  
Page Two

Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to be included in the Commission Index is:

Trust Indenture dated as of October 1, 1984 between Procor Limited, Debtor, and The Royal Trust Company, Trustee, covering tank and covered hopper cars.

Very truly yours,

  
Charles T. Kappler

SCHEDULE "B"

to the Trust Indenture dated as of  
October 1, 1984, between Procor Limited  
and The Royal Trust Company.

<u>APPRI'N NUMBER</u>	<u>NUMBER CARS</u>	<u>CAR NUMBERS</u>	<u>CAR TYPE</u>	<u>CAPACITY</u>
<u>PROCOR CARS</u>				
4572	30	PROX 69426- 69455	Tank-Ins-Coiled 111A100W-3	15500 USG
4581	11	PROX 69414-419 421-69425	Tank-Ins-Coiled 111A100W-3	15500 USG
4616	30	PROX 60000- 60029	Tank 111A100W-3	13350 USG
4622	2	PROX 4421- 4422	Tank - 3 Compartment 111A100W-1	10000 USG
4626	10	PROX 50000- 50009	Tank - Coiled 111A100W-1	20000 USG
4627	8	PROX 69396- 69403	Tank-Ins-Coiled 111A100W-1	15500 USG
4630	46	PROX 91458- 91503	Tank-Pressure 105A500-W	17300 USG
4631	2	UNPX 126009- 126010	Pressure Flow 207-40-W	3300 CUFT
4633	60	UNPX 122499- 122558	Covered Hopper	5840 CUFT
4639	2	PROX 60043- 60044	Tank-Ins-Coiled 111A100W-2	12900 USG
4640	10	PROX 64000- 64009	Tank Non-Pressure 111A100W-2	12900 USG
4641	35	PROX 13300- 13334	Tank Non-Pressure 111A100W-2	13500 USG
4642	6	PROX 28803- 28808	Tank-Ins-Pressure 105A500-W	17300 USG
4643	2	PROX 40543- 40544	Tank Non-Ins;Non- Coiled 111A100W-1	20000 USG
4659	2	PROX 91504- 91505	Tank 105A100W	25500 USG
4666	7	UNPX 126011-  126017	Pressure-Flow  207A40W	3900 CUFT
4668	12	UNPX 121987- 121998	Covered Hopper	1670 CUFT
4673	5	UNPX 120520- 120524	Alum. Cov. Hopp.	2900 CUFT
4691	50	UNPX 122572- 122617- 122618-  122621	Covered Hopper	5820 CUFT
4692	25	UNPX 122622-  122632- 122633-  122646	Covered Hopper	5820 CUFT
4693	5	UNPX 120532- 120536	Alum. Cov. Hopp.	2900 CUFT

TOTAL PROCOR

360

Interstate Commerce Commission  
Washington, D.C. 20423

10/22/84

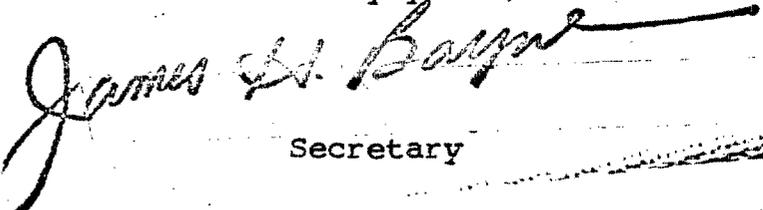
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.  
Alvord & Alvord  
918 16th St. N.W.  
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/22/84 at 1:05pm and assigned re-  
recording number (s). 14454

Sincerely yours,

  
Secretary

Enclosure(s)

14454

REGISTRATION NO. .... Filed 1425

OCT 22 1984 - 1 05 PM

INTERSTATE COMMERCE COMMISSION

DATED AS OF OCTOBER 1, 1984

**PROCOR LIMITED**

AND

**THE ROYAL TRUST COMPANY**

---

**TRUST INDENTURE**

---

Tory, Tory, DesLauriers & Binnington  
Osler, Hoskin & Harcourt

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- Form of Notation on Notes with  
respect to Interest Payments  
and Form of Transfer  
- Certificate of Guarantee

SCHEDULE "B" - Schedule of Equipment

SCHEDULE "C" - Casualty Values

**THIS TRUST INDENTURE** dated as of the first day of  
October, 1984

**B E T W E E N:**

**PROCOR LIMITED**, a company duly incorporated under the laws of Canada, having its head office at the Town of Oakville, in the Province of Ontario (hereinafter referred to as the "Company"),

OF THE FIRST PART;

AND

**THE ROYAL TRUST COMPANY**, a trust company duly incorporated under the laws of the Province of Quebec, having a principal place of business in the City of Toronto, in the Province of Ontario, as trustee (hereinafter referred to as the "Trustee"),

OF THE SECOND PART.

**WITNESSETH THAT:**

**WHEREAS** the Company is desirous of creating and issuing its Notes (as hereinafter defined) to be constituted and secured in the manner hereinafter set out; and

**WHEREAS** the Company under its articles of continuance and under the laws relating thereto is duly authorized to create and issue the said Notes as hereinafter provided and to secure the same by this Indenture; and

**WHEREAS** all necessary by-laws and resolutions of the directors, or the executive committee thereof, of the Company have been duly enacted and passed and other proceedings taken and conditions complied with to make this Indenture and the creation and issue of said Notes, when certified by the Trustee and issued as provided in this Indenture, valid, binding and legal obligations of the Company and to constitute this Indenture a valid security for the payment of the principal of and interest on all of the said Notes issued hereunder, and of all other sums, if any, from time to time due hereunder to the extent and in the manner herein provided; and

**WHEREAS** the Guarantor (as hereinafter defined) has agreed to guarantee the said Notes pursuant to the terms of a Guarantee Agreement dated as of October 4, 1984 between it and the Trustee; and

**WHEREAS** the foregoing recitals are made as representations and statements of fact by the Company and not by the Trustee;

**NOW THEREFORE** in consideration of the premises and of the sum of \$1.00 now paid by the Trustee to the Company (the receipt and sufficiency whereof is hereby acknowledged by the Company), the parties hereto hereby covenant and agree as follows:

**ARTICLE I**

**INTERPRETATION**

**1.1 Definitions**

The following words and phrases, wherever used in this Indenture, shall, unless there is something in the context inconsistent therewith, have the following meanings:

- (a) "Assigned Rentals" means all rentals and other monies payable to the Company pursuant to the Leases.
  
- (b) "Auditors" means, with respect to the Company, an independent firm of chartered accountants of national reputation duly appointed as auditors of the Company and, with respect to the Guarantor, an independent firm of certified public accountants of national reputation duly appointed as auditors of the Guarantor.
  
- (c) "Business Day" means any day upon which Canadian chartered banks are authorized to be open for the taking of deposits in Toronto, Ontario.

- (d) "Casualty Occurrence" means an event whereby any Unit shall be or become lost, stolen or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Company or a Lessee, as the case may be, for a period of 90 consecutive days, or if it is destroyed.
  
- (e) "Casualty Value" of each Unit as at any interest instalment payment date under the Notes means that amount as calculated in accordance with Schedule "C" hereto.
  
- (f) "Certified Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary or other officer of the Company, under its corporate seal, to have been duly adopted by the Directors of the Company.
  
- (g) "Company" means Procor Limited and any successor corporation which shall have complied with the provisions of Article XXII.
  
- (h) "Counsel for the Company" means counsel appointed by the Company and acceptable to the Trustee.

- (i) "Counsel for the Trustee" means counsel appointed by the Trustee.
- (j) "Directors" means the board of directors of the Company for the time being and reference without more to action by the Directors shall mean action by the Directors as a board or by any authorized committee thereof.
- (k) "Equipment" means all the standard gauge railway rolling stock described or referred to in Schedule "B" hereto, including repairs and replacements thereof, and "Unit" means any one unit of such railway rolling stock.
- (l) "Guarantee Agreement" means the agreement of guarantee dated as of October 4, 1984 between the Guarantor and the Trustee.
- (m) "Guarantor" means Union Tank Car Company, a company incorporated under the laws of the State of Delaware.
- (n) "Leases" means those leases entered into now or hereafter between the Company, as lessor, and various persons, as lessees, providing for the lease by the

Company to such persons of the Units of Equipment therein described or referred to, as the said Leases may be amended or supplemented from time to time, and "Lease" means any one thereof.

- (o) "Lessees" means the lessees under the Leases and their successors and assigns under the Leases and "Lessee" means any one thereof.
- (p) "Manufacturer's Cost" (in relation to the Equipment or a Unit), means the purchase price of the Equipment or Unit, as the case may be, to the Company or the Company's direct cost of labour and material and overhead of the Equipment or Unit, but excludes manufacturing profit.
- (q) "Mortgaged Property" means and includes all property rights and assets of the Company subjected or intended to be subjected to the mortgage, security interest, pledge and charge, cession, transfer, assignment and the security created hereby.
- (r) "Notes" means all the secured equipment notes of the Company, issued and certified hereunder and entitled to the benefit of the security hereof and for the time

being outstanding, substantially in the form attached hereto as Schedule "A" hereto, and "Note" means any one of them.

- (s) "Noteholder" or "holder" means any person for the time being entered in the register herein mentioned as a holder of an outstanding Note or Notes.
- (t) "Noteholders' Instrument" means a document signed in one or more counterparts by the holder or holders of not less than, unless otherwise expressly stated herein or in the Guarantee Agreement, sixty-six and two-thirds percent (66-2/3%) in principal amount of the Notes at the time outstanding requesting or directing the Trustee to take or refrain from taking some action or proceeding specified herein.
- (u) "Officer's Certificate" means a certificate signed by the Chairman of the board of directors or the President or a Vice President or a Director or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Company containing

information as of a date not more than 30 days prior to the date of delivery of the certificate.

- (v) "Permitted Encumbrances" means at any particular time any of the following encumbrances:
- (i) all rights and interests of the Lessees under the Leases;
  - (ii) any lien, claim, charge or other encumbrance created by, through or under a Lessee which would not constitute a default under a Lease;
  - (iii) liens or privileges for taxes, rates, assessments or governmental charges or levies not yet subject to penalties (other than interest on any overdue taxes) for non-payment, or the validity of which is being at the time contested in good faith by the Company, unless, in the judgment of the Trustee, the security constituted by this Indenture will be materially endangered thereby; and;
  - (iv) the excess of the amount of any taxes, rates, assessments or governmental charges or levies for

which final assessments have not been received over and above the amount thereof as estimated by a responsible officer of the Company, provided the Company shall have set aside on its books adequate reserves with respect thereto.

- (w) "Person" means an individual, partnership, association, corporation, trustee or any heir, executor, administrator or other legal representative of a person to whom the context can apply according to law.
- (x) "Prime Rate" means, for any day, the prime lending rate of interest expressed as a rate per annum which Bank of Montreal establishes as its reference rate of interest in order to determine interest rates it will charge on that day for loans in Canadian dollars to its customers in Canada.
- (y) "Purchase Price Percentage" for each Unit of Equipment means the percentage that the Manufacturer's Cost of such Unit of Equipment is of the total Manufacturer's Cost of all the Equipment.

- (z) "Sale Proposal" means a proposal from the Company in writing addressed to the Trustee
- (i) stating that the Company proposes to sell certain Units of Equipment
  - (ii) giving a complete and accurate description of such Units of Equipment,
  - (iii) stating the date that such sale is to take place and
  - (iv) giving a complete and accurate list of the units of railway rolling stock which the Company recommends as replacements to the Units of Equipment being sold and which must have a fair market value not less than the fair market value of the Units of Equipment being sold, calculated on the same basis as the fair market value of the Units of Equipment being replaced.
- (aa) "Subsidiary" means, with respect to any corporation, another corporation more than 66-2/3% of the outstanding voting shares of which are owned and controlled directly or indirectly by such first mentioned corporation, or by one or more subsidiaries of such first mentioned corporation, or by such first mentioned corporation and one or more of its subsidiaries; for the purpose of this definition "voting shares" means shares of capital stock of any

class of a corporation having collectively the right to elect all the directors of such corporation, provided that, for purposes of this definition, shares which carry the right to vote conditionally only on the happening of certain events shall not be considered voting shares unless one or more of such events shall have occurred and the right to vote remains effective at the relevant time.

- (bb) "This Trust Indenture", "this Indenture", "these presents", "herein", "hereby", "hereunder", and similar expressions refer to this Trust Indenture and include any and every deed of assignment, transfer, hypothec, pledge or other instrument or charge which is supplementary or ancillary hereto or in implementaion hereof, and "lien hereof", "lien hereunder", "lien or charge hereof", "charge hereof", and similar expressions mean the security constituted hereby or by any such instrument.
  
- (cc) "Trustee" means The Royal Trust Company, as trustee, and its successors in the trusts hereby created.
  
