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CANADIAN GENERAL TRANSIT COMPANY, LIMI

HEAD OFFICE/SIÈGE SOCIAL • SUITE 422, 1010 O., RUE STE-CATHERINE ST. W., MONTRÉAL, QUÉ. H

P.O. BOX/C.P. 70, STATION "A" MONTRÉAL, QUÉ. H3C 2R6 • TÉL. (514) 866-6772 • TÉLEX 05-26

RECORDATION NO. 11510 Filed 1425

FEB 20 1980 - 11 10 AM

INTERSTATE COMMERCE COMMISSION

February 1, 1980

0-051A019

Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423,
U.S.A.

RECORDATION NO. 11510 Filed 1425

FEB 20 1980 - 11 10 AM

INTERSTATE COMMERCE COMMISSION

Date FEB 20 1980

Fee $ 60.00

ICC Washington, D. C.

Dear Sirs,

In accordance with the provisions of 49 U.S.C. Section 11303 (a) and the Rules and Regulations of the Interstate Commerce Commission thereunder, we submit herewith for recordation three counterparts of a Deed of Trust and Mortgage and First Supplemental Deed of Trust and Mortgage, both dated as of April 1, 1980, between Canadian General Transit Company, Limited and Montreal Trust Company, as trustee.

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

Canadian General Transit Company, Limited
Suite 422,
1010 St. Catherine Street, West,
Montreal, Quebec, Canada

Montreal Trust Company,
1 Place Ville Marie,
Montreal, Quebec, Canada

The equipment covered by the Deed of Trust and Mortgage is rolling stock and is particularly described in Exhibit A hereto.

Enclosed is a cheque to cover the recordation fee.

You are hereby authorized to return the original document, following recordation, to the representative of Messrs. Dewey, Ballantine, Bushby, Palmer and Wood who is delivering this letter.

Very truly yours,

John Buckley

John G. Buckley
Vice President and Treasurer

Recordation — Joyce Murty

SECTION 26.02 SECOND SCHEDULE

No. of Cars	Description	Average Cost Per Car	Total Cost	Depreciated Book Value Sept. 30, 1979
28	4,550 cu. ft. covered hoppers for potash and general service, four compartments, 100 ton trucks, initialled CP and numbered -			
	389419-389440 incl. (22)	$39,444		
	389443-389445 incl. (3)	39,444		
	389447-389449 incl. (3)	39,444	$1,104,432	$1,089,312
175	4,550 cu. ft. covered hoppers for potash and general service, four compartments, 100 ton trucks, initialled CP and numbered - 389050-389224 incl.	40,092	7,016,100	7,013,427
203			$8,120,532	$8,102,739

Interstate Commerce Commission

Washington, D.C. 20423

2/20/80

OFFICE OF THE SECRETARY

John G.Buckley
Vice President & Treasurer
Canadian General Transit Co.,Limited
Suite,422
1010 St. Catherine Street,West
Montreal, Quebec, Canada

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act,49 U.S.C. 11303, on 2/20/80 at 11:10am, and assigned recordation number(s). 11510 & 11510-A

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 11510 Filed 1425

FEB 20 1980 -11 10 AM

INTERSTATE COMMERCE COMMISSION

This Deed of Trust and Mortgage dated as of the first day of April, 1980.

BETWEEN

CANADIAN GENERAL TRANSIT COMPANY, LIMITED (hereinafter called the "Company"), a company duly incorporated under the laws of Canada, having its head office in the City of Montreal in the Province of Quebec.

PARTY OF THE FIRST PART

AND

MONTREAL TRUST COMPANY, (hereinafter called the "Trustee"), a company duly incorporated under the laws of the Province of Quebec having its head office in the City of Montreal.

