

SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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14759

RECORDATION NO. Filed 1425

No. ~~14759~~

Date AUG 1 1985

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ICC Washington, D.C.

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INTERSTATE COMMERCE COMMISSION

August 1, 1985

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968: 722-411 TELEX 5266

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Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Room 2215
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Bayne:

Enclosed herewith are an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The document is a trust indenture, a primary document, dated June 26, 1985.

The names and addresses of the parties to the Trust Indenture are as follows:

Trustor: PROCOR LIMITED
2001 Speers Road
Oakville, Ontario, CANADA
L6J 5E1

Trustee: THE CANADA TRUST COMPANY
110 Yonge Street
Toronto, Ontario, CANADA
M5C 1T4

A description of the equipment covered by the Trust Indenture follows:

Type of Equipment: SD50F, 3600 HP,
Electric Locomotives

100 OFFICE OF
THE SECRETARY
AUG 1 2 40 PM '85
MOTOR OPERATING UNIT

C. County Clerk
J. M. Keenan

Mr. James H. Bayne
August 1, 1985
Page 2

Specifications: Builder's Proposal DDL 1239 dated December 9, 1983, CN's letter dated November 11, 1983, CN's letter dated November 15, 1983, the Builder's proposal letter dated December 9, 1983, the Builder's letter dated December 14, 1983, the Builder's letter dated December 22, 1983, the Builder's telex dated February 22, 1984, CN's letter dated February 23, 1984, the Builder's telex dated March 21, 1984, CN's letter dated March 23, 1984, the Builder's letter dated March 30, 1984, the Builder's letter dated November 20, 1984, CN's letter dated December 4, 1984, and the Builder's letter dated December 17, 1984.

Quantity: 23

Identification Marks: "OWNERSHIP SUBJECT TO SECURITY AGREEMENTS FILED WITH REGISTRAR GENERAL OF CANADA AND I.C.C."

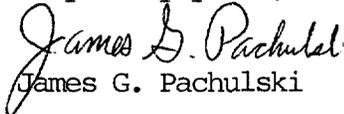
Trustee's Road Numbers (Both Inclusive): CN 5408 through CN 5430

A fee of \$10.00 is enclosed. Please return the original after recordation to the undersigned at the address listed above.

A short summary of the Trust Indenture to appear in the index follows:

"Trust indenture between PROCOR LIMITED, 2001 Speers Road, Oakville, Ontario, Canada, L6J 5E1 and THE CANADA TRUST COMPANY, 110 Yonge Street, Toronto, Ontario, Canada, M5C 1T4, dated June 26, 1985, covering 23 electric locomotives.

Very truly yours,


James G. Pachulski

Enclosures

14759
REGISTRATION NO. Filed 1425

AUG 1 1985 - 2 45 PM

INTERSTATE COMMERCE COMMISSION

DATED AS OF JUNE 26, 1985

PROCOR LIMITED

AND

THE CANADA TRUST COMPANY

TRUST INDENTURE

Clarkson, Tétrault
Osler, Hoskin & Harcourt

I N D E X

Page

**ARTICLE I
INTERPRETATION**

| | | |
|-----|---|----|
| 1.1 | Definitions..... | 3 |
| 1.2 | Number and Gender..... | 10 |
| 1.3 | Headings..... | 10 |
| 1.4 | Schedule, Article or Section Reference..... | 10 |
| 1.5 | Holidays..... | 10 |
| 1.6 | Currency..... | 11 |

**ARTICLE II
FORMS, TERMS AND ISSUE OF NOTES**

| | | |
|------|---|----|
| 2.1 | Limitation of Issue..... | 12 |
| 2.2 | Signature of Notes..... | 12 |
| 2.3 | Certification by Trustee..... | 13 |
| 2.4 | Delivery of Notes..... | 13 |
| 2.5 | Interest on Notes..... | 14 |
| 2.6 | Registration of Notes..... | 14 |
| 2.7 | Transfer of Notes..... | 15 |
| 2.8 | Rights of Registered Holder..... | 15 |
| 2.9 | Mutilation, Loss or Destruction of Notes..... | 16 |
| 2.10 | Evidence of Ownership of Notes..... | 16 |
| 2.11 | Form of Notes..... | 17 |
| 2.12 | Currency..... | 18 |
| 2.13 | Exchange of Notes..... | 18 |
| 2.14 | Notations of Payment on the Notes..... | 18 |
| 2.15 | Issue of Notes..... | 19 |

**ARTICLE III
PARTIAL PREPAYMENT OF NOTES**

| | | |
|-----|--|----|
| 3.1 | Prepayment Due to Casualty Occurrence..... | 21 |
| 3.2 | Release of Equipment..... | 21 |
| 3.3 | Prepayment..... | 22 |
| 3.4 | Notice of Prepayment..... | 22 |