- (dd) "Trustee's Indemnification" means sufficient funds, in the opinion of the Trustee, to commence, continue and carry out any act, action or proceeding and indemnity

satisfactory to the Trustee to protect and hold harmless the Trustee against all costs, charges, expenses, and liabilities to be incurred as a result of any such act, action or proceeding and any loss or damage it may sustain by reason thereof.

(ee) "Written Order" means a written order of the Company signed in the name of the Company by the President or a Vice President together with a Vice President, the Treasurer or the Secretary or by any one of the foregoing and a director or by any two directors of the Company.

**1.2 Number and Gender**

Words importing the singular number only shall include the plural and vice versa and words importing a gender shall include all genders and words importing persons shall include firms, associations and corporations and vice versa.

**1.3 Headings**

The division of this Indenture into Articles, Sections, Subsections, Paragraphs and Clauses, the insertion

of headings and the provision of an Index are for convenience of reference only and shall not affect its construction or interpretation.

**1.4 Schedule, Article or Section Reference**

Any reference herein to a Schedule, Article or Section shall mean a reference to a Schedule or Section or Article, respectively, of this Trust Indenture.

**1.5 Holidays**

Payments required to be made hereunder which fall due on a date which is not a Business Day may be made without penalty on the next succeeding Business Day.

**1.6 Currency**

All dollar amounts herein are expressed in Canadian dollars, unless the context otherwise requires.

**ARTICLE II**

**FORM, TERMS AND ISSUE OF NOTES**

**2.1 Limitation of Issue**

The Notes authorized to be issued hereunder from time to time are to be payable in lawful money of Canada, are limited to an aggregate principal amount of Twenty Million Dollars (\$20,000,000) and are designated "13.95% Secured Equipment Notes".

**2.2 Signature of Notes**

All Notes issued hereunder and secured hereby shall be under the corporate seal of the Company and shall be signed by the Chairman of the board of directors, the President or a Vice President or the Treasurer, together with the Secretary or an Assistant Treasurer or any director of the Company. The signature or signatures of all or any one or more of such officers or directors may be engraved, lithographed, printed or otherwise mechanically or photographically reproduced on the Notes and such engraved, lithographed, printed or otherwise mechanically or photographically reproduced signature or signatures shall be deemed for all purposes to be the signature

of such officer or officers or director and shall be binding upon the Company. Notwithstanding any change in any of the persons holding the said offices between the time of actual signing and the time of certifying and delivery of the Notes and notwithstanding that the Chairman of the board of directors, the President or the Vice President or the Treasurer or Secretary or Assistant Treasurer or director signing may not have held his office at the date of this Indenture or at the date of the Notes or at the date of the certifying and delivery thereof, the Notes so signed shall be valid and binding upon the Company and entitled to the security of this Indenture.

**2.3           Certification by Trustee**

No Note shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefit of the security of these presents or the benefit of the trusts hereunder until it has been certified by or on behalf of the Trustee, and such certification by the Trustee upon any such Note shall be conclusive evidence that the Note so certified has been duly issued hereunder and that the holder thereof is entitled to the benefit of the security of and the trusts under or created by this Indenture.

**2.4           Delivery of Notes**

When any of the Notes are to be issued hereunder the Company shall, if requested by any Noteholder and without unreasonable delay, cause to be prepared, executed and delivered to the Trustee definitive Notes which shall be engraved, lithographed, typewritten, photocopied or printed.

**2.5           Interest on Notes**

Every Note shall be dated the date of its certification and shall bear interest therefrom, calculated semi-annually not in advance and payable semi-annually on March 31 and September 30 of each year.

**2.6           Registration of Notes**

All Notes issued hereunder shall be fully registered as to both principal and interest. The Company shall at all times, while any Notes are outstanding, cause to be kept by and at the office of the Trustee in the City of Toronto, a register in which shall be entered the names and post office addresses of the Noteholders and particulars of the Notes held by them respectively and in which transfers of such Notes shall be registered. The Trustee shall be entitled to close such

register not more than 15 days prior to the date upon which the Trustee is required to give notice of any prepayments, sinking fund payments or redemptions.

**2.7           Transfer of Notes**

No transfer of a Note shall be valid unless made on the register referred to in Section 2.6 by the registered holder thereof or by its legal representative or its attorney duly appointed by an instrument in writing, in form and as to execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee may prescribe, and upon surrender of such Note to the Trustee for cancellation, whereupon a new Note or Notes of the same aggregate principal amount and so registered shall be issued to the transferee in exchange therefor. For all purposes the ownership of the Notes shall be conclusively proven by such register.

**2.8           Rights of Registered Holder**

The registered holder of a Note shall be deemed and regarded as the owner thereof for all purposes of this Indenture and shall be entitled to the principal moneys and interest evidenced by such Note free from all equities or rights

of set-off or counterclaim between the Company and any previous holder thereof.

**2.9        Mutilation, Loss or Destruction of Notes**

In case any Note issued and secured hereby shall become mutilated or be lost or destroyed, the Company shall issue and thereupon the Trustee shall certify and deliver to the person or persons whose name or names is, or are, entered in the register referred to in Section 2.6 hereof as holder or holders of such Note, a new Note of like tenor as the one mutilated, lost or destroyed and dated as of the immediately preceding interest payment date, in exchange for and in place of and upon cancellation of such mutilated Note, or in lieu of and substitution for such lost or destroyed Note.

**2.10        Evidence of Ownership of Notes**

In the case of loss or destruction, the applicant for a substituted Note shall, as a condition precedent to the issue thereof, furnish to the Company and to the Trustee such evidence of ownership and of such loss or destruction as shall be satisfactory to the Company and to the Trustee, in their discretion, and such applicant shall also furnish indemnity in amount and form satisfactory to them in their discretion and

shall pay the expenses which may be incurred by them and their reasonable charges in connection therewith, provided that if such applicant shall be an insurance company or other institutional investor with net assets of at least \$10,000,000. the indemnity of such applicant in form reasonably satisfactory to the Trustee shall be sufficient.

**2.11        Form of Notes**

The Notes shall be substantially in the form set out in Schedule "A" to this Indenture, with appropriate insertions, omissions, substitutions and variations as may be required. The Notes shall be dated and bear interest as provided in Section 2.5 hereof and shall mature October 1, 2004. The Notes shall bear interest (as well after, subject to Article XVI, as before maturity) from the date of their certification at the rate of 13.95 percent per annum, calculated semi-annually not in advance and payable semi-annually on March 31 and September 30 in each year, commencing on March 31, 1985, together with interest on all overdue principal or interest at the rate of 13.95 percent per annum from its due date to date of actual payment. The Notes shall be issued as fully registered Notes in any denomination of not less than \$100,000 except upon the transfer, exchange or replacement of a Note with a remaining unpaid principal amount of less than \$100,000, in which case the

denomination shall be such unpaid principal amount, and shall be numbered in such manner as the Company, with the approval of the Trustee, may determine. The Notes shall be subject to redemption through the operation of the sinking fund provided for the Notes in Article V hereof and shall not be otherwise prepayable except as hereinafter provided in Article III or redeemable except as provided in Article IV.

**2.12        Payment of Interest**

As interest on the Notes becomes due (except interest payable at maturity or upon prepayment or redemption which shall be paid upon presentation and surrender of such Notes for payment), the Company, at least five days prior to each date upon which interest on the Notes becomes due, shall either (i) forward by prepaid registered mail to the holder for the time being, at its address appearing on the register hereinbefore mentioned, a cheque for such interest payable to the order of such holder and negotiable at par in Canada or (ii) make such payment by transfer of immediately payable funds to the Noteholder on or before each such date upon which interest on the Notes becomes due.

**2.13        Currency**

The principal of the Notes and the interest thereon and all sums which may at any time become payable thereon, whether at maturity, on a declaration, on prepayment, redemption or otherwise, shall be payable in lawful money of Canada at the principal office of the Trustee in the City of Toronto.

**2.14        Exchange of Notes**

Notes of any authorized denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations. The Trustee may impose a reasonable charge upon the Noteholders for its services in connection with any such exchange. All Notes tendered for exchange pursuant to this Article II shall be surrendered to the Trustee for cancellation.

**2.15        Notations of Payment on the Notes**

The payment of instalments of interest on the Notes or any prepayment of principal or any partial redemption may be noted thereon as therein provided, subject to the provisions of Section 4.9; provided, however, that prior to any sale, assignment or transfer of any Note, the holder thereof shall

make a notation of all payments, prepayments or redemption of principal and interest on such Note. The records of the Trustee shall be prima facie proof as to the amounts of principal and interest paid on or in respect of the Notes issued and outstanding under this Indenture.

**2.16            Issue of Notes**

Notes aggregating in principal amount the sum of \$20,000,000 are hereby created and, when executed by the Company, shall be certified by or on behalf of the Trustee and delivered by it to or upon the Written Order of the Company, at any time or from time to time prior to but not after November 1, 1984, upon receipt by the Trustee of:

- (a) a certified resolution of the Directors certified within 10 days prior to the date of such Written Order authorizing the execution of and requesting certification of the Notes in the principal amount applied for and the particulars and provisions to be expressed in or which are to relate to the Notes in accordance with the provisions hereof;
  
- (b) an opinion of Counsel for the Company to the effect that:

- (i) all legal requirements imposed by this Trust Indenture or by law relating to the authorization, execution, certification and delivery of the Notes applied for have been complied with;
  
  - (ii) the Notes applied for have been duly and validly authorized, executed and delivered by the Company and, upon certification and delivery thereof by the Trustee, will be valid and legally binding obligations of the Company entitled to the benefits of and secured by this Trust Indenture;
  
  - (iii) the Trust Indenture constitutes a valid, fixed and specific charge and mortgage upon the Equipment and a valid assignment of the Assigned Rentals; and
- (c) an Officer's Certificate of the Company stating that so far as known to the signer, the Company is not and will not by the issue of the Notes applied for be in default under this Trust Indenture.

The Trustee shall have no duty or responsibility with respect to the use or application of any of the Notes so certified and delivered or of the proceeds thereof, except as herein provided.

**ARTICLE III**

**PREPAYMENT OF NOTES**

**3.1 Prepayment Due to Casualty Occurrence**

So long as any amount is owing on or in respect of the Notes, whenever in any 12 month period commencing on October 1, one Casualty Occurrence is, or a series of Casualty Occurrences is, suffered with respect to Equipment the Purchase Price Percentage of which, when added to the Purchase Price Percentage of Equipment which has been sold in such period pursuant to Sale Proposals, is more than 1% the Company shall, promptly after it is informed of the Casualty Occurrence or the last of the series of Casualty Occurrences, as the case may be, notify the Trustee in writing with respect thereto and the Company shall either (a) within its then current taxation year replace each Unit of such Equipment with a replacement unit of railway rolling stock owned by the Company, which is similar in type and of comparable value to the Unit which it is replacing, and thereupon such replacement Unit shall be and become part of the Equipment and be included in the Mortgaged Property and be subject to all the terms and provisions hereof as if originally described in Schedule "B" hereto, or (b) if the Company shall not so acquire replacement Equipment, on the March 31 or September 30 which

next follows the date of such notice by the Company by more than 20 days, the Company shall deposit or cause to be deposited with the Trustee an amount in cash equal to the Casualty Value of such Equipment as of such March 31 or September 30, and, upon such payment, such Equipment shall be released from and discharged of the charges created by this Indenture. In the event that the Equipment is replaced, if the Trustee deems it necessary for the purposes of protecting its security in the replacement Equipment, the Company and the Trustee shall enter into an indenture supplemental to this Indenture for the purpose of amending Schedule "B" hereto to include such replacement Equipment and the Company will do all things necessary to register such supplemental indenture or notice thereof in such places and in such form as the Trustee deems necessary to protect its security in such replacement Equipment.

**3.2            Sale of Equipment Requiring Sale Proposals**

In the event that the Company proposes to sell certain Units of Equipment and the Purchase Price Percentage of the Equipment proposed to be sold, when added to the Purchase Price Percentage of Equipment which has suffered Casualty Occurrences within the period commencing on the prior October 1 and terminating on the date that the Company proposes to sell the Equipment exceeds 1%, the Company shall deliver to the Trustee a

Sale Proposal at least 90 days prior to the proposed date of such sale. The Noteholders by Noteholders' Instrument shall within 60 days of receipt of such Sale Proposal elect either (a) to permit the units of railway rolling stock described in the list furnished pursuant to subclause (iv) of the definition of Sale Proposal to replace such Units of Equipment being sold and thereupon such replacement units shall be and become part of the Equipment and be included in the Mortgaged Property and be subject to all the terms and provisions hereof as if originally described in Schedule "B" hereto, or (b) to require that the Company, on the March 31 or September 30 next following the date of such Noteholders' Instrument by more than 20 days, deposit or cause to be deposited with the Trustee an amount in cash equal to the Casualty Value as of such March 31 or September 30 of the Units of Equipment being sold, and, upon such payment, such Equipment shall be released from and discharged of the charges created by this Indenture. In the event that the Noteholders' Instrument permits the Equipment being sold to be replaced, if the Trustee deems it necessary for the purposes of protecting its security in the replacement Equipment, the Company and the Trustee shall enter into an indenture supplemental to this Trust Indenture for the purpose of amending Schedule "B" hereto to include such replacement Equipment, and the Company will do all things necessary to register such supplemental indenture or notice thereof in such places and in such form as the Trustee

deems necessary to protect its security in such replacement Equipment.