PARTY OF THE SECOND PART

WITNESSETH:

WHEREAS the Company deems it necessary for its corporate purposes to create and issue its Notes to be constituted, secured and issued in the manner hereinafter appearing;

AND WHEREAS the Company under the laws relating thereto is duly authorized to create, issue and secure the Notes to be issued as herein provided;

AND WHEREAS all things necessary have been done and performed to make the Notes when certified by the Trustee and issued as in this Trust Deed provided valid, binding and legal obligations of the Company with the benefits and subject to the terms of this Trust Deed and to make this Trust Deed a valid and binding Trust Deed for the security of the Notes in accordance with its and their terms;

AND WHEREAS the parties have agreed that this Deed be executed in the English language.

NOW THEREFORE the parties hereto have agreed and these presents witness as follows:

ARTICLE I

Interpretation

Section 1.01. In this Trust Deed and in the accompanying Schedules, unless there is something in the subject matter or context inconsistent therewith:

(1) "Affiliate" means any Subsidiary or any person which is in direct or indirect common control with or which controls or is controlled by the Company;

(2) "certificate of the Company", "written order of the Company", "written request of the Company" and "written consent of the Company" mean respectively a written certificate, order, request and consent signed in the name of the Company by the President and by a Vice-President or by the President or a Vice-President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, or by any one of said officers and a Director, and may consist of one or more instruments so executed;

(3) "Certified Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company under its corporate seal to have been duly passed by the Directors and to be in full force and effect on the date of such certification;

(4) "Company" means the Party of the First Part and also every successor company which shall have complied with the provisions of Article XIX;

(5) "Company's auditors" means an independent firm of chartered accountants duly appointed as auditors of the Company;

(6) "Counsel" means a barrister or solicitor or a firm of barristers or solicitors (who may be counsel for the Company) acceptable to the Trustee;

(7) "Director" means a Director of the Company for the time being, and reference without more to action by the Directors means action by the Directors of the Company as a board or, whenever duly empowered, an executive committee of the board;

(8) "event of default" means any of the events specified in Section 8.01, provided that there has been satisfied any requirement in connection with such event for the giving of notice (other than notice declaring the Notes to be due and payable) or the lapse of time, or the happening of any further condition, event or act, and "default" means any of such events, whether or not any such requirement has been satisfied;

(9) "Equipment" means the railway car equipment owned by the Company and particularly described in the Second Schedule hereto and all railway car equipment or moneys or things substituted therefor in accordance with the provisions hereof;

(10) "extraordinary resolution" means a resolution adopted at a meeting of the Noteholders duly convened and held in accordance with the provisions of Article XVIII hereof, upon a poll by the affirmative vote of not less than seventy-five per cent (75%) of the votes given upon such poll;

(11) "Leases" means all the present or future leases, bailments and agreements to lease or bail all or any of the Equipment made by the Company or any of its predecessors in title as lessor and all present or future agreements whereby the Company or any of its predecessors in title as owner gives any other person a right to use any of the Equipment and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into;

(12) "lien hereof" means the security constituted hereby or pursuant hereto upon the mortgaged premises;

(13) "mortgaged premises" means and includes all property and assets hereby or by other instruments supplemental or ancillary hereto bargained, sold, granted, conveyed, demised, assigned, ceded, transferred, hypothecated, mortgaged, pledged or charged as or by way of a first fixed and specific hypothec, mortgage, pledge and charge to and in favour of

the Trustee and without restricting the generality of the foregoing, the Equipment and the Leases;

(14) "Note" or "Notes" means any Note or all the Notes, as the case may be, issued and certified hereunder and entitled to the benefit of the security hereof and for the time being outstanding;

(15) "Noteholders" means the several persons for the time being entered in the Registers hereinafter mentioned as the holders of outstanding Notes;

(16) "Noteholders' Instrument" means a document signed in one or more counterparts by the holder or holders of not less than twenty-five per cent (25%) in principal amount of the Notes outstanding for the time being requesting the Trustee to take some act, action or proceeding specified therein;

(17) "Officers' Certificate" means a certificate signed by the President or a Vice-President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Company or any of said officers and a Director;

(18) "Penalty Rate" means the annual rate of interest stated herein to be borne by the Notes plus (to the extent permitted by law in the circumstances) one per cent (1%) per annum;