**ARTICLE IV
REDEMPTION**

| | | |
|-----|--|----|
| 4.1 | General..... | 23 |
| 4.2 | Notice of Redemption..... | 23 |
| 4.3 | Notes Due on Redemption Date..... | 24 |
| 4.4 | Deposit of Redemption Moneys..... | 24 |
| 4.5 | Failure to Surrender Notes Called for Redemption..... | 25 |
| 4.6 | Cancellation and Destruction of Notes..... | 26 |

**ARTICLE V
HOME OFFICE PAYMENT**

| | | |
|------|-------------------------------------|----|
| 5.11 | Home Office Payment Agreements..... | 27 |
|------|-------------------------------------|----|

**ARTICLE VI
CHARGING PROVISIONS**

| | | |
|-----|--|----|
| 6.1 | Grant of Mortgage and Charge..... | 29 |
| 6.2 | Habendum..... | 30 |
| 6.3 | Charge Valid Irrespective of Advance of Moneys..... | 30 |
| 6.4 | Further Assurances..... | 31 |

**ARTICLE VII
ASSIGNED RENTALS**

| | | |
|-----|---|----|
| 7.1 | Payment of Assigned Rentals to the Trustee..... | 32 |
| 7.2 | Excess or Deficiency..... | 32 |

**ARTICLE VIII
CERTAIN COVENANTS BY THE COMPANY**

| | | |
|------|--|----|
| 8.1 | Ownership of Mortgaged Property..... | 33 |
| 8.2 | Carrying on of Business..... | 33 |
| 8.3 | Due Payment of Notes..... | 34 |
| 8.4 | Performance of Lease..... | 34 |
| 8.5 | Payment of Taxes and Liens..... | 34 |
| 8.6 | Registrations..... | 35 |
| 8.7 | Maintenance of Security..... | 36 |
| 8.8 | Maintenance of Equipment..... | 36 |
| 8.9 | Insurance..... | 37 |
| 8.10 | Finance Information..... | 37 |
| 8.11 | Good Standing Certificate..... | 40 |
| 8.12 | Performance of Covenants by Trustee..... | 40 |
| 8.13 | Sale of Notes..... | 41 |
| 8.14 | Trustee's Remuneration..... | 41 |

**ARTICLE IX
EVENTS OF DEFAULT**

| | | |
|-----|-----------------------------------|----|
| 9.1 | Events of Default..... | 43 |
| 9.2 | Rights of Trustee on Default..... | 47 |

**ARTICLE X
REMEDIES**

| | | |
|-------|---|----|
| 10.1 | Trustee May Declare Principal and Interest Due..... | 48 |
| 10.2 | Waiver of Default..... | 49 |
| 10.3 | Right of Trustee to Take Possession of Mortgage Property..... | 49 |
| 10.4 | Sale of the Mortgaged Property..... | 51 |
| 10.5 | Applying Notes in Payment..... | 52 |
| 10.6 | Delivery of Possession by the Company..... | 53 |
| 10.7 | Application of Proceeds of Sale..... | 54 |
| 10.8 | Production of Note Prior to Payment..... | 55 |
| 10.9 | Principal Due Upon Sale..... | 56 |
| 10.10 | Trust as Attorney..... | 56 |
| 10.11 | Trustee's Right to Enforce Security..... | 56 |
| 10.12 | Trustee not Liable for Debts..... | 57 |
| 10.13 | Validity of Dealings with the Trustee..... | 58 |
| 10.14 | Appointment of Receiver..... | 59 |
| 10.15 | Cumulative Remedies..... | 62 |
| 10.16 | Judgment against the Company..... | 62 |

**ARTICLE XI
CONCERNING THE TRUSTEE**

| | | |
|------|--|----|
| 11.1 | Applicable Legislation Prevailing..... | 63 |
| 11.2 | Duties of the Trustee..... | 64 |
| 11.3 | Conflict of Interest..... | 69 |

**ARTICLE XII
SUITS AND PROCEEDINGS BY TRUSTEE AND NOTEHOLDERS**

| | | |
|------|--|----|
| 12.1 | Enforcement without Possession of Notes..... | 70 |
| 12.2 | Trustee Instituting Proceedings..... | 70 |
| 12.3 | Delay Not to Impair Rights..... | 71 |

**ARTICLE XIII
APPOINTMENT OF NEW TRUSTEE**

| | | |
|------|--------------|----|
| 13.1 | General..... | 72 |
| 13.2 | Merger..... | 73 |

**ARTICLE XIV
INVESTMENT OF TRUST MONEYS**

| | | |
|------|---------------------------------|----|
| 14.1 | Investment of Trust Moneys..... | 74 |
|------|---------------------------------|----|