**3.3 Sale of Equipment Not Requiring Sale Proposals**

In the event that the Company sells or has made arrangements to sell in any 12 month period commencing October 1 Equipment, the Purchase Price Percentage of which, when added to the Purchase Price Percentage of Equipment which has suffered a Casualty Occurrence in such period, does not exceed 1% and therefore is not required to deliver a Sale Proposal to the Trustee with respect to such Equipment, and subsequent to such sale or arrangement to sell the Company is required either to notify the Trustee of a Casualty Occurrence pursuant to Section 3.1 or to deliver to the Trustee a Sale Proposal pursuant to Section 3.2, the Noteholders shall have the right by Noteholders' Instrument to make the election permitted to them in Section 3.2 with respect to such Equipment for which a Sale Proposal was not required to be given when such Equipment was actually sold.

**3.4 Release of Equipment**

The Trustee, at the written request of the Company, shall execute such releases from the mortgage and charge

hereof and such reconveyances of the Units of Equipment which are sold or replaced pursuant to Section 3.1, Section 3.2 or Section 3.3 as the Company may reasonably require.

**3.5           Prepayment**

As long as no Event of Default shall have occurred and be continuing hereunder, any cash deposited with the Trustee pursuant to Section 3.1, Section 3.2 or Section 3.3 shall be applied to the prepayment on such March 31 or September 30 of the principal remaining unpaid on the Notes, each of the Noteholders to share in such prepayment on a basis which is proportionate to the aggregate principal amount of Notes held by each Noteholder. The Company will promptly furnish to the Trustee and each of the Noteholders a revised statement of payments of interest thereafter to be made calculated as provided in Section 2.11.

**3.6           Notice of Prepayment**

Not less than ten days prior notice of any prepayment to be made on any March 31 or September 30 of amounts required to be deposited by the Company as provided in Section 3.1, Section 3.2 or Section 3.3 shall be given to the Noteholders by the Trustee in the manner specified in Section 2.12. The

Company shall furnish to the Trustee 15 days prior written notice of any payment so required to be deposited.

**3.7 Additional Prepayment**

Notwithstanding anything else contained in this Indenture, in the event that the legal opinions required to be given to the Noteholders under the Note Purchase Agreement dated as of the date hereof between the Company and the initial Noteholders are not delivered in form satisfactory to the Noteholders on or before November 1, 1984, the Trustee shall upon the written direction or directions from one or more Noteholders at any time within 30 days after such date declare the principal of all the Notes held by such Noteholder or Noteholders to be due and payable and the same shall forthwith become immediately due and payable to the Trustee on demand together with all accrued and unpaid interest thereon to the date of payment; provided, however, that in the event such opinions are not delivered on or before November 1, 1984 due to the Company's inability to effect any registrations due to strike by or lock-out of the personnel of the appropriate registration agency, the date upon which such opinions must be delivered shall be extended to December 1, 1984 and the period within which such direction or directions must be given shall be extended to 30 days from December 1, 1984.

**ARTICLE IV**

**REDEMPTION**

**4.1        General**

The Notes shall be redeemable by the Company at the option of the Company (subject as hereinafter provided) in whole at any time or in part from time to time after but not on or before September 30, 1999 and prior to maturity at the following percentages of the principal amount outstanding thereof:

In case of redemption:

after September 30, 1999 to and including  
September 30, 2000, 104%

thereafter up to and including September 30,  
2001, 103%

thereafter up to and including September 30,  
2002, 102%

thereafter up to and including September 30,  
2003, 101% and

thereafter and prior to maturity, 100%

together in each case with interest on such principal amount accrued and unpaid to the date fixed for redemption (the price, including interest, at which the Notes may be redeemed at any given time pursuant to this Article IV being hereinafter referred to as the "redemption price"); provided always that the Company shall not call any Notes for redemption at any time as part of or in anticipation of any refinancing operation involving, directly or indirectly, the incurring of indebtedness having an effective interest rate or cost to the Company, determined in accordance with accepted financial practice, of less than 13.95% per annum.

**4.2           Partial Redemption of Notes**

In case less than all of the Notes for the time being outstanding are to be redeemed, the Company shall in each case, at least 15 days before the date upon which the notice of redemption as provided for in Section 4.3 is required to be given, notify the Trustee in writing of its intention to redeem Notes and of the aggregate principal amount of Notes so to be redeemed. The Notes so to be redeemed shall be selected by the Trustee in proportion as nearly as may be to the aggregate principal amount of such Notes held by the respective registered

holders thereof. Notes of denominations in excess of \$1,000 may be selected and called for redemption in part only (such part being \$1,000 or a multiple thereof) and, unless the context otherwise requires, reference to Notes in this Article IV and in Article V shall be deemed to include any such part of the principal amount of Notes which shall have been so selected and called for redemption. The holder of any Note called for redemption in part only, upon surrender of such Note for payment as required by Section 4.4 shall be entitled to receive, without expense to such holder, one or more new Notes for the unredeemed part of the Note so surrendered, and the Trustee shall certify and deliver such new Notes upon receipt of the Note so surrendered.

**4.3            Notice of Redemption**

Notice of intention to redeem any or all the Notes shall be given by the Company to each Noteholder by letter or circular sent by registered mail, postage prepaid, addressed to it at its last address appearing upon the register mentioned in Section 2.6 and mailed not less than 30 days prior to the date fixed for redemption. The accidental omission to mail any such letter or circular to, or the non-receipt of any such letter or circular by, any such holder or holders shall not invalidate or otherwise prejudicially affect the redemption of the Notes.

**4.4           Notes Due on Redemption Dates**

Notice having been given as aforesaid, all the Notes so called for redemption shall thereupon be and become due and payable at the redemption price, on the redemption date specified in such notice, in the same manner and with the same effect as if the redemption date were the date of maturity specified in such Notes respectively, anything therein or herein to the contrary notwithstanding, and from and after such redemption date, if the moneys necessary to redeem such Notes shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Trustee as to the mailing of such notices shall have been lodged with it, interest upon the said Notes shall cease.

In case any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

**4.5           Deposit of Redemption Moneys**

Redemption of Notes pursuant to this Article IV shall be provided for by setting aside in trust or by depositing

with the Trustee, at least one business day prior to the redemption date fixed in such notice, such sums as may be sufficient to pay the redemption price of such Notes. The Company shall also deposit with the Trustee a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. From the sums set aside in trust or so deposited, the Trustee shall pay or cause to be paid to the holders of such Notes so called for redemption, upon surrender of such Notes to the Trustee, the redemption price.

**4.6        Failure to Surrender Notes Called for**  
**Redemption**

In case the holder of any such Note so called for redemption shall fail within 120 days after the date fixed for redemption so to surrender its Note to the Trustee, or shall not within such time accept payment of the redemption price payable in respect thereof or give such receipt therefor, if any, as the Company or the Trustee may require, such redemption price shall be paid by the Company to the Trustee, if not theretofore so paid, and shall be set aside in trust for such holder, either in the deposit department of the Trustee or in an account in a Canadian chartered bank in the name of the Trustee, and such setting aside shall for all purposes be deemed a payment to the Noteholder of the sum so set aside, and to that extent the Note shall thereafter not be considered as outstanding hereunder and

the Noteholder shall have no other right except to receive payment out of the moneys so paid and deposited upon surrender and delivery of its Note to the Trustee, of the redemption price of such Note plus such interest thereon, if any, as the depository may allow.

Any moneys so set aside and interest thereon, if any, not claimed by or paid to the Noteholders entitled thereto within six years after the date of such setting aside shall be repaid to the Company by the Trustee on demand and thereupon the Trustee shall be released from all further liability with respect to such moneys and thereafter the Noteholders in respect of which such moneys were so repaid to the Company shall have no rights in respect thereof except to obtain payment of the redemption price of such Notes plus such interest, if any, as may be allowed by the depository, subject to any defence the Company may have.

**4.7            Cancellation and Destruction of Notes**

All Notes redeemed under this Article IV shall forthwith be delivered to and cancelled by the Trustee and no Notes shall be issued in substitution therefor.

**4.8            Surrender of Notes for Cancellation**

If the principal moneys due upon any Note shall become payable by redemption or otherwise before the date of maturity thereof, the person presenting such Note for payment must surrender the same for cancellation, the Company nevertheless paying the interest for the fraction of the current half year (computed on a per diem basis) if the date fixed for payment be not an interest payment date.

**4.9            Home Office Payment Agreements**

Notwithstanding anything contained herein, payment of the redemption price of a portion of any Note may be made by the Trustee, or by any paying agent with the consent of the Trustee, to the registered holder thereof, without presentation or surrender of the Note to the Trustee if there shall have been filed with the Trustee an Officer's Certificate stating that the Company has entered into an agreement with such registered holder or the person for whom such registered holder is acting as nominee to the effect that:

- (a) payment will be so made;

- (b) upon written request from the Trustee or the Company, such registered holder or other person will make notations on such Note of the portions thereof so redeemed; and
  
- (c) whether or not it shall have received any requests to make notations as aforesaid, such registered holder or other person will not dispose of such Note or permit its nominee to dispose of such Note or of any interest thereon without, prior to the delivery thereof, surrendering the same to the Trustee or other registrar in exchange for a Note or Notes of the same series in authorized denominations, aggregating the same principal amount as the principal amount of such Note so surrendered which shall remain unpaid.

Neither the Trustee nor any paying agent shall be under any duty to determine that such notations have been made.

ARTICLE V

SINKING FUND FOR NOTES

5.1 Provisions of Sinking Fund

The Company covenants and agrees with the Trustee that it will establish a sinking fund for the benefit of the Noteholders by paying to the Trustee, subject as hereinafter provided, prior to March 31 and September 30 in each of the years 1985 to 2003, inclusive, and prior to March 31, 2004 (each or any of which dates is hereinafter sometimes called a "sinking fund retirement date") such amount (hereinafter sometimes called a "sinking fund payment") as shall be sufficient to redeem or otherwise retire on the respective sinking fund retirement dates the respective principal amounts of Notes set out below:

March 31, 1985	\$ 100,830.17	September 30, 1988	161,646.60
September 30, 1985	107,863.07	March 31, 1989	172,921.45
March 31, 1986	115,386.52	September 30, 1989	184,982.72
September 30, 1986	123,434.73	March 31, 1990	197,885.26
March 31, 1987	132,044.31	September 30, 1990	211,687.76
September 30, 1987	141,254.40	March 31, 1991	226,452.98
March 31, 1988	151,106.89	September 30, 1991	242,248.08

March 31, 1992	259,144.88	September 30, 1998	622,604.81
September 30, 1992	277,220.23	March 31, 1999	666,031.49
March 31, 1993	296,556.35	September 30, 1999	712,487.19
September 30, 1993	317,241.15	March 31, 2000	762,183.17
March 31, 1994	339,368.72	September 30, 2000	815,345.44
September 30, 1994	363,039.69	March 31, 2001	872,215.79
March 31, 1995	388,361.71	September 30, 2001	933,052.84
September 30, 1995	415,449.94	March 31, 2002	998,133.28
March 31, 1996	444,427.57	September 30, 2002	1,067,753.07
September 30, 1996	475,426.39	March 31, 2003	1,142,228.85
March 31, 1997	508,587.38	September 30, 2003	1,221,899.31
September 30, 1997	544,061.35	March 31, 2004	1,307,126.79
March 31, 1998	582,009.63	September 30, 2004	1,398,298.88

**5.2            No Sinking Fund Credit**

Notes redeemed by, on behalf of, or by the Trustee under the direction of, the Company pursuant to Article IV hereof may not be used by the Company as a credit against future mandatory sinking fund payments under Section 5.1.

**5.3           Call for Redemption**

Not later than the day which is 45 days prior to each sinking fund payment date (so long as any of the Notes remain outstanding) the Trustee shall select for redemption Notes to an aggregate principal amount equal to the sinking fund payment required to be made prior to the next succeeding sinking fund retirement date on a pro rata basis as nearly as may be to the aggregate principal amount of such Notes held by the respective registered holders thereof, and shall notify each holder of the Notes so selected. Thereupon the Company, or the Trustee for and on behalf of and in the name of the Company, shall forthwith call for redemption on the next sinking fund retirement date the Notes so selected. For the purpose of any redemption as aforesaid by the Trustee, the Trustee may perform all acts and take all proceedings which under the terms of Article IV hereof could or may be performed or taken by the Company. The provisions of Sections 4.2 to 4.6, inclusive, and Section 4.9 shall apply, mutatis mutandis, to redemptions under this Article V. Notwithstanding Section 4.2, the Trustee may select such Notes as it is required to select pursuant to this Section 5.3 without restriction to the selection of Notes in denominations of \$1,000 or a multiple thereof.