(19) "person" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual; and words importing persons have a similar meaning;

(20) "Subsidiary" means any corporation organized under the laws of Canada, any province of Canada, or any state of the United States of America, the major portion of the business of which is conducted in Canada or the United States of America, and more than fifty per cent (50%) of the outstanding Voting Stock of which is, at the time as of which any determination is made, owned by the Company either directly or through Subsidiaries;

(21) "this Trust Deed", "this Deed", "herein" "hereby" and similar expressions mean or refer to this Trust Deed of Hypothec, Mortgage and Pledge, or Deed of Trust and Mortgage, as the case may be, and include any indenture, deed or instrument supplemental or ancillary hereto; and the expressions "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Trust Deed;

(22) "Trustee" means the Party of the Second Part or its successors for the time being in the trusts hereby created;

(23) "Trustee's Indemnification" means sufficient funds, in the opinion of the Trustee, to commence, continue and carry out any act, action or proceedings 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 proceedings and any loss and damage it may sustain by reason thereof;

(24) "Value" when applied to Equipment means the lesser of (a) cost less accumulated depreciation calculated on a straight line basis over the estimated useful life of the Equipment but at a rate of not less than four per cent (4%) per annum and whether or not taken on the books of the Company; or (b) depreciated value as shown on the books of the Company; in either case expressed in the currency of issue of the Notes at the rate of exchange (if any) then prevailing;

(25) "Voting Stock" means capital stock of a corporation of any class having under all circumstances the right to elect at least a majority of the board of directors of such corporation;

(26) words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders.

Section 1.02. Every Note certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustee for cancellation or moneys for the payment thereof shall be set aside under Article XVI, provided that: (a) where a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of them shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding; and (b) for the purpose of any provision of this Trust Deed entitling holders of outstanding Notes to vote, sign consents, requisitions or other instruments or take any other action under this Trust Deed, Notes owned legally or equitably by the Company or any Affiliate shall be disregarded, except that (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other action only the Notes which the Trustee knows are so owned shall be so disregarded; and (ii) Notes so

owned which have been pledged in good faith other than to the Company or an Affiliate shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes in his discretion free from the control of the Company or any Affiliate.

ARTICLE II

Limit of Issue and Form and Terms of Notes

Section 2.01. The aggregate principal amount of Notes authorized to be issued hereunder is limited to five million dollars principal amount in lawful money of the United States of America (U.S. $5,000,000).

Section 2.02. All Notes issued hereunder and secured hereby shall be under the seal of the Company or a reproduction thereof (which shall be deemed to be the seal of the Company) and shall be signed by the President or a Vice-President and countersigned by the Secretary or an Assistant Secretary or any Director of the Company. The signature or signatures of all or any one or more of such officers may be engraved, lithographed, printed or otherwise mechanically reproduced on the Notes and such engraved, lithographed, printed or otherwise mechanically reproduced signature or signatures shall be deemed for all purposes the signature of such officer or officers 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 certifying and delivery of the said Notes and notwithstanding that the President or Vice-President or Secretary or Assistant Secretary or Director signing may not have held office at the date of this Deed or at the date of the said Notes or at the date of the certifying and delivery thereof, the said Notes so signed shall be valid and binding upon the Company and entitled to the security of this Deed.

Section 2.03. No Note shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefit of the security of these presents or the benefit of the trusts hereunder until it has been certified by or on behalf of the Trustee, and such certification by the Trustee upon any such Note shall be conclusive evidence that the Note so certified has been duly issued hereunder and that the holder thereof is entitled to the benefit of the security of and the trusts under this Deed.

Section 2.04. The Trustee shall mark every Note issued hereunder with the date of its certification and any such Note issued prior to the first interest payment date of the Notes shall bear interest from such date of certification and any other such Note shall bear interest from the interest payment date next preceding the date of certification thereof, unless such date of certification be an interest payment date or be prior to the first interest payment date, in which cases such Note shall bear interest from such date of certification. Nevertheless, in the case of any Note issued upon exchange, replacement, transfer or otherwise, if the marking of such Note with the actual date of certification would result in the holder either losing or gaining interest, the Trustee shall mark such Note with such date of certification, other than the actual date, as will prevent any such loss or gain, and such Note shall bear interest in accordance with the foregoing provisions of this Section as though the date of certification marked thereon were the actual date of certification.