**ARTICLE XV
IMMUNITY OF OFFICERS, SHAREHOLDERS AND DIRECTORS**

| | | |
|------|--|----|
| 15.1 | Immunity of Officers, Shareholders and Directors..... | 75 |
|------|--|----|

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

| | | |
|------|--|----|
| 16.1 | Satisfaction and Discharge..... | 77 |
| 16.2 | Setting Aside Funds for Payment of Notes..... | 78 |
| 16.3 | Repayment of Unclaimed Moneys..... | 79 |

**ARTICLE XVII
ACCEPTANCE OF TRUSTS BY TRUSTEE**

| | | |
|------|---------------------------|----|
| 17.1 | Acceptance of Trusts..... | 80 |
|------|---------------------------|----|

**ARTICLE XVIII
CORRECTION OF ERRORS**

| | | |
|------|---------------------------|----|
| 18.1 | Correction of Errors..... | 81 |
|------|---------------------------|----|

**ARTICLE XIX
NOTARIAL DEED**

19.1 Notarial Deed..... 82

**ARTICLE XX
FORMAL DATE**

20.1 Formal Date..... 83

**ARTICLE XXI
AMENDMENT**

21.1 Amendment..... 84
21.2 Matters Requiring Unanimous Approval..... 84

**ARTICLE XXII
SUCCESSOR CORPORATIONS**

22.1 Successor Corporations..... 86
22.2 Rights of Successor Corporation..... 87

**ARTICLE XXIII
MISCELLANEOUS**

23.1 Attornment..... 88
23.2 Notice..... 88
23.3 Governing Law..... 90

- SCHEDULE "A" - Form of Note
- Form of Trustee's Certificate
- Form of Notation on Notes with
respect to Payments and Form of Transfer
- Annex 1

SCHEDULE "B" - Schedule of Equipment

THIS TRUST INDENTURE dated as of the 26th day of June,
1985.

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 CANADA TRUST COMPANY, a trust company duly incorporated under the laws of Canada, 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 and interest on all 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;

WHEREAS the foregoing recital is made as a representation and statement of fact by the Company and not by the Trustee; and

WHEREAS the Parties hereto have entered into a Trust Deed of Hypothec, Mortgage and Pledge of even date herewith in notarial form in compliance with the laws of the Province of Quebec, such Deed being substantially to the same effect as this Indenture;

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 by the Lessee to the Company pursuant to Sections 3, 7 or 14 of the Lease.

(b) "Auditors" means, with respect to the Company, an independent firm of chartered accountants of national reputation duly appointed as auditors of the Company.

(c) "Business Day" means any day upon which Canadian chartered banks are authorized to be open for the taking of deposits in both Montréal, Québec and Toronto, Ontario.

(d) "Casualty Occurrence" means an event whereby any Unit shall be or become lost, stolen, destroyed, damaged beyond economic repair or permanently rendered unfit for use from any cause whatsoever, or expropriated by a governmental

authority resulting in a loss, for reasons beyond the control of the Company or the Lessee, of possession by the Company or the Lessee, as the case may be, for a period of 90 consecutive days.

(e) "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.

(f) "Company" means Procor Limited and any successor corporation which shall have complied with the provisions of Article XXII.

(g) "Counsel for the Company" means counsel appointed by the Company and acceptable to the Trustee.

(h) "Counsel for the Trustee" means counsel appointed by the Trustee.

(i) "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.

(j) "Equipment" means all the standard gauge railway rolling stock described or referred to in Schedule "B" hereto, including Parts which vest in the Lessor (all as defined in the Lease), and "Unit" means any one unit of such railway rolling stock.

(k) "Lease" means the lease dated as of June 26, 1985 entered into between the Company, as lessor, and Canadian National Railway Company, as lessee, providing for the lease by the Company to Canadian National Railway Company of the Equipment, as the said Lease may be amended or supplemented from time to time.

(l) "Lessee" means the Canadian National Railway Company and its successors and assigns under the Lease.

(m) "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 thereby.

(n) "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.

(o) "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.

(p) "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, sixty-six and two-thirds percent ($66\frac{2}{3}\%$) 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.

(q) "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 or of the Lessee containing information as of a date not more than 30 days prior to the date of delivery of the certificate.

(r) "Permitted Encumbrances" means at any particular time any of the following encumbrances:

(i) all rights and interests of the Lessee under the Lease;

- (ii) any lien, claim, charge or other encumbrance created by, through or under the Lessee which would not constitute an Event of Default under the 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.
- (s) "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.

(t) "Prime Rate" means, for any day, the prime lending rate of interest expressed as a rate per annum which the Canadian Imperial Bank of Commerce 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.

(u) "Subsidiary" means, with respect to any corporation, another corporation more than 50% 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.