**5.4           Sinking Fund Redemption Price**

Notes called for redemption out of sinking fund moneys as provided in Section 5.3 shall be redeemable at the

principal amount thereof together with interest on such principal amount accrued and unpaid to the sinking fund retirement date.

**5.5 Trustee's Expenses**

The Company from time to time on request of the Trustee shall pay to the Trustee, otherwise than out of sinking fund moneys, the cost of giving notice of redemption of Notes out of sinking fund moneys and any other expenses incurred in connection with the operation of the sinking fund, the intention being that the sinking fund shall not be charged with such expenses.

**5.6 Cancellation**

All Notes redeemed out of sinking fund moneys shall be forthwith delivered to the Trustee for cancellation and such Notes shall be cancelled and destroyed and no Notes shall be issued in substitution therefor. If required by the Company the Trustee shall from time to time furnish to it a destruction certificate setting forth the numbers and denominations of the Notes so destroyed.

**5.7           Termination of Fund**

Any funds remaining in the sinking fund for the Notes when the principal of such Notes becomes due and payable, whether at stated maturity or on a declaration pursuant to Section 10.1, or otherwise, shall be applied to the payment of such Notes.

Any funds remaining in the hands of the Trustee under the provisions of this Article V when there are no longer any Notes outstanding shall be repaid to the Company.

**5.8           Trustee's Decision Final**

If any question shall arise as to compliance with the provisions of this Article V the decision of the Trustee shall be final.

**ARTICLE VI**

**CHARGING PROVISIONS**

**6.1 Grant of Mortgage and Charge**

In consideration of the premises and One Dollar (\$1) paid to the Company by the Trustee (the receipt and sufficiency of which are hereby acknowledged) and to secure the payment in lawful money of Canada of all the Notes and of the interest thereon and of all other sums, if any, from time to time due hereunder to the holders of the Notes the Company does hereby, subject only to Permitted Encumbrances, grant, bargain, sell, convey, confirm, assign, release, cede, transfer, hypothecate, mortgage, pledge and charge as and by way of a first fixed and specific mortgage and hypothec to and in favour of, and does grant a security interest to, the Trustee and its successors in the trust, as Trustee for the benefit of the holders of the Notes, all right, title and interest of the Company, in and to the Equipment and does hereby assign to the Trustee all present and future Assigned Rentals.

**6.2           Habendum**

To have and to hold the Mortgaged Property and the hypothecations, mortgages, pledges, security interests, charges, cessions, transfers and assignments thereof hereunder and all rights hereby conferred unto the Trustee, its successors and assigns, but in trust, nevertheless, for the benefit and security of all the holders of all Notes issued and to be issued hereunder without any preference or priority of any of the Notes over any others thereof, by reason of priority at the time of issue or negotiation thereof, or otherwise howsoever, and subject to the conditions, provisions, covenants and stipulations herein expressed.

**6.3           Charge Valid Irrespective of Advance of Moneys**

The hypothecations, mortgages, pledges, security interests, charges, cessions, transfers and assignments hereby made and created shall be and have effect whether or not the moneys thereby secured shall be advanced before or after or at the same time as, the issue of the Notes, or the advance of the moneys thereby secured, or any part thereof, or before or after, or upon the date of the execution of this Indenture.

**6.4        Further Assurances**

The Company shall forthwith, and from time to time, execute and do all deeds, documents and things which in the opinion of Counsel for the Trustee are necessary or advisable for giving the Trustee the security intended to be created by this Indenture, and for conferring upon the Trustee such powers of sale and other powers over the Mortgaged Property as are hereby expressed to be conferred.

**ARTICLE VII**

**POSSESSION AND USE OF MORTGAGED PROPERTY**

**7.1 Right of Company to Enjoy Mortgaged Property**

Until the security hereof shall become enforceable, the Company may (subject to the terms of this Indenture) possess, manage, operate, lease and re-lease and enjoy the Mortgaged Property.

**7.2 Continued Payment of Assigned Rentals to Company**

So long as no Event of Default hereunder shall have occurred and be continuing, the Trustee will permit the Company to be paid the Assigned Rentals by the Lessees.

If an Event of Default shall have occurred hereunder and so long as the same shall be continuing, the Company shall cause the full amount of all Assigned Rentals to be paid directly to the Trustee in accordance with the provisions of Section 10.3.

**ARTICLE VIII**

**CERTAIN COVENANTS BY THE COMPANY**

The Company hereby covenants and agrees with the Trustee as follows:

**8.1 Ownership of Mortgaged Property**

The Company is the owner of the Mortgaged Property free and clear of all liens or encumbrances whatsoever other than Permitted Encumbrances, and the Company has good right and lawful authority to hypothecate, mortgage, pledge, grant a security interest in, charge, cede, transfer and assign the Mortgaged Property as provided in and by this Indenture, and that it will warrant and defend the title thereto and every part thereof against the claims and demands of all persons whatsoever.

**8.2 Carrying on of Business**

The Company is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation and is duly qualified to do business in each jurisdiction where such qualification is necessary for the

carrying on of its business. So long as any of the Notes shall be outstanding, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and will comply with all laws applicable to the Company.

**8.3 Due Payment of Notes**

The Company shall well, duly and punctually pay or cause to be paid to each Noteholder the principal of and interest accrued on the Notes of which it is the holder, and premium if any, at the dates and places, in the moneys, and in the manner mentioned or provided for herein and in the Notes.

**8.4 Performance of Leases**

The Company shall perform all its obligations under each Lease unless the Company is contesting the performance or existence of such obligations in good faith, shall not waive any such obligations or amend any such Lease if the waiver or amendment is not in the best interests of the Company or is prejudicial to the Noteholders and shall use its best efforts to re-lease Equipment for which the Lease covering such Equipment has expired on terms and conditions which are in the best

interests of the Company and which are not prejudicial to the Noteholders.

**8.5            Payment of Taxes and Liens**

The Company shall from time to time pay or cause to be paid all rents, taxes, rates, levies, assessments, ordinary or extraordinary, government fees or dues lawfully levied, assessed or imposed upon the Mortgaged Property or any part thereof and upon the income and profits of the Company as and when the same become due and payable, unless the imposition thereof is being contested in good faith by appropriate proceedings and the security of this Indenture is not thereby in the opinion of the Trustee materially endangered, and shall not suffer any workmen's, suppliers', builders' or other liens, privileges or rights of retention to remain outstanding upon the Mortgaged Property or any part thereof unless the imposition thereof is being contested in good faith by appropriate proceedings and the security of this Indenture is not thereby in the reasonable opinion of the Trustee materially endangered.

**8.6            Registrations**

The Company will duly register this Indenture and any indenture supplemental hereto or a financing statement giving

notice thereof without delay at every office where the registration or record thereof may, in the reasonable opinion of Counsel for the Trustee, be of material advantage in preserving and protecting the security hereby created, and that it will deliver or exhibit to the Trustee, on demand, certificates establishing such registration, and renew the same from time to time, if such renewal is necessary in the reasonable opinion of the Trustee, to preserve or protect the security hereby created.

**8.7        Maintenance of Security**

The Company shall fully and effectually maintain and keep maintained the security hereby created as a valid and effective security at all times so long as any Notes are outstanding and that it will not, save for Permitted Encumbrances, create or suffer to be created or have outstanding on the Mortgaged Property any mortgage, pledge, privilege, lien or charge, but it shall not be required to pay or discharge any such mortgage, pledge, privilege, lien or charge so long as it shall in good faith with due diligence by appropriate proceedings contest the validity thereof, unless thereby, in the reasonable opinion of the Trustee, the security constituted by this Indenture will be materially endangered.

**8.8            Maintenance of Equipment**

Subject to the express provisions of this Indenture and the Leases respecting maintenance, repair, accessions and Casualty Occurrences and the alternatives available to the Company and the Lessees in such connection, the Company shall at all times maintain and keep or cause to be maintained and kept in good order and repair, ordinary wear and tear excepted, all the Equipment, so as to preserve and protect the Mortgaged Property and the earnings, rents, issues and profits therefrom and at all reasonable times allow the Trustee or its representative the right to inspect the Mortgaged Property in order to view the state and condition the same are in.

**8.9            Insurance**

At present the Company self-insures with respect to physical damage to and loss of the Equipment. If at any time the Company shall determine that, in accordance with good commercial practice at the time, it is more economically beneficial to the Company to insure with a third party insurer for physical damage to or loss of the Equipment, it may do so. At all times that the Company insures the Equipment, each insurance policy will name the Company as an insured and the Trustee as an additional insured and loss payee thereof as the Trustee's interest may appear and shall contain a clause requiring the insurer to give

to the Trustee and to each Noteholder at least ten days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. If the Company insures with a third party insurer, at the Trustee's request, the Company shall furnish to the Trustee a certificate of insurance or other evidence satisfactory to the Trustee that such insurance coverage is in effect; provided, however, that the Trustee shall be under no duty either to ascertain the existence of or to examine such insurance policy or certificate or to advise the Company in the event such insurance coverage shall not comply with the requirements thereof.

The Company shall obtain, and maintain at all times when Notes are outstanding, at its own expense, public liability insurance for bodily injury and property damage, in an amount not less than \$150,000,000 with insurers which have a "B" or better classification in Best's Ratings or insurers of equal financial strength or otherwise with such insurers as shall be reasonably satisfactory to the Trustee.

**8.10      Financial Information**

The Company will forward or cause to be forwarded:

- (a) to each Noteholder within 60 days after the end of each of the first three quarters of the Company's fiscal year unaudited consolidated financial statements of the Company for the immediately previous fiscal quarter, including a balance sheet, a statement of earnings and statement of change in financial position since the immediately previous quarter;
  
- (b) to each Noteholder within 60 days after the end of each of the first three quarters of the Guarantor's fiscal year unaudited consolidated financial statements of the Guarantor for the immediately previous fiscal quarter, including a consolidated balance sheet, a consolidated statement of earnings and a consolidated statement of changes in financial position since the immediately previous quarter;
  
- (c) to each Noteholder within 120 days after the end of each fiscal year of the Company the consolidated financial statements of the Company for such fiscal year, including a balance sheet, a statement of earnings and statement of change in financial position since the immediately previous fiscal year prepared in accordance with generally accepted accounting

principles and reported on by the Auditors of the Company;

- (d) to each Noteholder within 120 days after the end of each fiscal year of the Guarantor the consolidated financial statements of the Guarantor and its subsidiaries for such fiscal year, including a balance sheet, a statement of earnings and statement of change in financial position since the immediately previous fiscal year prepared in accordance with generally accepted accounting principles and reported on by the Auditors of the Guarantor; and
- (e) to each Noteholder within 60 days after the end of each fiscal year of the Company, an Officer's Certificate giving the following information:
  - (i) a complete list of the Leases outstanding with respect to the Equipment including a complete description of the Units of Equipment covered by each such Lease as at such fiscal year end;

- (ii) the amount of rent being paid for the Equipment by the Lessees under the Leases listed in (i) above;
  - (iii) the remainder of the term of each of the Leases listed in (i) above; and
  - (vi) the names of the Lessees under the Leases listed in (i) above; and
- (f) to each Noteholder such other information with respect to the Leases which the Trustee may reasonably request from time to time.

**8.11 Good Standing Certificate**

The Company covenants with the Trustee that so long as any of the Notes remain outstanding it will deliver to the Noteholders within 120 days after the end of each of its fiscal years, and at any other time if so required by the Trustee throughout the term of this Indenture, an Officer's Certificate that no event of default hereunder then exists or, if any such event of default hereunder then exists, specifying all relevant particulars thereof, the period of existence thereof and what action the Company proposes to take with respect thereto.

**8.12**            **Performance of Covenants by Trustee**

If the Company shall fail to perform any of the covenants or fulfill any of the conditions contained in this Indenture or in the Notes, the Trustee may in its discretion perform any of the said covenants or fulfill any such condition capable of being performed by it and, if any such covenant or condition requires the payment or expenditure of money, it may make such payments or expenditures with its own funds, or with money borrowed by or advanced to it for such purpose, but shall be under no obligation so to do; and all sums so expended or advanced shall be at once payable by the Company and shall bear interest at the Prime Rate from the date so expended or advanced until paid, and shall be secured hereby, having the benefit of the charges hereby created in priority to the indebtedness evidenced by the Notes and interest, but no such performance or payment shall be deemed to relieve the Company from any default hereunder.

**8.13**            **Sale of Notes**

If the Company should be in default hereunder at any time, it will not while such default shall continue sell, charge or otherwise dispose of any of the Notes.