Section 2.05. 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 or printed. Pending the preparation and delivery to the Trustee of such definitive instruments, the Company may execute in lieu thereof (but subject to the same provisions, conditions and limitations as herein set forth) one or more interim or temporary lithographed, printed or typewritten Notes, in such form and in such denominations and with such appropriate omissions, insertions and variations as the Trustee and the Secretary or an Assistant Secretary of the Company may approve, and deliver the same to the Trustee and thereupon the Trustee may certify such interim or temporary instrument or instruments or the Company may execute, and the Trustee certify as to each maturity, a temporary or interim Note or Notes of the aggregate principal amount of Notes of such maturity authorized from time to time to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates, in such form and in such amounts, not exceeding in the aggregate as to each maturity the principal amount of the temporary Note or Notes so delivered to it, as the Trustee and the Secretary or an Assistant Secretary of the Company may approve, entitling the holder thereof to definitive Notes when the same are ready for delivery. When so issued, such interim or temporary Notes or certificates, as the case may be, shall until exchanged for definitive instruments, entitle the holders thereof to rank for all purposes as

Noteholders and otherwise in respect of these presents to the same extent and in the same manner as though the said exchange had actually been made. When exchanged for definitive instruments, such interim or temporary Notes or certificates shall forthwith be cancelled by the Trustee. No charge shall be made by the Trustee to the holders of such interim or temporary Notes or certificates for the exchange thereof, all charges in this respect being borne by the Company.

Section 2.06. The Company shall at all times cause to be kept by and at the offices of the Trustee in the City of Montreal or Toronto, and at such other place or places, if any, and by the Trustee or such other Registrar or Registrars, if any, as the Company, with the approval of the Trustee, may designate, Registers in any one of which shall be entered the names and post office addresses of the holders of Notes and particulars of the Notes held by them respectively and in which transfers of Notes shall be registered.

Section 2.07. No transfer of a Note nor any transmission thereof by death shall be valid unless made on one of such Registers by the registered holder or by his executors, administrators or other legal representatives or his or their 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 or other Registrar may prescribe, and unless such transfer shall have been duly noted on such Note by the Trustee or other Registrar.

Section 2.08. The Noteholders may at any time and from time to time, and without payment of any fee, transfer the Notes held by them respectively from the Register in which the registration of such Notes appears to another Register maintained in another place authorized for that purpose under the provisions of this Deed.

Section 2.09. Except in the case of the Register required to be kept at the City of Montreal or Toronto, the Company, with the approval of the Trustee, shall have power at any time to close any Register upon which the entries of the registration of any Notes appear and in that event shall transfer the records thereof to another existing Register or to a new Register, and thereafter such Notes shall be deemed to be registered on such existing or new Register as the

case may be. In the event that the Register in any place is closed and the records transferred to a Register kept in another place, notice of such change shall be given, in the manner provided in Section 2.10 hereof, to the holders of the Notes registered in the Register so closed.

Section 2.10. All notices given hereunder to the Noteholders shall be deemed validly given if sent by registered mail prepaid addressed to the holders at their post office addresses appearing in the Registers hereinbefore mentioned or, in the case of joint holders, to the registered address of that one whose name stands first in the Register as one of such joint holders. All such notices shall be mailed at the City of Montreal, or, with the approval of the Trustee, at any other place or places where the Company may have established Registers in accordance with the foregoing provisions of this Deed or partly at one of such places and partly at another or others. Every notice so sent shall be deemed to have been given on the day when such notice is posted as aforesaid.

Section 2.11 The Registers hereinbefore referred to shall, at all reasonable times, be open for inspection by the Company, the Trustee or any Noteholder.