(v) "This Trust Indenture", "this Indenture", "these presents", "herein", "hereby", "hereunder", and similar expressions refer to this Trust Indenture and the Trust

Deed of Hypothec, Mortgage and Pledge of even date herewith and include any and every deed of assignment, transfer, hypothec, pledge or other instrument or charge which is supplementary or ancillary hereto or thereto or in implementation hereof or thereof, and "lien hereof", "lien hereunder", "lien or charge hereof", "charge hereof", and similar expressions mean the security constituted hereby or thereby or by any such instrument.

(w) "Trustee" means The Canada Trust Company, as trustee, and its successors in the trusts hereby created.

(x) "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.

(y) "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 Thirty-Two Million Dollars (\$32,000,000) and are designated "11.5% 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 to 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 trust 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, 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, at the rate of 11.5 per cent per annum, calculated semi-annually not in advance and payable semi-annually on May 12 and November 12 of each year, commencing May 12, 1986, together with interest on all overdue principal or interest at the rate of 11.5 per cent per annum from its due date to the date of actual payment.

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 principal office of the Trustee in the City of Toronto, (i) a register of holders in which shall be entered the names and post office addresses of the Noteholders and the particulars of the Notes held by them respectively, and, (ii) a register of transfers in which shall be recorded the particulars of all transfers and exchanges of Notes. The Trustee shall not be required, (a) to transfer or exchange any Note on any interest

payment date or during a period of 15 days prior to such date, (b) to transfer or exchange any Note on the date upon which the Trustee is required to give notice of any prepayment or redemption or during a period of 15 days prior to such date.

2.7 Transfer of Notes

No transfer of a Note shall be valid unless made on the register of transfers referred to in Section 2.6 by the registered holder thereof or by such holder's legal representative or such holder's 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 registration.

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 of holders referred to in Section 2.6 hereof as holder or holders of such Note, a new Note of like date and 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 mutilation, 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 mutilation, 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 \$100,000,000 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 November 12, 2005. Payments of principal and/or interest on the Notes shall be made on May 12 and November 12, commencing May 12, 1986 in the amounts specified in Annex I to the Notes. 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 not be prepayable except as provided in Article III or redeemable except as provided in Article IV.

2.12 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.

2.13 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.

2.14 Notations of Payment on the Notes

The payment of instalments of interest on the Notes or any prepayment of principal may be noted thereon as therein provided, subject to the provisions of Section 5.1; provided, however, that prior to any sale, assignment or transfer of any Note, the holder thereof shall make a notation of all payments of principal and interest or prepayments of principal 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.

2.15 Issue of Notes

Notes aggregating in principal amount a sum not exceeding \$32,000,000 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 and from time to time prior to but not after December 31, 1985, 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 of all the Company's rights and interests as Lessor under the Lease so long as any of the Notes remain outstanding or any other amounts payable to the Trustee hereunder remain unpaid; 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

PARTIAL 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 a Casualty Occurrence is suffered with respect to any Unit of Equipment, the Company shall, promptly after it is informed of the Casualty Occurrence, notify or cause the Lessee to notify the Trustee in writing with respect thereto and the Company shall on the May 12 or November 12 which next follows the date of such notice by the Company by more than 20 days, deposit or cause to be deposited by the Lessee with the Trustee an amount in cash equal to the amount payable to the Company under the Lease as a result of the Casualty Occurrence suffered with respect to such Unit and, upon such deposit, such Unit shall be released from and discharged of the charges created by this Indenture.

3.2 Release of Equipment

The Trustee, at the written request of the Company, shall execute such releases from the charges hereof and such reconveyances of the Units of Equipment which are the subject of a Casualty Occurrence as the Company may reasonably require.

3.3 Prepayment

As long as no Event of Default shall have occurred and be continuing hereunder, the Trustee shall, from the amount in cash deposited with it pursuant to Section 3.1, apply on such May 12 or November 12 in partial prepayment of the aggregate principal remaining unpaid on the Notes (after applying the payment set out in Annex I to the Notes due on that date) (the "Principal"), the amount which bears the same relationship to the aggregate of the Principal and all other partial prepayments theretofore made pursuant to this Article III, as the Purchase Price (as defined in the Lease) of the Unit which has suffered the Casualty Occurrence bears to the total Purchase Price of the Equipment, 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 Annex I to the Notes referred to in Section 2.11.

3.4 Notice of Prepayment

Not less than ten days prior notice of any prepayment to be made on any May 12 or November 12 of amounts required to be deposited by the Company as provided in Section 3.1, shall be given to the Noteholders by the Trustee by prepaid mail at their addresses appearing on the register of holders referred to in Section 2.6.