**8.14 Trustee's Remuneration**

The Company will pay the Trustee reasonable remuneration for its services as Trustee hereunder and the Company will repay to the Trustee on demand all moneys which shall have been paid by the Trustee for premiums of insurance, repairs, renewals, taxes, legal expenses or charges, or any other expenditures whatever which the Trustee may reasonably make in and about the execution of the trust hereby created with interest at the Prime Rate from the date of expenditure until repayment, and such moneys and the interest thereon, including the Trustee's remuneration, shall until paid, constitute a charge or lien upon the Mortgaged Property in priority to any of the Notes or interest and shall be payable out of any funds coming into the possession of the Trustee. The said remuneration shall continue to be payable after the security shall have become enforceable and until the trusts hereof have been finally wound up and whether or not a liquidator, receiver and manager or trustee in bankruptcy shall have been appointed to the Company or this Trust Indenture shall be in due course of administration by or under the direction of a Court of competent jurisdiction.

**ARTICLE IX**

**EVENTS OF DEFAULT**

**9.1 Events of Default**

In this Indenture, "Event of Default" means each and every one of the following events:

- (a) if the Company fails to make any payment where due of the principal of any of the Notes (including without limitation sinking fund payments and payments to be made pursuant to Section 3.1, Section 3.2, Section 3.3 and Section 3.7) when the same becomes due and payable, either by the terms thereof or otherwise, and such failure is not cured within five Business Days after the occurrence of such default; or
- (b) if the Company fails to make any payment of any interest when due on any of the Notes issued hereunder and such failure is not cured within five Business Days after the occurrence of such default; or
- (c) if the Company defaults in the due performance and observance of any other provision contained in this Indenture and, if such default is capable of remedy,

the Company fails to cure such default within a period of 30 days after notice thereof from the Trustee or such shorter period (not to be less than 15 days) as the Trustee specifies is necessary to ensure that no other creditor's actions materially prejudice the rights of the Noteholders against the Company; or

- (d) if any representation or warranty made by or on behalf of the Company in this Indenture or in any other document delivered in connection with the transactions contemplated hereby or made by or on behalf of the Guarantor in the Guarantee or delivered in connection therewith, is incorrect as of the date made; or
- (e) if the Company or the Guarantor defaults in the payment of the principal or interest, when due (at maturity, by call for redemption, by declaration or otherwise), of any indebtedness of the Company or the Guarantor, as the case may be, in respect of borrowed money, unless the date for payment of such principal or interest shall have been effectively extended or unless the Company or the Guarantor, as the case may be, shall in good faith deny that such principal or interest is due or payable and the Trustee shall be satisfied that delay in payment thereof pending determination of the rights of the parties will not

materially and adversely affect the rights of the Noteholders; provided however, that if such default in respect of any such indebtedness is deemed by the Trustee to be immaterial or shall be remedied or cured by the Company or waived by or on behalf of the holders of such indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of the Trustee; or

- (f) if the Company or the Guarantor admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency or if any order is made or an effective resolution passed for the winding up of the Company or the Guarantor or if the Company or the Guarantor makes an assignment for the benefit of its creditors or if a receiver, interim receiver or receiver and manager or a liquidator or a sequestrator or a trustee in bankruptcy of the Company or the Guarantor is appointed or if the Company or the Guarantor becomes insolvent or makes an assignment or any proposal under the Bankruptcy Act or any comparable statute of any applicable jurisdiction, or is declared bankrupt, or if the Company or the Guarantor takes any action pursuant to the Winding-Up

Act or any comparable statute of any applicable jurisdiction; or

- (g) if any application is made with respect to the Company, other than by the Company, under the Companies' Creditors Arrangement Act (Canada) or if a proceeding is instituted for the winding up of the Company or the Guarantor or a petition in bankruptcy is presented against the Company or the Guarantor under a bankruptcy or similar act and if in any such case such application, proceeding or petition is not dismissed, stayed or withdrawn within 60 days after the Company or the Guarantor, as the case may be, has notice or knowledge of the institution thereof; or
  
- (h) if a final judgment in an amount of \$5,000,000 or more or the United States equivalent thereof is rendered against the Company or the Guarantor and within 30 days after entry thereof (or such other period of time as is consistent with such judgment or the provisions for appeal of such judgment) such judgment shall not have been discharged or execution thereof stayed pending appeal or, within 30 days after the expiration of any such stay, such judgment shall not have been discharged; or

- (i) if an encumbrancer takes possession of all the property of the Company or of the Guarantor or any substantial part thereof, or if a distress or execution or any similar process be levied or enforced thereagainst and remain unsatisfied for the shorter of a period of 30 days or such period as would permit such property or such part thereof to be sold thereunder; or
- (j) if, except for Permitted Encumbrances and the lien hereof, the Company shall at any time hereafter, create or suffer to exist or purport or attempt to create any mortgage, hypothec, security interest, pledge, charge or other encumbrance upon the Mortgaged Property, or any part thereof; or
- (k) if the Company is not or ceases to be a Subsidiary of the Guarantor;
- (l) if any governmental or other consent, licence, or authorization required to make this Indenture or the Notes legal, valid, binding and enforceable or required in order to enable the Company to perform its obligations hereunder or thereunder is withdrawn or ceases to be in full force and effect and the Company fails to obtain such consent, licence or authorization

within 30 days after notice thereof from the Trustee;  
or

- (m) subject to Section 22.1 with respect to the Company, if the Company or the Guarantor ceases or proposes to cease carrying on business or sells, transfers or otherwise disposes of the whole or any substantial part of its assets whether by one transaction or a series of transactions related or not (except with the prior written consent of the Trustee).

**9.2 Rights of Trustee on Default**

Upon the occurrence of an Event of Default, the security hereby constituted shall become enforceable and the Trustee may take the actions and shall be entitled to the remedies provided for in Article X.

**ARTICLE X**

**REMEDIES**

**10.1 Trustee may Declare Principal and Interest Due**

In case the security hereby constituted shall become enforceable as herein provided, the Trustee may in its discretion and shall, upon receipt of the written request to do so by Noteholders' Instrument signed by the holder or holders of not less than 33-1/3% in principal amount of the Notes at the time outstanding, declare the principal of all Notes then outstanding and other moneys secured hereby to be due and payable and the same shall forthwith become immediately due and payable to the Trustee on demand, anything therein or herein contained to the contrary notwithstanding, and the Company shall on such demand forthwith pay to the Trustee for the benefit of the Noteholders, the principal of and all accrued interest on the Notes then outstanding and all other moneys secured hereby together with a premium equal to (i) 4% of such principal up to and including September 30, 2000 and (ii) thereafter an amount which together with such principal and interest would equal the redemption price, and such payment when made shall be deemed to have been made in discharge of its obligations hereunder, and any moneys so received by the Trustee shall be applied

in the same manner as if they were the proceeds of a sale of the Mortgaged Property.

**10.2        Waiver of Default**

In the event that the security hereunder becomes enforceable, the Noteholders by Noteholders' Instrument shall have power to require the Trustee to waive the default, and in such event the Trustee shall thereupon waive the default unconditionally or upon such terms and conditions as such holders shall have prescribed or the Noteholders shall have power by Noteholders' Instrument to direct the Trustee to cancel any declaration made by it pursuant to the provisions of Section 10.1 hereof, provided always that no act or omission either of the Trustee or of the Noteholders shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

**10.3        Right of Trustee to take Possession  
of Mortgaged Property**

In case the security hereby constituted shall become enforceable as herein provided, the Trustee may in its discretion and, upon receipt of a written request to do so by Noteholders' Instrument, shall, by its officers, agents or attorneys, notify the Lessees of the assignment of the Assigned

Rentals provided for in Section 6.1 and require payment of the Assigned Rentals to be made directly to the Trustee, take an assignment of all right, title and interest of the Company in and to the Leases (and the Company hereby appoints the Trustee its attorney for the purpose of executing any documents necessary to affect such assignment) and/or enter into and upon any property upon which the Mortgaged Property is located and take possession of all or any part of the Mortgaged Property with full power to deal with the Mortgaged Property, including the power to borrow moneys or advance its own moneys for such purpose and for the maintenance and preservation of the Mortgaged Property or any part thereof, the payment of taxes, wages and other charges ranking in priority to the Notes and current operating expenses incurred not more than 60 days prior to such taking of possession (and moneys so borrowed or advanced shall be repaid by the Company on demand and until repaid shall, with interest thereon from the date such moneys are borrowed or advanced until the date of such repayment at the Prime Rate, be a charge upon the Mortgaged Property in priority to the said Notes), and to receive the revenues, incomes, issues and profits of the Mortgaged Property including without limitation, the Assigned Rentals and all other amounts payable pursuant to the Leases, and to pay therefrom all the expenses, charges and advances of the Trustee in carrying on the said business operations or otherwise, and all taxes, assessments and other

charges against the Mortgaged Property ranking in priority to the Notes, or payment of which may be necessary to preserve the Mortgaged Property ranking in priority to the Notes and to apply the remainder of the moneys so received in the same manner as if the same arose from a sale or realization of the Mortgaged Property; provided that the Trustee shall, upon the removal and waiver by Noteholders' Instrument of all defaults hereunder, restore the Mortgaged Property to the Company, and pay to it any balance of income so received after such payment of all amounts due or properly payable to the Trustee hereunder in priority to the Notes, and in case of any such return of the Mortgaged Property to the Company, the Security hereby constituted shall no longer be deemed to have become enforceable by reason of the default or defaults which theretofore existed, but the rights to arise upon a subsequent default shall not be affected thereby.

**10.4        Sale of the Mortgaged Property**

In case the security hereby constituted shall have become enforceable as herein provided, and the Company shall have failed to pay the Trustee, on demand, the principal of and premium and accrued interest on all Notes outstanding together with any other amounts due hereunder or on the Notes, the Trustee may in its discretion (subject to the rights of the Lessees under the Leases) either after such entry, as aforesaid, or after other entries by its officers or agents, or without any

entry, sell and dispose of, and upon receipt of written request to do so by Noteholders' Instrument the Trustee shall sell and dispose of the Mortgaged Property at such time and on such terms and conditions as the Trustee shall fix, either (i) at public auction or by tender at such time and on such terms and conditions, subject as herein provided, as the Trustee shall appoint, or (ii) by private sale, in either case upon not less than 30 days prior written notice of the time, place, terms and conditions thereof, and such additional notice as may be required by law. It shall be lawful for the Trustee to make any such sale, either for cash or upon credit, upon such reasonable conditions as to terms of payment and, in the case of any such sale at public auction or by tender, as to upset or reserve bid or price, as it may deem proper, to rescind or vary any contract of sale that may have been entered into, and resell with or under any of the powers conferred herein, to adjourn any such sale from time to time, and to execute and deliver to the purchaser or purchasers of the Mortgaged Property good and sufficient bills of sale or other instruments transferring title to the same, the Trustee being hereby constituted the irrevocable attorney-in-fact of the Company for the purpose of making such sale and executing such instruments, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Company and its assigns and all other persons claiming the Mortgaged Property or any part thereof, by, from, through, or under the Company or its assigns, and the proceeds

of any such sale shall be distributed in the manner hereinafter provided.

**10.5      Applying Notes in Payment**

Upon any sale of the Mortgaged Property or any part thereof, whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings, the Trustee or any one or more of the Noteholders or any agent representative thereof may become purchasers and may, in paying the purchase price, deliver any of the Notes (other than Notes owned legally or equitably by or for the benefit of the Company or any affiliate) in place of cash to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon; and in case the amount payable thereon shall be less than the amount due thereon, such Notes shall be returned after being properly marked or stamped to show partial payment; provided, however, that any such purchaser shall pay in cash so much as shall be necessary to provide for the payments mentioned in subsection (a) of Section 10.7.

**10.6      Delivery of Possession by the Company**

The Company binds and obliges itself to yield up possession of the Mortgaged Property to the Trustee on demand whenever the Trustee shall have a right of entry under the foregoing provisions of this Article X and agrees to put no

obstacles in the way of, but to facilitate by all legal means, the actions of the Trustee hereunder and not to interfere with the carrying out of the powers hereby granted to it, and the Company shall forthwith by and through its officers and directors, execute such documents and transfers as may be necessary to place the Trustee in legal possession of the Mortgaged Property and thereupon all the powers and functions, rights, and privileges of each and every of the directors and officers of the Company shall cease and determine with respect to the Mortgaged Property, unless specially continued in writing by the Trustee, or unless the Mortgaged Property shall have been restored to the Company as hereinbefore in this Article X provided.