Section 2.12. The person in whose name Notes shall be registered shall be deemed and regarded as the owner thereof for all purposes of this Deed and payment of or on account of the principal of and premium, if any, on such Notes shall be made only to or upon the order in writing of such registered holder thereof. As the interest matures on the Notes, the Company (except in case of payment at maturity or if called for redemption, in which cases payment of interest will be made upon surrender of the Notes) shall forward or cause to be forwarded by post prepaid, addressed to the registered address of the holder for the time being or, in the case of joint holders, to the registered address of that one whose name stands first in the Register as one of such joint holders, a cheque for such interest (less any tax required to be deducted), payable, as herein provided, to the order of such holder

or, in the case of joint holders, to the order of all such holders, failing written instructions from them to the contrary. The forwarding of such cheque shall satisfy and discharge the liability for interest upon any Note to the extent of the sum or sums represented thereby (plus the amount of any tax deducted as aforesaid) unless such cheque be not paid on presentation or be lost or stolen before presentation. Notwithstanding the foregoing, the Company may, at the request of a Noteholder, transfer any moneys payable to such Noteholder in respect of interest or in respect of principal pursuant to Section 7.03 or Section 7.11 by wire transfer or other like means.

Section 2.13. The registered holder for the time being of any Note shall be entitled to the principal moneys, premium, if any, and interest evidenced by such instrument, free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly, and a transferee of a Note shall, after the appropriate form of transfer is lodged with the Trustee or any Registrar and upon compliance with all other conditions in that behalf required by this Deed or by the conditions contained in the Note or by law, be entitled to be entered on any one of the said Registers as the owner of such Note free from all equities or rights of set-off or counterclaim between the Company and his transferor or any previous holder thereof, save in respect of equities as to which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

Section 2.14. Delivery to the Company by a Noteholder of a Note or the receipt of such holder for the principal moneys, premium, if any, and interest evidenced by such instrument shall be a good discharge to the Company which shall not be bound to enquire into the title of such holder save as ordered by some court of competent jurisdiction or as required by statute. Neither the Company, the Trustee nor any Registrar shall be bound to see to the execution of any trust affecting the ownership of any Note nor be affected by notice of any equity that may be subsisting in respect thereof.

Section 2.15. In the case of the death of one or more joint registered holders, the principal moneys of, premium, if any, and interest on Notes may be paid to the survivor or survivors of such registered holders whose receipt therefor shall constitute a valid discharge to the Trustee and to the Company.

Section 2.16. In case any of the Notes shall become mutilated or be lost or destroyed, the Company shall issue and thereupon the Trustee, subject as in Section 2.17 provided, shall certify and deliver a new Note of like date and tenor as the one mutilated, lost or destroyed, in exchange for and in place of and upon cancellation of the mutilated Note or in lieu of and in substitution for the same, if lost or destroyed, and the substituted instrument shall be in a form approved by the Trustee and shall rank equally in accordance with its terms with all other Notes issued or to be issued hereunder.

Section 2.17. In case of loss or destruction, the applicant for a substituted Note shall as a condition precedent to the issue thereof furnish to the Company and to the Trustee such evidence of ownership and of the loss or destruction of such instrument so lost or destroyed as shall be satisfactory to the Company and to the Trustee in their discretion and such applicant shall also furnish indemnity or, if such applicant is an institutional investor, an undertaking to indemnify, in amount and form satisfactory to them in their discretion.

Section 2.18. In every case of exchange of Notes of any denomination for other Notes, and for any registration of Notes and for any transfer of Notes, the expense of any such exchange, registration, replacement or transfer shall be paid and borne by the Company, save that the Trustee or other Registrar may make a sufficient charge to reimburse it for any stamp taxes or governmental charge required to be paid upon such exchange, registration or transfer.

Section 2.19. All exchanges of Notes may be made at the office of the Trustee in the said City of Montreal or at the office or offices of such Registrar or Registrars, if any, or at such other office or offices of the Trustee, if any, as may from time to time be designated by the Company for such purpose, with the approval of the Trustee. In every case of exchange the Note or Notes surrendered shall be cancelled.