ARTICLE IV

REDEMPTION

4.1 General

The Notes shall be redeemed by the Company in whole on November 12, 2001 (the "redemption date") at the principal amount, together with interest on such principal amount accrued and unpaid to such date (the "redemption price"), if the Lessee shall exercise its option pursuant to the first paragraph of Section 14 of the Lease to purchase the Equipment on such date. The Company shall give notice to the Trustee, at least 130 days prior to November 12, 2001, as to whether the Lessee has exercised such option.

4.2 Notice of Redemption

Notice of intention to redeem the Notes shall be given by the Trustee to each Noteholder by letter or circular sent by registered mail, postage prepaid, addressed to it at its last address appearing upon the register of holders mentioned in Section 2.6 and mailed not less than 120 days prior to November 12, 2001. 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.

4.3 Notes Due on Redemption Date

Notice having been given as aforesaid, the Notes shall thereupon be and become due and payable at the redemption price, on the redemption date, in the same manner and with the same effect as if the redemption date were the date of maturity specified in the Notes, anything therein or herein to the contrary notwithstanding, and from and after the redemption date, if the moneys necessary to redeem the Notes shall have been deposited as provided in Section 4.4, interest upon the 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 interested parties.

4.4 Deposit of Redemption Moneys

Redemption of Notes pursuant to this Article IV shall be provided for by the Company depositing or causing the Lessee to deposit with the Trustee, on the redemption date the Option Price (as defined in the Lease) payable to the Company by the Lessee on exercise of the option referred to in Section 4.1. Upon such deposit, the Equipment shall be released from and discharged of the charges created by the Indenture and the

Trustee, at the written request of the Company, shall execute such releases from the charges hereof and such reconveyances of the Equipment as the Company may reasonably require. From the sum so deposited, the Trustee shall pay or cause to be paid to the holders of the Notes, upon surrender of such Notes to the Trustee, the redemption price and shall pay any charges or expenses which may be incurred by the Trustee in connection with such redemption.

4.5 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 redemption date 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, subject as hereinafter provided, continue to be held in the deposit department of the Trustee and 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.

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 deposit with the Trustee 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.

4.6 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.

ARTICLE V

HOME OFFICE PAYMENT

5.1 Home Office Payment Agreements

Notwithstanding anything contained herein, a prepayment of principal 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 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, (i) 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 (ii) hypothecate, mortgage, pledge and charge as and by way of a fixed and specific hypothec, mortgage, pledge and charge to and in favour of the Trustee and cede, assign and transfer to the Trustee, as trustee for the benefit of the holders of the Notes, all the right, title and interest of the Company in and to the Equipment and (iii) does hereby assign to the Trustee all present and future Assigned Rentals and all the

Company's rights and interests as Lessor under the Lease so long as any of the Notes remain outstanding or any other amounts payable to the Trustee hereunder remain unpaid.

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

ASSIGNED RENTALS

7.1 Payment of Assigned Rentals to the Trustee

The full amount of all Assigned Rentals shall be paid directly by the Lessee to the Trustee in accordance with the provisions of the Acceptance and Undertaking made as of June 26, 1985 by the Lessee in favour of the Lessor and the Trustee.

7.2 Excess or Deficiency

In the event that the Assigned Rentals paid to the Trustee on any May 12 or November 12 (a "Payment Date") shall exceed the total payments to be made on the Notes on such Payment Date by way of payments of principal and interest, partial prepayments of principal and/or payment of redemption price, the Trustee shall forthwith remit the amount of such excess to the Company. In the event that the amount of the Assigned Rentals paid to the Trustee on any Payment Date is less than the total payments to be made on the Notes on such Payment Date, the Company shall on such Payment Date pay the amount of such deficiency to the Trustee.

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, ce de, 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 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 Lease

The Company shall perform all its obligations under the Lease unless the Company is contesting the performance or existence of such obligations in good faith, shall not waive any such obligations or amend the Lease in any material respect unless it shall have first received the prior written consent of the Trustee authorized by a Noteholders' Instrument consenting to such waiver or amendment.

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 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 Lease respecting maintenance, repair, accessions and Casualty Occurrences and the alternatives available to the Company and the Lessee 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 allow the Trustee or its representative the right to inspect

the Mortgaged Property in accordance with and subject to the provisions of the Lease with respect thereto.

8.9 Insurance

Pursuant to the terms of the Lease, the Lessee has covenanted to carry and maintain public liability and property damage insurance in respect of the Equipment against the risks and in the amounts, if any, customarily insured against by the Lessee in respect of similar equipment owned or leased by it; provided that the Lessee is permitted to make provision for customary deductibles or self insurance.