**10.7      Application of Proceeds of Sale**

Except as herein otherwise expressly provided, the moneys arising from any sale or realization of the Mortgaged Property whether under any sale by the Trustee or by judicial process or otherwise, shall be applied, together with any other moneys then in the hands of the Trustee available for such purpose, in the first place to pay or reimburse to the Trustee the costs, charges, expenses, borrowings, advances and compensation of the Trustee in or about the execution of its trusts hereunder or otherwise in relation to these presents with

interest thereon as herein provided, and the residue of the said moneys shall be applied:

- (a) first, to the payment of all charges on the Mortgaged Property (except those subject to which sales or realization shall have been made) ranking in priority to the Notes;
- (b) second, to the payment equally and rateably of the unpaid interest on the Notes;
- (c) third, to the payment equally and rateably of the unpaid premium on the Notes;
- (d) fourth, to the payment equally and rateably of the unpaid principal of the Notes; and
- (e) the balance, if any, of such moneys shall be forthwith paid to the Company or its assigns.

**10.8      Production of Note Prior to Payment**

The Trustee shall have the right at the time it makes any payment required by this Article X to demand of the person claiming such payment the production of the actual Note under which it claims such payment be made, and shall cause to be

endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may in its discretion dispense with such production and endorsement in any special case, upon such indemnity being given as the Trustee and the Company shall deem sufficient, provided, that if such applicant shall be an insurance company or other institutional investor with net assets of at least \$10,000,000, the indemnity of such applicant in form reasonably satisfactory to the Trustee shall be sufficient.

**10.9        Principal Due Upon Sale**

Upon any such sale of the Mortgaged Property, whether made under the power of sale herein contained, or pursuant to foreclosure or other judicial proceedings, the principal of all the Notes issued hereunder and then outstanding, if not previously declared due, shall immediately become due and payable, anything in the Notes or in this Indenture to the contrary notwithstanding.

**10.10       Trustee as Attorney**

The Company hereby irrevocably appoints the Trustee to be the attorney-in-fact of the Company, after occurrence of an event of default hereunder, for and in the name and on behalf of the Company to execute and do any deeds, documents, transfers,

conveyances, assignments, assurances, consents, and things which the Company ought to sign, execute and do hereunder and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Trustee with full powers of substitution and revocation.

**10.11 Trustee's Right to Enforce Security**

The Trustee shall have the right in its discretion to proceed in its name as Trustee hereunder in the enforcement of the security hereby constituted by any remedy provided by law, whether by legal proceedings or otherwise but it shall not be bound to do or to take any act or action in virtue of the powers conferred on it by these presents unless and until it shall have been required so to do by Noteholders' Instrument defining the action which it is required to take, and the Trustee may, before taking such action, require such Noteholders to deposit with the Trustee the Notes held by them for which Notes the Trustee shall issue receipts. The obligation of the Trustee to commence or continue any act, action or proceedings for the purpose of realizing upon the Mortgaged Property or for the enforcement of any covenant or obligation under or arising out of these presents or of the Notes shall, at the option of the Trustee, be conditional upon the Noteholders or any one or more of them furnishing, when required in writing by the Trustee, Trustee's Indemnification.

**10.12      Trustee not Liable for Debts**

The Trustee shall not be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damages to persons or property or for salaries or non-fulfillment of contracts during any period wherein the Trustee shall manage the Mortgaged Property, as herein provided, nor shall the Trustee be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization of the Mortgaged Property, and the Trustee shall not be bound to do, observe or perform or to see to the observance or performance by the Company of any of the obligations or covenants herein imposed upon the Company, unless and until the security hereby created has become enforceable and the Trustee shall have become bound to enforce the same and shall have been kept supplied with moneys reasonably necessary to provide for the expenses of the required action and with satisfactory indemnity as aforesaid.

**10.13      Validity of Dealings with the Trustee**

No person dealing with the Trustee or its agents shall be concerned to inquire whether the security hereby constituted has become enforceable, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any money remains due upon the security of these

presents or the Notes, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Trustee with the Mortgaged Property or to see to the application of any money paid to the Trustee and, in the absence of fraud on the part of such person, such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

**10.14      Appointment of Receiver**

If the security hereby created shall become enforceable, the Trustee may in its discretion and, upon receipt of the written request to do so by Noteholders' Instrument, shall by writing appoint a receiver or a receiver and manager (herein referred to as the "Receiver") of the Mortgaged Property, or any part thereof and may remove any Receiver so appointed by it and appoint another in his stead and the following provisions shall take effect:

- (a) such appointment may be made at any time after the security shall have become enforceable and either before or after the Trustee shall have entered into or taken possession of the Mortgaged Property or any part thereof but such appointment shall be revoked upon the

direction in writing of the Noteholders by  
Noteholders' Instrument;

- (b) every such Receiver may be vested with all or any of the powers and discretions of the Trustee;
- (c) the Trustee may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the Mortgaged Property or the proceeds thereof;
- (d) the Trustee may from time to time require any such Receiver to give security for the performance of his duties and may fix the nature and amount thereof, but it shall not be bound to require such security;
- (e) every such Receiver may, with the consent in writing of the Trustee and the written consent of the Noteholders as evidenced by the Noteholders' Instrument, borrow money for the purpose of the maintenance of the Mortgaged Property or any part or parts thereof or for any other purpose approved by the Trustee and specified in the Noteholders' Instrument, and may issue certificates (herein referred to as "Receiver's Certificates") for such sums as will in the opinion of the Trustee and the Noteholders be

sufficient for obtaining the amounts from time to time required, and such Receiver's Certificates may be payable either to order or to bearer and may be payable at such time or times as to the Trustee may appear expedient, and shall bear interest as shall therein be declared, and the receiver or the Trustee may sell, pledge or otherwise dispose of the same in such manner as to the Trustee may seem advisable and may pay such commission on the sale thereof as to it may appear reasonable, and in the name of and as attorney-in-fact for the Company may hypothecate, mortgage, pledge, charge or otherwise grant security upon the whole or any part of the Mortgaged Property, in priority over the security created hereunder, as security for the repayment of the moneys borrowed upon such Receiver's Certificates, and interest thereon, which security may be granted either at the time of or subsequent to the borrowing of said moneys, and said moneys shall be secured by the security created hereby and shall be a first charge upon the Mortgaged Property in priority to the Notes; provided always that in the exercise of the powers and duties conferred upon the Trustee by this Article X the Trustee shall be bound to observe and act in accordance with the written directions and instructions of the Noteholders, as evidenced by

Noteholders' Instrument, if and whenever any such directions or instructions shall be given;

- (f) save so far as otherwise directed by the Trustee, all moneys from time to time received by such Receiver shall be paid over to the Trustee to be held by it on the trusts created by this Indenture.

**10.15      Cumulative Remedies**

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Notes hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

**10.16      Judgment against the Company**

The Company covenants and agrees to and with the Trustee that, in case of any foreclosure proceedings or other proceedings to enforce the security hereby created, judgment may be rendered against it in favour of the Noteholders or in favour of the Trustee, as trustee of an express trust for the Noteholders for any amount which may remain due in respect of the Notes and the interest thereon, after the application to the payment thereof of the proceeds of any sale of the Mortgaged Property.

**ARTICLE XI**

**CONCERNING THE TRUSTEE**

**11.1 Applicable Legislation Prevailing**

- (a) In this Article XI, the term "Applicable Legislation" means the provisions, if any, of the Canada Business Corporations Act and any other statute of Canada or a province or territory thereof, and of regulations under any such named or other statute, relating to trust indentures and/or to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture.
  
- (b) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
  
- (c) The Company and the Trustee agree that each will at all times in relation to this Indenture and any action

to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Legislation.

- (d) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Company shall furnish to the Trustee such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Trustee may reasonably require by written notice to the Company.
  
- (e) Whenever Applicable Legislation requires that evidence referred to in subsection (d) of this Section 11.1 be in the form of a statutory declaration, the Trustee may accept such statutory declaration in lieu of a certificate of the Company required by any provision hereof. Any such statutory declaration may be made by one or more of the chairman of the board, president, executive vice presidents, vice presidents, secretary, treasurer, assistant secretaries or assistant treasurers of the Company.

**11.2 Duties of the Trustee**

By way of supplement to the provisions of the laws of Canada and the provinces and territories thereof for the time being relating to trustees, it is expressly declared as follows, that is to say:

- (a) In the exercise of its rights and duties, the Trustee may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports, certificates or other evidence furnished to the Trustee pursuant to any provision hereof or of Applicable Legislation or pursuant to a request of the Trustee provided that such evidence complies with Applicable Legislation and that the Trustee examines the same and determines that such evidence complies with the applicable requirements of this Indenture.
  
- (b) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Trustee shall, except as herein expressly otherwise provided, exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in

comparable circumstances. The Trustee shall be liable for its own wilful acts and defaults.

- (c) The Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the Mortgaged Property, or for or by reason of the statements of facts or recitals contained in this Indenture or in the Notes, or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Company only, and it shall not be the duty of the Trustee, and nothing herein contained shall in any way cast any obligation upon the Trustee, to see to the registration or filing or renewal of this Indenture or any other deed or writing by way of mortgage, charge or bill of sale upon the Mortgaged Property or any part thereof, or upon any other property of the Company, or to procure any local mortgage, charge or other additional instrument of further assurance, or to do any other act for the continuance of the lien or charge hereof, or for giving notice of the existence of such lien or charge, or for extending or supplementing the same, or to insure or keep insured, against loss or damage by fire or otherwise, the Mortgaged Property or any part thereof or the properties of any other company controlled by the

Company, or to keep itself informed or advised as to the payment by the Company of any taxes or assessments or premiums of insurance or other payments which the Company or any company controlled by it should make or to require such payments to be made.

- (d) The Trustee may for the execution of the duties and powers conferred upon it hereunder appoint or employ, attorneys, bankers, receivers, lawyers, agents or other persons as it shall reasonably require, but the Trustee shall not be responsible for any misconduct on the part of any such attorney, banker, receiver, lawyer, agent or other person appointed by it hereunder, or bound to supervise the proceedings of any such other appointee.
  
- (e) The Trustee shall not be bound to give notice to any person or persons of the execution hereof or of the lien and charge of these presents unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same.

- (f) The Trustee shall not be responsible for the moneys subscribed by applicants for or purchasers of the Notes or be bound to see to the application thereof.
  
- (g) In the event that the Company makes an authorized assignment or a trustee, receiver or liquidator in respect to the Company's properties is appointed under the Bankruptcy Act or the Winding-Up Act or the Canada Business Corporations Act or in the event that the Company makes a compromise or arrangement under the Companies' Creditors Arrangement Act, the Trustee, if directed to do so by Noteholders' Instrument, in bankruptcy or winding-up or dissolution or liquidation and dissolution proceedings or proceedings under the Companies' Creditors Arrangement Act, and as Trustee and on behalf of the Noteholders, may file and prove a claim, value security and vote and act at all meetings of creditors and otherwise in such proceedings as directed.
  
- (h) The Trustee shall, subject only to the provisions of Section 10.10, be obliged to act and shall act and be fully protected in acting upon the instructions, requests or directions of the Noteholders given by Noteholders' Instruments in connection with any

proceedings, act, power, right, matter or thing relating to or conferred by or to be done under this Indenture.

- (i) If requested by the Noteholders or by those to whom the Notes have been assigned or pledged, the Trustee shall be obliged to give to those requesting or to their officers or authorized agents, free access to and communication of the Trustee's records relating to these presents and all matters connected therewith.

### **11.3 Conflict of Interest**

- (a) The Trustee represents to the Company that at the time of the execution and delivery hereof no material conflict of interest exists in the Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will forthwith upon ascertaining that it has a conflict of interest so advise the Company and will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder.

(b) Subject to subsection (a) of this Section 11.3, the Trustee, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and generally may contract and enter into financial transactions with the Company or any Subsidiary without being liable to account for any profit made thereby.

**ARTICLE XII**

**SUITS AND PROCEEDINGS BY TRUSTEE AND NOTEHOLDERS**

**12.1 Enforcement without Possession of Notes**

All rights of action under this Trust Indenture may be enforced by the Trustee without the possession of the Notes or the production thereof at the trial or other proceedings relative thereto.

**12.2 Trustee Instituting Proceedings**

The Trustee shall have power to institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security hereunder by any acts of the Company, or of others, in violation of this Trust Indenture or any applicable provision of law or as the Trustee may be advised shall be necessary or expedient to preserve and to protect its interests and the security and interests of the Noteholders in respect of the Mortgaged Property or income, earnings, rents, issues and profits thereof.

The Trustee shall also have power to appoint such

agents or attorneys as may be necessary or desirable to institute and maintain any suit or proceeding in any foreign jurisdiction, including any suit or proceeding brought against the Guarantor, with respect to any matter hereunder or under the Guarantee Agreement.

**12.3      Delay Not to Impair Rights**

No delay or omission of the Trustee, or of any Noteholders, to exercise any right or power accruing upon any default continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein and every power and remedy given hereby to the Trustee or to any Noteholder may be exercised by it from time to time and as often as may be deemed expedient by it.