Section 2.20. The Company and the Trustee shall not be required to make exchanges, registrations or transfers of Notes during a period of ten (10) days next preceding an interest payment date thereon.

Section 2.21. From time to time the Company and the Trustee may, subject to the provisions hereof, and shall when so directed by these presents, execute, acknowledge and deliver, by their proper officers, deeds or instruments supplemental hereto, which thereafter shall form part hereof, or any other deeds or instruments, or do and perform any other acts and things for any one or more of the following purposes:

Clause 1 Hypothecating, mortgaging, pledging, ceding, transferring or assuring to or confirming or vesting in the Trustee, or charging in favour of the Trustee, any property now owned or hereafter acquired by the Company;

Clause 2 Adding to the limitations or restrictions specified in these presents further limitations or restrictions, thereafter to be observed, upon the dealing with the property of the Company or upon the release of property from the lien hereof; provided that the Trustee shall be of opinion that such further limitations or restrictions shall not be prejudicial to the interests of the Noteholders;

Clause 3 Adding to the covenants of the Company in these presents for the protection of the Noteholders;

Clause 4 Evidencing the succession (or successive successions) of any other corporation or company to the Company and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Deed;

Clause 5 Consenting to the amendment, revision, extension, amplification, alteration or termination of any contract, agreement, lease, license or franchise which may at any time form part of the mortgaged premises; provided that the Trustee shall be of the opinion that the giving of such consent shall not be prejudicial to the interests of the Noteholders;

Clause 6 Providing for payment of the Notes at a place or places in addition to the places herein or in any Notes specified;

Clause 7 Providing for or altering the provisions of this Deed in respect of the exchange or transfer of Notes; and

Clause 8 Amending this Trust Deed so as to provide, in effect, for the increase in the sum or sums for the payment of which the mortgaged premises are charged hereunder to such amount as the Directors may, by resolution adopted prior to such time, approve.

Section 2.22. All or any of the Notes when held by the Company may be pledged, hypothecated or charged from time to time by the Company as security for advances or loans to or for indebtedness or other obligations of the Company, or may be sold or otherwise disposed of, and, when re-delivered to the Company or its nominees on or without payment, satisfaction, release or discharge in whole or in part of any such advances, loans, indebtedness or obligations, or when repurchased or otherwise acquired by the Company, shall (except when acquired pursuant to any provision of the Notes or of this Deed or pursuant to a resolution of the Directors, which provision or resolution requires cancellation and retirement of such Notes so acquired), while the Company remains in possession thereof, be treated as unissued Notes (except for purposes of computation of sinking fund payments, if any) and may be kept alive for purposes of re-issue and accordingly may be re-issued, pledged, or charged, sold or otherwise disposed of, prior to the stated maturity thereof, as and when the Company may think fit, and all such Notes so re-issued, before but not after the maturity thereof, shall continue to be entitled, as upon their original issue, to the benefit of all the terms, conditions, rights, priorities and privileges hereby attached to or conferred on Notes secured hereunder.

Section 2.23. The Company reserves the right at any time and from time to time, when not in default hereunder, to offer to purchase Notes by tender or by private contract at any price or prices not exceeding the principal amount thereof, plus in all cases interest accrued on said principal amount to the date of purchase and costs of purchase, and to tender the Notes so purchased to the Trustee for cancellation, provided that neither the Company nor any Affiliate shall purchase Notes in accordance with this Section 2.23 except pursuant to a pro-rata offer made to all Noteholders upon the same terms.

Section 2.24. Except as otherwise herein provided, all sums which may at any time become payable, whether at maturity or otherwise, on account of any Note or interest thereon shall be payable at the place at which the principal of and interest on such Note are payable in accordance with the provisions of such Notes.

ARTICLE III

Issue of Notes

Section 3.01. The Notes to be certified and delivered hereunder shall be designated "10 1/4% First Mortgage Sinking Fund Equipment Notes due April 1, 2000".