8.10 Financial Information

The Company will forward or cause to be forwarded by the Lessee:

- (a) to the Trustee 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 the Trustee within 60 days after the end of each of the first three quarters of the Lessee's fiscal year unaudited consolidated financial statements of the Lessee 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 the Trustee 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 the Trustee when available for public release, the consolidated financial statements of the Lessee and its consolidated 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 Lessee;

(e) to the Trustee on or before April 1 of each calendar year, an Officer's Certificate giving the following information:

(i) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased that have suffered a Casualty Occurrence during the preceding calendar year (or, in the case of the report to be supplied on April 1, 1986, the period from the commencement of the Lease to December 31, 1985); and

(ii) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 5 of the Lease have been preserved or replaced; and

(f) to the Trustee such other information with respect to the Lease which it may reasonably request from time to time.

The Trustee shall, within 10 days of receipt by it, forward copies of all such statements, certificates and other information to each Noteholder.

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 payment of the 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 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 or cause to be made any payment on the Notes (including any payment indicated in Annex I to the Notes and any payment to be made pursuant to Section 3.1 hereof) 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 notice thereof by the Trustee to the Company; or
- (b) if the Lessee fails to make any payment of any Assigned Rentals to the Trustee when due and such failure is not cured within five Business Days after notice thereof by the Trustee to the Lessee; 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 an Event of Default (as defined in the Lease) has occurred and is continuing; or
- (e) 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 Lessee in the Lease or delivered in connection therewith, is incorrect in any material respect as of the date made; or
- (f) if the Company 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 if the Company 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 is appointed

or if the Company 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 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 a petition in bankruptcy is presented against the Company 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 has notice or knowledge of the institution thereof; or

- (h) if a final judgment in an amount of \$5,000,000 or more is rendered against the Company 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 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) subject to Section 22.1, if the Company 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, but subject always to the Lessee's rights of quiet enjoyment, possession, use and assignment under Sections 1, 4 and 12 of the Lease and to the options to purchase the Equipment granted unto the Lessee under Section 14 of the Lease and to the right granted to the Lessee pursuant to the last paragraph of Section 14 of the Lease, so long as no Event of Default (as defined in the Lease) has occurred and is continuing.

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 a Noteholders' Instrument signed by the holder or holders of not less than 50% 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 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, 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 (subject to the rights of the Lessee under the Lease so long as

no event of default has occurred and is continuing under the Lease), 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 Lease, 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 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 Lessee under the Lease so long as no event of default has occurred and is continuing under the Lease) 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 foreclosures or other judicial proceedings, the

Trustee or any one or more of the Noteholders or any agent or 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 with respect 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 principal of the Notes; and
- (d) 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 \$100,000,000, 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 instruments 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.

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 or in commercial paper of the highest rating of issuers having outstanding publicly-held debt securities rated AA or equivalent by a nationally or internationally recognized rating service or shall be placed by the Trustee on deposit at interest at the current bank rate in a Canadian dollar account in a Canadian chartered bank or trust company (including the Trustee).

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.

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 on maturity:

- (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 June 26, 1985 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 Lease, 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 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 modify the rights of the holders of the Notes against the Company, 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 hereunder; 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 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 rapifax or 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 Canada Trust Company
110 Yonge Street
Toronto, Ontario
M5C 1T4

Attention: Manager, Corporate Trust Department

Telex No.: 064-7545

(c) in the case of the Noteholders, respectively, at their respective addresses appearing on the register of holders 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 it 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 rapifax or 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.

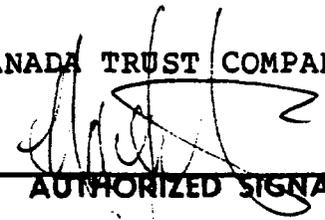
PROCOR LIMITED

Per:  _____

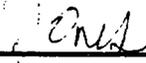
c/s

Per: _____

THE CANADA TRUST COMPANY

Per:  _____
AUTHORIZED SIGNATURE

c/s

Per:  _____

AUTHORIZED SIGNATURE

APPROVED AS TO
FORM AND CONTENT.....

SCHEDULE "A"

to the Trust Indenture dated as of
June 26, 1985 between Procor Limited
and The Canada Trust Company

The following is the form of Note:

PROCOR LIMITED

(Incorporated under the laws of Canada)

11.5% SECURED EQUIPMENT NOTE

No.

\$

PROCOR LIMITED (the "Company"), for value received,
promises to pay to [name of the registered holder hereof] on
November 12, 2005, 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, at the principal
office of The Canada Trust Company in the City of Toronto,

Canada, and to pay interest on the principal amount hereof outstanding from the date hereof, to the registered holder hereof, in like money as aforesaid, at the rate of 11.5% per annum calculated semi-annually not in advance, such principal and interest to be paid on May 12 and November 12 of each year, commencing May 12, 1986, in the amounts set forth on Annex I attached to this Note, together with interest on all overdue principal or interest at the same rate from its due date to the date of actual payment.