ARTICLE XIII

APPOINTMENT OF NEW TRUSTEE

13.1 General

Any Trustee may at any time resign office by not less than three months notice in writing to the Company, or by such shorter notice as the Company may be willing to accept, and the Company, may, subject as herein provided, at any time appoint in writing a new Trustee, approved by Noteholders' Instrument, in the place of any Trustee so resigning, becoming bankrupt or going into liquidation or otherwise becoming unfit to act or desiring to be discharged from the trusts hereof; and in the event of the Company failing so to do within five days after being thereunto requested or, if such vacancy occurs after default, such appointment shall be made by the Noteholders by Noteholders' Instrument, who shall also have the power by a similar instrument to remove at any time the Trustee and to appoint a new Trustee. Any such new Trustee without further act shall be vested and have all the property, right, powers and authority granted to the Trustee hereunder and be subject in all respects to the terms, conditions and provisions hereof. It is agreed that the Trustee hereunder shall always be a trust company having capacity and power to administer the trusts

hereof with an office in the City of Toronto and qualified to carry on business as a trust company in each of the provinces and territories of Canada.

**13.2      Merger**

Any corporation into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Indenture without the execution of any instrument or any further act.

**ARTICLE XIV**

**INVESTMENT OF TRUST MONEYS**

**14.1 Investment of Trust Moneys**

Unless otherwise provided in this Indenture, any moneys held by the Trustee, which under the trusts of these presents may or ought to be invested, shall be invested and reinvested by the Trustee in its name or under its control in any bonds or obligations which are a direct obligation of the Canadian Government and which do not have maturities in excess of three years or shall be placed by the Trustee on deposit at interest at the current bank rate in a Canadian chartered bank or trust company or, with the consent of the Directors, may be held by the Trustee subject to the payment of interest at such rate as may be agreed upon by the Trustee and the Company.

**ARTICLE XV**

**IMMUNITY OF OFFICERS, SHAREHOLDERS AND DIRECTORS**

**15.1 Immunity of Officers, Shareholders and Directors**

No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Note or under any judgment obtained against the Company, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances under or independently of this Indenture, shall be had against any shareholder, officer, director or employee, past, present or future, of the Company or of any successor corporation either directly or through the Company or otherwise, for the payment for or to the Company or any receiver, liquidator, trustee or sequestrator thereof or for or to the holders of any Note issued or secured hereunder or otherwise, of any sum that may be due and unpaid by the Company upon any such Note, and any and all personal liability of every kind and nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such shareholder, officer, director or employee on account of the Notes and indebtedness represented thereby, by reason of any insufficiency or insufficiencies in the payment of any shares of the capital of

the Company, is hereby expressly waived and released as a condition of and as part of the consideration for the execution of this Indenture and the issue of the Notes. Nothing contained herein or in the Notes shall be taken, however, to prevent recourse to and the enforcement of the liability of any shareholder of the Company for uncalled capital, or the liability of any such shareholder upon unsatisfied calls or upon shares not fully paid up.

**ARTICLE XVI**

**SATISFACTION AND DISCHARGE; REPAYMENT OF UNCLAIMED MONEYS**

**16.1        Satisfaction and Discharge**

This Indenture and the estate and rights hereby granted shall cease, determine and be void and the Trustee shall at the request and at the expense of the Company cancel and discharge the charges of this Indenture and execute and deliver to the Company such deeds or other instruments as shall be requisite to satisfy the charges hereof and to effect the cancellation of the registration hereof and to reconvey to the Company the Mortgaged Property free and clear of the charges of this Indenture, if the Company shall have first satisfied the Trustee that it has paid or made due provision satisfactory to the Trustee for the payment of all of the principal moneys and interest due or to become due on all the Notes, at the time and in the manner therein and herein provided, and also all other moneys payable hereunder by the Company or shall surrender or cause to be surrendered to the Trustee for cancellation all of the Notes and shall in any case pay all sums due or accruing to the Trustee hereunder. Notes for the payment of which money shall have been set apart by or paid to the Trustee in

conformity with the provisions of this Indenture shall be deemed to be paid within the meaning of this Section 16.1.

The registrar of any registration division in which any properties affected by this Indenture are situate shall discharge and cancel the registration of any hypothecation, mortgage, pledge, charge, cession, transfer or assignment (or notice thereof) created hereby or hereafter created under the provisions hereof upon the registration of any discharge, release or document to that effect signed by the Trustee, without being obliged to see that any of the conditions of this Indenture have been fulfilled.

**16.2        Setting Aside Funds for Payment of Notes**

In case the holder of any Note shall fail to present the same for payment on the date on which the principal thereof, or the interest thereon or represented thereby becomes payable either at maturity, on redemption or otherwise:

- (a) the Company shall be entitled to pay to the Trustee and direct it to set aside; or
- (b) in respect of moneys in the hands of the Trustee which may or should be applied to the payment or redemption

of the Notes, the Company shall be entitled to direct the Trustee to set aside;

the principal moneys or the interest or both, as the case may be, in trust to be paid to the holder of such Note upon due presentation or surrender thereof in accordance with the provisions of this Trust Indenture; and thereupon the principal moneys and the interest payable on or represented by each Note in respect whereof such moneys have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except to receive payment of the moneys so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 16.3.

**16.3      Repayment of Unclaimed Moneys**

Any moneys set aside under Section 16.2 and not claimed by and paid to holders of Notes, as provided in Section 16.2, within six years after the date of such setting aside shall be repaid to the Company by the Trustee on demand, and thereupon the Trustee shall be released from all further liability with respect to such moneys, and thereafter the holders of the Notes in respect of which such moneys were so repaid to the Company shall have no rights in respect thereof

except to obtain payment of the moneys due thereon from the  
Company.

**ARTICLE XVII**

**ACCEPTANCE OF TRUSTS BY TRUSTEE**

**17.1 Acceptance of Trusts**

The Trustee hereby accepts the trusts in this Trust Indenture declared and provided and agrees to perform the same upon the terms and conditions herein set forth.

**ARTICLE XVIII**

**CORRECTION OF ERRORS**

**18.1 Correction of Errors**

The Company and the Trustee may correct typographical, clerical or other manifest errors in this Indenture, provided that such correction shall in the opinion of the Trustee in no way prejudice the rights of the Trustee or the Noteholders hereunder, and the Company and the Trustee may execute all such documents as may be necessary to correct such errors.

**ARTICLE XIX**

**NOTARIAL DEED**

**19.1 Notarial Deed**

The Company, in conformity with the laws of the Province of Quebec, in which part of the Mortgaged Property may from time to time be situate, has signed and executed or will sign and execute in notarial form a Trust Deed of Hypothec, Mortgage and Pledge hypothecating, mortgaging, pledging and charging and ceding and transferring the Mortgaged Property in the manner herein provided as security for the Notes, such Deed being substantially in the same tenor and to the same effect as this Indenture, both the said instruments constituting and to be read as one instrument. In case of any inconsistency between the provisions of this Indenture and said Deed the provisions of this Indenture shall govern.

ARTICLE XX

FORMAL DATE

20.1 Formal Date

This Indenture may be referred to as being dated as of October 1, 1984 notwithstanding the actual date of its execution.

**ARTICLE XXI**

**AMENDMENT**

**21.1 Amendment**

Subject to Section 21.2, the Company and the Trustee, when authorized by Noteholders' Instrument, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any indenture supplemental hereto or modifying the rights and obligations of the Company and the rights and obligations of the Noteholders.

It shall not be necessary for the Noteholders' Instrument to approve the particular form of any proposed supplemental indenture or any proposed amendment to the Leases, but it shall be sufficient if such Noteholders' Instrument approves the substance thereof.

**21.2 Matters Requiring Unanimous Approval**

Notwithstanding anything herein contained, no Noteholders' Instrument shall extend the maturity of the Notes

or any of them, reduce the rate or extend the time of payment of interest thereon or reduce the amount of the principal thereof or reduce any premium payable on the redemption thereof or reduce any sinking fund payment in respect thereof or reduce the percentage or otherwise modify the requirements in respect of the Notes required for the purposes of any resolution, Noteholders' Instrument, waiver, consent or other action provided for herein or in the Guarantee Agreement, or modify the rights of the holders of the Notes against the Guarantor, unless such resolution, in addition to any other approval required, is approved in writing by the holders of all the Notes then outstanding.

**ARTICLE XXII**

**SUCCESSOR CORPORATIONS**

**22.1 Successor Corporations**

The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other person whether by way of reconstruction, reorganization, consolidation, amalgamation or merger unless:

- (a) such other person is a corporation (herein called a "successor corporation") incorporated under the laws of Canada or a province of Canada;
- (b) the successor corporation shall execute, prior to or contemporaneously with the consummation of such transaction, such instruments as are satisfactory to the Trustee and in the reasonable opinion of Counsel for the Trustee are necessary or advisable to evidence the assumption by the successor corporation of liability for the due and punctual payment of all the Notes and the interest thereon and all other moneys payable hereunder and the covenant of the successor corporation to pay the same and its agreement to

observe and perform all the covenants and obligations of the Company under this Trust Indenture;

(c) such transaction shall to the reasonable satisfaction of the Trustee and in the reasonable opinion of Counsel to the Trustee be upon such terms as substantially to preserve and not impair any and all of the rights and powers of the Trustee and the Noteholders both hereunder and under the Guarantee; and

(d) no condition or event shall exist in respect of the successor corporation at the time of such transaction and after giving full effect thereto which constitutes or would constitute an event of default hereunder.

## **22.2 Rights of Successor Corporation**

Whenever the conditions of Section 22.1 have been duly observed and performed the successor corporation shall possess and from time to time may exercise each and every right and power of the Company under this Indenture in the name of the Company or otherwise and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Company may be done and performed

with like force and effect by the like directors or officers of such successor corporation.

**ARTICLE XXIII**

**MISCELLANEOUS**

**23.1 Attornment**

The parties hereto, to the extent permitted by applicable law, each hereby waives and agrees not to assert by way of motion as a defence, or otherwise, in any suit, action or proceeding any claim that it is not subject to the jurisdiction of the courts of Canada or of Ontario, that its property is exempt or immune from execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Trust Indenture, or the Notes or the subject matter hereof or thereof may not be enforced in or by such court.

**23.2 Notice**

Any notice or demand which may or is required to be given pursuant to this Trust Indenture shall be in writing and any such notice or demand which is required and permitted to be made pursuant to this Trust Indenture shall be sufficiently given or made if served upon or delivered to the party for

whom it is intended or if sent by telex or if mailed in Canada by prepaid and registered mail and:

(a) in the case of the Company, addressed to

Procor Limited  
2001 Speers Road  
Oakville, Ontario  
Canada  
L6J 5E1

Attention: Secretary, Corporate Development

Telex No.: 06982241

(b) in the case of the Trustee, addressed to

The Royal Trust Company  
P.O. Box 7500  
Station A  
Toronto, Ontario  
Canada  
M5W 1P9

Attention: Manager, Corporate Trust Department

Telex No.: 06524306

(c) in the case of the Noteholders, respectively, at their respective addresses appearing on the register maintained pursuant to Section 2.6;

or such other address as the parties may from time to time advise by notice in writing. Any notice or demand so

mailed shall be deemed to have been given or made on the fourth business day following the day of mailing of the same or if delivered or sent by telex shall be deemed to have been given or made on the date of delivery or sending of telex, as the case may be. In the event of any postal interruption, any such notice or demand shall be given or made by telex. Either party hereto may at any time and from time to time change its address for the purpose of this Section 23 by notice in writing thereof to the other party hereto.

23.3 Governing Law

This Trust Indenture and the Notes shall be governed by and construed in accordance with the laws of the Province of Ontario.

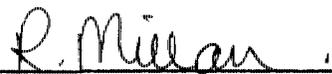
IN WITNESS WHEREOF the parties hereto have executed this Indenture.

PROCOR LIMITED

Per: 

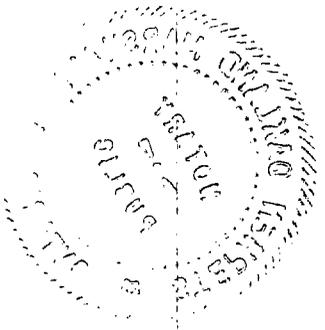
Per:  c/s

THE ROYAL TRUST COMPANY

Per:   
R. MILLAN, MANAGER, CORP. TRUST SERV.

Per:  c/s  
K. BYLES SENIOR CORP. TRUST OFFICER





DATED: October ,1984

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IN THE MATTER OF A TRUST INDENTURE  
DATED AS OF OCTOBER 1, 1984, BY  
AND BETWEEN PROCOR LIMITED, A COMPANY  
DULY INCORPORATED UNDER THE LAWS OF  
CANADA, HAVING ITS HEAD OFFICE AT THE  
TOWN OF OAKVILLE, IN THE PROVINCE OF  
ONTARIO AND THE ROYAL TRUST COMPANY,  
A TRUST COMPANY DULY INCORPORATED UNDE  
THE LAWS OF THE PROVINCE OF QUEBEC,  
HAVING A PRINCIPAL PLACE OF BUSINESS  
IN THE CITY OF TORONTO, IN THE  
PROVINCE OF ONTARIO.