Section 3.02 The Notes shall be in or substantially in the form set out in the First Schedule of this Deed with such appropriate additions and variations as shall be required; shall be dated the first day of April nineteen hundred and eighty (1980); shall mature on the first day of April two thousand (2000); shall (save as provided below) bear interest to maturity at the rate of ten and one quarter percent (10 1/4%) per annum payable half-yearly on the first day of April and October in each year, such interest to be calculated so that the interest payable on each interest payment date in respect of a half-year period shall be U.S. $51.25 for each U.S. $1,000 principal amount of each Note and to bear interest after maturity at the Penalty Rate, payable in the same manner; the first interest payment date to be the first day of October, nineteen hundred and eighty (1980) in respect of the period then ending; together with interest on all overdue payments on account of the sinking fund provided for in Article VII, overdue redemption premium, if any, and overdue interest at the Penalty Rate from its due date until the date of actual payment.

Section 3.03. The principal of the Notes and interest thereon and all sums which may at any time become payable thereon, whether at maturity or otherwise, shall be payable at The Royal Bank and Trust Company, 68 William Street, New York, New York, 10005 or such other place or places in the United States of America as the Company shall designate in a notice to each holder of Notes.

Section 3.04. The Notes shall be issued as fully registered Notes in denominations of U.S. $1,000 and such multiples thereof, if any, as the Secretary of the Company may from time to time request and the Trustee approve. The Notes shall be numbered in such manner as the Company, with the approval of the Trustee, may determine.

Section 3.05. Notes of any authorized denomination may be tendered for exchange for an equal aggregate principal amount of Notes of the same maturity in any other authorized denomination or denominations. Any Notes so tendered for exchange shall be surrendered to and cancelled by the Trustee.

Section 3.06. All the Notes may forthwith upon the execution hereof be issued by the Company and be certified by or on behalf of the Trustee, and shall be delivered by the Trustee in accordance with the written order of the Company, accompanied by

(i) an Officers' Certificate in the form of a statutory declaration stating that the Company has complied with all the covenants, conditions and requirements hereof relating to the issue of the Notes, that the Equipment described in the Second Schedule hereto is owned by the Company and the Leases thereof are held by the Company by good and sufficient title free from all encumbrances save only the charge of this Trust Deed and that, so far as is known to the signers, the Company is not in default under this Trust Deed; and

(ii) an opinion of Counsel to the effect that this Trust Deed has been duly executed and registered and the Equipment described in the Second Schedule hereto has been subjected to the specific charges hereof free from all other encumbrances except Leases theretofore entered into.

ARTICLE IV

Specific Mortgage and Charge

Section 4.01. In consideration of the premises and of the sum of one dollar ($1.00) to it in hand paid by the Trustee (the receipt whereof is hereby acknowledged) and to secure the due payment of the aggregate principal amount of all the Notes and of the interest thereon and of the premium, if any, payable on the Notes and of all other moneys due hereunder to the Noteholders and to the Trustee or its successors or assigns and to secure the performance of the obligations and covenants of the Company herein contained, and in pursuance of every power and authority it thereunto enabling, the Company does hereby bargain, sell, grant, convey, demise, assign, transfer, hypothecate, mortgage, pledge and charge, as and by way of a first, fixed and specific hypothec, mortgage, pledge and charge, to and in favour of the Trustee and its successors in the trust for the benefit of the Noteholders, for and with the payment of eight

million dollars ($8,000,000) in lawful money of Canada and interest thereon at the rate of ten and one quarter percent (10 1/4%) per annum and for the same purposes assigns, cedes and transfers to the Trustee and its successors in the trust, as Trustee for the benefit of the holders of the Notes, all and singular the Equipment particularly described and identified in the Second Schedule of this Deed and hereby assigns to the Trustee each and every Lease and the rents, issues and profits or other moneys due under the Leases and each and every guarantee of the rents and any other of the obligations under any Lease.