The Company shall forward or cause to be forwarded by prepaid post on each payment date indicated on Annex I to this Note, to the registered holder, at its registered address, a cheque for the amount payable on such payment date (less any tax required to be deducted) payable to the order of such holder and negotiable at par, or shall transfer such amount 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 such payment 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 "11.5% Secured Equipment Notes", secured by a Trust Indenture and a Trust Deed of Hypothec, Mortgage and Pledge, both dated as of June 26, 1985, executed between the Company and The Canada 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, being a first fixed and specific mortgage and hypothec of the Equipment described in the Trust Indenture and an assignment of the Assigned Rentals and of the Company's rights and interests as Lessor under a Lease of the Equipment made as of June 26, 1985 between the Company as Lessor and Canadian National Railway Company as Lessee.

This Note shall be redeemed in whole by the Company, on November 12, 2001, on 120 days notice, only if Canadian National Railway Company shall exercise its option to purchase the Equipment on that date on the terms and conditions set forth in the Lease. If this Note is so called for redemption and payment hereof duly provided for, interest shall cease to accrue hereon from November 12, 2001.

The Company is required to make a partial prepayment of this Note in the event of a Casualty Occurrence (as defined in the Trust Indenture) and, 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 Article V of the Trust Indenture providing for notation hereon by the registered holder hereof of payment of a partial prepayment and provided that an officer's certificate 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 a partial prepayment 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 hereinbefore stipulated.

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.

This Note shall not become obligatory until it shall have been certified by the Trustee for the time being of the Trust Indenture.

IN WITNESS WHEREOF, PROCOR LIMITED has caused its corporate seal to be hereunto affixed and this Note to be signed by the Chairman of its Board of Directors or its President or a Vice-President together with its Secretary or an Assistant Treasurer or a Director of the Company and to be dated the day of _____, 198 .

PROCOR LIMITED

Per: _____
Chairman of the Board
of Directors, President
or Vice-President

Per: _____
Secretary, Assistant
Treasurer or Director.

(FORM OF TRUSTEE'S CERTIFICATE)

This Note is one of the 11.5% Secured Equipment Notes issued under the Trust Indenture within mentioned.

Date of Certification

THE CANADA TRUST COMPANY, Trustee

By _____
Authorized Officer

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

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

Due Date of
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: _____

ANNEX I

NOTE: Each amount indicated below will be reduced to an
amount that bears the same proportion to each amount
indicated below as the principal amount of the Note
bears to \$32,000,000.

| <u>Payment Date</u> | <u>Principal Debt Outstanding</u> | <u>Interest Payment</u> | <u>Principal Payment</u> | <u>Total Payment</u> |
|---------------------|-----------------------------------|-------------------------|--------------------------|----------------------|
| May 12, 1986 | 32,000,000 | 1,840,000 | | 1,840,000 |
| November 12, 1986 | 32,000,000 | 1,840,000 | | 1,840,000 |
| May 12, 1987 | 32,000,000 | 1,840,000 | | 1,840,000 |
| November 12, 1987 | 32,000,000 | 1,840,000 | | 1,840,000 |
| May 12, 1988 | 32,000,000 | 1,840,000 | | 1,840,000 |
| November 12, 1988 | 32,000,000 | 1,840,000 | | 1,840,000 |
| May 12, 1989 | 31,577,129 | 1,840,000 | 422,871 | 2,262,871 |
| November 12, 1989 | 31,129,943 | 1,815,685 | 447,186 | 2,262,871 |
| May 12, 1990 | 30,657,044 | 1,789,972 | 472,899 | 2,262,871 |
| November 12, 1990 | 30,156,953 | 1,762,780 | 500,091 | 2,262,871 |
| May 12, 1991 | 29,628,107 | 1,734,025 | 528,846 | 2,262,871 |
| November 12, 1991 | 29,068,852 | 1,703,616 | 559,255 | 2,262,871 |
| May 12, 1992 | 28,477,440 | 1,671,459 | 591,412 | 2,262,871 |
| November 12, 1992 | 27,852,022 | 1,637,453 | 625,418 | 2,262,871 |
| May 12, 1993 | 27,190,642 | 1,601,491 | 661,380 | 2,262,871 |
| November 12, 1993 | 26,491,233 | 1,563,462 | 699,409 | 2,262,871 |
| May 12, 1994 | 25,751,608 | 1,523,246 | 739,625 | 2,262,871 |
| November 12, 1994 | 24,969,455 | 1,480,717 | 782,153 | 2,262,871 |
| May 12, 1995 | 24,142,327 | 1,435,744 | 827,127 | 2,262,871 |
| November 12, 1995 | 23,267,640 | 1,388,184 | 874,687 | 2,262,871 |
| May 12, 1996 | 22,342,658 | 1,337,889 | 924,982 | 2,262,871 |
| November 12, 1996 | 21,364,490 | 1,284,703 | 978,168 | 2,262,871 |
| May 12, 1997 | 20,330,078 | 1,228,458 | 1,034,413 | 2,262,871 |
| November 12, 1997 | 19,236,186 | 1,168,979 | 1,093,891 | 2,262,871 |
| May 12, 1998 | 18,079,396 | 1,106,081 | 1,156,790 | 2,262,871 |
| November 12, 1998 | 16,856,090 | 1,039,565 | 1,223,306 | 2,262,871 |
| May 12, 1999 | 15,562,444 | 969,225 | 1,293,646 | 2,262,871 |
| November 12, 1999 | 14,194,414 | 894,841 | 1,368,030 | 2,262,871 |
| May 12, 2000 | 12,747,722 | 816,179 | 1,446,692 | 2,262,871 |
| November 12, 2000 | 11,217,845 | 732,994 | 1,529,877 | 2,262,871 |
| May 12, 2001 | 9,600,000 | 645,026 | 1,617,845 | 2,262,871 |
| *November 12, 2001 | 0 | 552,000 | 9,600,000 | 10,152,000 |
| **November 12, 2001 | 7,889,129 | 552,000 | 1,710,871 | 2,262,871 |
| May 12, 2002 | 7,084,862 | 453,625 | 804,267 | 1,257,892 |
| November 12, 2002 | 6,234,349 | 407,380 | 850,513 | 1,257,892 |
| May 12, 2003 | 5,334,932 | 358,475 | 899,417 | 1,257,892 |
| November 12, 2003 | 4,383,798 | 306,759 | 951,134 | 1,257,892 |
| May 12, 2004 | 3,377,974 | 252,068 | 1,005,824 | 1,257,892 |
| November 12, 2004 | 2,314,315 | 194,234 | 1,063,659 | 1,257,892 |
| May 12, 2005 | 1,189,496 | 133,073 | 1,124,819 | 1,257,892 |
| November 12, 2005 | 0 | 68,396 | 1,189,496 | 1,257,892 |