---

A F F I D A V I T  
OF

---

MESSRS. OSLER, HOSKIN & HARCOURT  
Barristers & Solicitors,  
P.O. Box 50,  
1 First Canadian Place,  
Toronto, Ontario.  
M5X 1B8

Solicitors

(#65,246)

PROVINCE OF ONTARIO ) IN THE MATTER OF A TRUST INDENTURE  
 ) DATED AS OF OCTOBER 1, 1984, BY AND  
 JUDICIAL DISTRICT ) BETWEEN PROCOR LIMITED, A COMPANY DULY  
 ) INCORPORATED UNDER THE LAWS OF CANADA  
 OF YORK ) HAVING ITS HEAD OFFICE AT THE TOWN OF  
 ) OAKVILLE, IN THE PROVINCE OF ONTARIO  
 TO WIT: ) AND THE ROYAL TRUST COMPANY, A TRUST  
 ) COMPANY DULY INCORPORATED UNDER THE  
 ) LAWS OF THE PROVINCE OF QUEBEC, HAVING  
 ) A PRINCIPAL PLACE OF BUSINESS IN THE  
 ) CITY OF TORONTO, IN THE PROVINCE OF  
 ) ONTARIO

On this 17th day of October, 1984, before me personally  
 appeared Thomas Rodger Metcalfe, and Gordon C. Mills, both  
 to me personally known, who, being by me duly sworn, say that  
 they are respectively Assistant-Treasurer and Vice-President,  
 Rail Car Division, of PROCOR LIMITED, that one of the seals  
 affixed to the foregoing instrument is the corporate seal  
 of the said corporation, that said instrument was signed  
 and sealed on behalf of said corporation by authority  
 of its Board of Directors, and they acknowledged that  
 the execution of the foregoing instrument was the free  
 act and deed of said corporation.

  
 \_\_\_\_\_  
 Notary Public

\_\_\_\_\_  
 My Commission expires at  
 the pleasure of Her Majesty  
 Queen Elizabeth II.

DATED: October 17, 1984.

=====

IN THE MATTER OF A TRUST INDENTURE  
DATED AS OF OCTOBER 1, 1984, BY AND  
BETWEEN PROCOR LIMITED, A COMPANY  
DULY INCORPORATED UNDER THE LAWS  
OF CANADA, HAVING ITS HEAD OFFICE  
AT THE TOWN OF OAKVILLE, IN THE  
PROVINCE OF ONTARIO AND THE ROYAL  
TRUST COMPANY, A TRUST COMPANY DULY  
INCORPORATED UNDER THE LAWS OF THE  
PROVINCE OF QUEBEC, HAVING A PRINCIPAL  
PLACE OF BUSINESS IN THE CITY OF  
TORONTO, IN THE PROVINCE OF ONTARIO.

---

A F F I D A V I T  
OF  
MARK SURCHIN

---

MESSRS. OSLER, HOSKIN & HARCOURT  
Barristers & Solicitors,  
P.O. Box 50,  
1 First Canadian Place,  
Toronto, Ontario.  
M5X 1B8

Solicitors

(MS: #65,246)

SCHEDULE "A"

to the Trust Indenture dated as of  
October 1, 1984 between Procor Limited  
and The Royal Trust Company

The following is the form of Note:

**PROCOR LIMITED**

(Incorporated under the laws of Canada)

**13.95% SECURED EQUIPMENT NOTE**

No.

\$

PROCOR LIMITED (the "Company"), for value received,  
promises to pay to [name of the registered holder hereof] on or  
before October 1, 2004, as hereinafter provided, or on such  
earlier date as the principal moneys become payable in  
accordance with the provisions hereof and of the Trust Indenture  
hereinafter mentioned, Dollars

( \$                    ), in lawful money of Canada (together with such further sum, if any, in like money as may be payable by way of premium), at the principal office of The Royal Trust Company in the City of Toronto, Canada, and to pay interest on the principal amount hereof outstanding (as well after as before maturity) from the date hereof, to the registered holder hereof, in like money as aforesaid, at the rate of 13.95% per annum calculated semi-annually not in advance, on the 31st day of March and the 30th day of September each year, commencing on March 31, 1985, together with interest on all overdue principal or interest at the same rate.

As the interest on this Note matures (except interest payable at maturity or on prepayment or redemption, which shall be paid upon presentation and surrender of this Note) the Company, at least 5 days prior to each date on which interest on this Note becomes due, shall forward or cause to be forwarded by prepaid post, to the registered holder, at its registered address, a cheque for such interest (less any tax required to be deducted) payable to the order of such holder and negotiable at par, or shall transfer such interest on each such date to the order of such holder in immediately available funds. The forwarding of such cheque or payment by immediately available funds shall satisfy and discharge the liability for interest upon this Note to the extent of the sum represented thereby

(plus the amount of any tax deducted as aforesaid) unless such cheque be not paid on presentation, provided that in the event of the non-receipt of such cheque by the registered holder, or the loss or destruction thereof, the Company upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it shall issue to such person a replacement cheque for the amount of such cheque.

This Note is one of an issue designated "13.95% Secured Equipment Notes", secured by Trust Indenture dated as of October 1, 1984, executed between the Company and The Royal Trust Company, as Trustee, which instruments and any and all indentures supplemental thereto are herein collectively referred to as the "Trust Indenture", and to which reference is hereby made for the terms and conditions upon which the Notes are issued and the nature and extent of the security therefor.

This Note may be redeemed in whole or in part by the Company, at its option, at any time before maturity, on 30 days notice, only on the terms and conditions set forth in the Trust Indenture, provided that the Company is not entitled, under the terms of the Trust Indenture, to call any Notes for redemption in whole or in part before October 1, 1999. If this Note is called for redemption and payment hereof duly provided for,

interest shall cease to accrue hereon from the date specified for redemption as provided in the Trust Indenture.

In the event of a partial redemption of this Note and provided the registered holder hereof and the Company have entered into an agreement pursuant to Section 4.9 of the Trust Indenture providing for notation hereon by the registered holder hereof of payment of the redemption price payable on such partial redemption and provided that a certificate of a responsible officer of the Company as to the entering into of such agreement has been filed with the Trustee, the Trust Indenture contains provisions permitting payment of the redemption price payable upon such partial redemption of this Note without the surrender hereof or the notation hereon by the Trustee of the part hereof so redeemed. Accordingly, the principal amount from time to time outstanding on this Note may be less than the principal amount herebefore stipulated.

This Note is also entitled to the benefit of and is subject to redemption through the operation of the sinking fund provided for the Notes by the Trust Indenture. If this Note is called for redemption in whole or in part through the operation of such sinking fund, it, or such parts so called for redemption, shall be redeemable at the principal amount hereof or of such part so called for redemption, together with interest

on such principal amount accrued and unpaid to the date specified for redemption.

The principal of this Note may also become or be declared due before regular maturity on the conditions, in the manner, with the effect and at the time set forth in the Trust Indenture.

All Notes at any time outstanding rank pari passu and are equally and rateably secured by the Trust Indenture.

Subject to the provisions of the Trust Indenture, Notes of any authorized denomination may be exchanged for other Notes in any other authorized denominations equivalent to the aggregate principal amount of the Notes so exchanged. Any Notes so tendered for exchange shall be surrendered to the Trustee for cancellation.

This Note is subject to the terms of the Trust Indenture, to all of which reference is hereby made and the holder, by acceptance hereof, assents.



(FORM OF TRUSTEE'S CERTIFICATE)

This Note is one of the 13.95% Secured Equipment Notes issued under the Trust Indenture within mentioned.

Date of Certification

THE ROYAL TRUST COMPANY, Trustee

By \_\_\_\_\_  
Authorized Officer

(FORM OF NOTATION ON NOTES WITH RESPECT TO  
PREPAYMENTS AND PARTIAL REDEMPTIONS ON  
ACCOUNT OF PRINCIPAL)

<u>Due Date</u>	<u>Amount Paid</u>	<u>Balance of Principal Unpaid</u>	<u>Notation Made by:</u>
-----------------	------------------------	--	------------------------------

(FORM OF NOTATION ON NOTES WITH  
RESPECT TO INTEREST PAYMENTS)

The interest instalments payable on this Note on the  
dates below specified have been paid.

Due Date of  
Interest Instalment

Notation  
Made by:

**FORM OF TRANSFER**

**FOR VALUE RECEIVED**, the undersigned hereby sells,  
assigns and transfers unto \_\_\_\_\_ the  
within Note, hereby irrevocably constituting and appointing  
attorney-in-fact, to  
transfer the said Note on the books of the within-mentioned  
Company, with full power of substitution in the premises.

Dated \_\_\_\_\_, 19 \_\_\_\_\_  
In the Presence of: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## CERTIFICATE OF GUARANTEE

Pursuant to the terms of a guarantee agreement made as of the fourth day of October, 1984 between Union Tank Car Company and The Royal Trust Company (hereinafter called the "Guarantee Agreement"), Union Tank Car Company has unconditionally guaranteed the payment by Procor Limited, when due and payable, of the interest, including interest on overdue interest, prepayments of principal and all principal and interest falling due on maturity in respect of this Note, all subject to and in accordance with the terms and conditions of the Guarantee Agreement.

The said guarantee and all of the covenants, representations, warranties, terms and provisions contained in the Guarantee Agreement shall be deemed to be incorporated herein as an agreement between Union Tank Car Company, as Guarantor, and The Royal Trust Company, as Trustee for the holder for the time being of this Note, and Union Tank Car Company hereby confirms that the holder for the time being of this Note shall be entitled to the benefits of the said guarantee and of the said covenants, representations, warranties, terms and provisions so incorporated herein, subject

to and in accordance with the terms and conditions of the  
Guarantee Agreement.

Reference is hereby made to the Guarantee Agreement  
for a description of the guarantee, the terms and conditions  
hereof and the nature and extent of the rights of the holder of  
this Note.

UNION TANK CAR COMPANY

Per: \_\_\_\_\_

SCHEDULE "B"

to the Trust Indenture dated as of  
October 1, 1984, between Procor Limited  
and The Royal Trust Company

<u>APPR'N NUMBER</u>	<u>NUMBER CARS</u>	<u>CAR NUMBERS</u>	<u>CAR TYPE</u>	<u>CAPACITY</u>
<u>PROCOR CARS</u>				
4572	30	PROX 69426- 69455	Tank-Ins-Coiled 111A100W-3	15500 USG
4581	11	PROX 69414-419 421-69425	Tank-Ins-Coiled 111A100W-3	15500 USG
4616	30	PROX 60000- 60029	Tank 111A100W-3	13350 USG
4622	2	PROX 4421- 4422	Tank - 3 Compartment 111A100W-1	10000 USG
4626	10	PROX 50000- 50009	Tank - Coiled 111A100W-1	20000 USG
4627	8	PROX 69396- 69403	Tank-Ins-Coiled 111A100W-1	15500 USG
4630	46	PROX 91458- 91503	Tank-Pressure 105A500-W	17300 USG
4631	2	UNPX 126009- 126010	Pressure Flow 207-40-W	3300 CUFT
4633	60	UNPX 122499- 122558	Covered Hopper	5840 CUFT
4639	2	PROX 60043- 60044	Tank-Ins-Coiled 111A100W-2	12900 USG
4640	10	PROX 64000- 64009	Tank Non-Pressure 111A100W-2	12900 USG
4641	35	PROX 13300- 13334	Tank Non-Pressure 11A100W-2	13500 USG
4642	6	PROX 28803- 28808	Tank-Ins-Pressure 105A500-W	17300 USG
4643	2	PROX 40543- 40544	Tank Non-Ins; Non- Coiled 111A100W-1	20000 USG
4659	2	PROX 91504- 91505	Tank 105A100-W	25500 USG
4666	7	UNPX 126011-  126017	Pressure-Flow  207A40W	3900 CUFT
4668	12	UNPX 121987- 121998	Covered Hopper	1670 CUFT
4673	5	UNPX 120520- 120524	Alum. Cov. Hopp.	2900 CUFT
4691	50	UNPX 122572- 122617- 122618-  122621	Covered Hopper	5820 CUFT
4692	25	UNPX 122622-  122632 122633-  122646	Covered Hopper	5820 CUFT
4698	5	UNPX 120532- 120536	Alum. Cov. Hopp.	2900 CUFT
TOTAL PROCOR	350	UNPX 120532- 120536		

SCHEDULE "C"

to the Trust Indenture dated as of  
October 1, 1984 between Procor Limited  
and The Royal Trust Company, as Trustee

CASUALTY VALUES

The Casualty Value for each Unit of Equipment at any  
March 31 or September 30 is the amount calculated by multiplying  
the Purchase Price Percentage by the outstanding principal  
amount of the Notes as at such March 31 or September 30, as the  
case may be.