* This amount shall be payable on November 12, 2001 if the Notes redeemed by the Company in accordance with Article IV of the T Indenture

** These amounts shall be payable on the dates indicated from November 12, 2001 to November 12, 2005, both inclusive, if the Notes are redeemed by the Company in accordance with Article IV of the Indenture

SCHEDULE "B"

to the Trust Indenture dated as of
June 26, 1985, between Procor Limited
and The Canada Trust Company

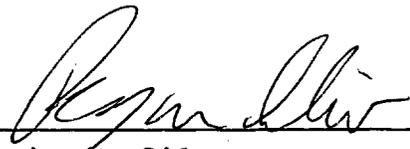
Schedule of Equipment

| <u>Type</u> | <u>Specifications</u> | <u>Builder</u> | <u>Lessee's Road Numbers (Both Inclusive)</u> | <u>Quantity</u> |
|---|---|--|---|-----------------|
| SD50F, 3600 HP, Electric Locomotives | Builder's Proposal DDL 1239 dated December 9, 1983, CN's letter dated November 11, 1983, CN's letter dated November 15, 1983, the Builder's pro- posal letter dated Decem- ber 9, 1983, the Builder's letter dated December 14, 1983, the Builder's letter dated December 22, 1983, the Builder's telex dated February 22, 1984, CN's letter dated February 23, 1984, the Builder's telex dated March 21, 1984, CN's letter dated March 23, 1984, the Builder's letter dated March 30, 1984, the Builder's letter dated November 20, 1984, CN's letter dated December 4, 1984, and the Builder's letter dated December 17, 1984. | General Motors of Canada Limited, London, Ontario | CN 5408 through CN 5430 | 23 |

CANADA

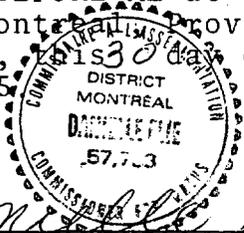
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

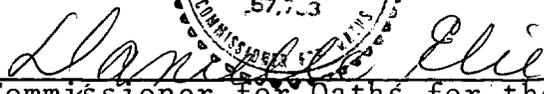
I, BENJAMIN SILVER, lawyer, of the City of Montreal,
Province of Quebec, make oath and say that the attached
document is a faithful copy of the original Trust Indenture
between Procor Limited and The Canada Trust Company dated as
of June 26, 1985.



Benjamin Silver

SWORN TO BEFORE ME at the
City of Montreal, Province
of Quebec, this 30th day of
July, 1985.





Commissioner for Oaths for the
District of Montréal.