TO HAVE AND TO HOLD the mortgaged premises and all rights hereby conferred unto the Trustee, its successors and assigns forever, but in trust nevertheless for the uses and purposes and with the powers and authorities and subject to the terms and conditions mentioned and set forth in these presents.

Provided always that, until the security hereby created shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, the Company shall be suffered and permitted in the same manner and to the same extent as if these presents had not been executed, but subject to the express terms hereof, to possess, operate, manage, use and enjoy the mortgaged premises and freely to control and conduct its business, and if necessary or if deemed expedient to close and suspend temporarily the operation of any of the Equipment provided that the same is at all times kept and maintained in first class operating order and condition, and to take and use the rents, incomes, profits and issues thereof.

The Company represents and warrants that the Value of the Equipment is in the aggregate in excess of six million two hundred and fifty thousand dollars in lawful money of the United States of America (U.S. $6,250,000) on the date of this Trust Deed.

The grants, conveyances, demises, assignments, hypothecs, mortgages, pledges, charges, cessions and transfers 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 any of the Notes intended to be thereby secured, or before or after, or upon the date of, the execution of these presents.

Section 4.02. In the event that the amount of the charges hereof shall, in the opinion of the Trustee, at any time be insufficient to secure adequately the principal amount of Notes then outstanding and interest thereon the Company shall at the request of the Trustee enter into a deed supplementary hereto in accordance with the provisions of Clause 8 of Section 2.21 increasing such charges to such amount as the Trustee shall deem adequate in the circumstances.

Section 4.03. The Company shall forthwith and from time to time, execute and do all deeds, documents and things which in the opinion of the Trustee are necessary or advisable to give the Trustee (so far as may be possible under the local laws of the places where the mortgaged premises are situated, respectively) a valid first, fixed and specific hypothec, mortgage, pledge or charge on or cession and transfer of the mortgaged premises for and to secure, in the manner herein provided, the payment of principal moneys and interest for the time being and from time to time owing on the security of these presents, and the Notes, and all other moneys intended to be secured by these presents, to facilitate the realization of the mortgaged premises and the exercise of all the powers, authorities and discretions hereby conferred upon the Trustee and to confirm to any purchaser of any of the mortgaged premises, whether sold by the Trustee or otherwise, the title to the property so sold, and it will give all notices and directions which the Trustee may consider expedient, and specifically, but without limiting the generality of the foregoing, it will from time to time on request from the Trustee execute and deliver to the Trustee specific assignments of all its right, title and interest in and to all of the Leases and all existing and future guarantees of all or any of the obligations of any lessee under any Lease and all benefits and advantages to be derived therefrom and the full benefit of all powers, covenants and conditions therein contained or thereunder arising, in each case in such form as Counsel may advise.

ARTICLE V

Partial Release

Section 5.01. Subject to the covenant in Section 6.01 (p), at any time while the Company is not in default hereunder to the knowledge of the Trustee, the latter may (but only if and so far as in its opinion the interests of

the Noteholders will not be prejudiced thereby) upon the written request of the Company evidenced by a Certified Resolution, from time to time, upon such terms as to verification as the Trustee may reasonably require, release from the lien hereof any part of the mortgaged premises if in the opinion of the Directors expressed in such Certified Resolution the release is desirable in the conduct of the business of the Company and provided that such part of the mortgaged premises as shall be released shall forthwith be disposed of by the Company and provided also that the Company shall have acquired and charged as part of the mortgaged premises hereunder further Equipment substantially of like character and quality of title, of not greater age, of comparable unit cost, having a Value and a fair market value as determined in accordance with the practices of the Association of American Railroads ("AAR Value"), at least equal to the Value and the AAR Value respectively of the Equipment released, together with any Lease thereof and any guarantee of the obligations under the Lease. The Trustee shall be entitled to accept and act upon a certificate of the Company supported by appropriate evidence of the determination of Value and AAR Value as satisfactory evidence of the Value and AAR Value of any Equipment to be released or received as aforesaid, or of any fact necessary or proper for the Trustee to investigate preparatory to taking any action with reference to any such release; and the Trustee shall not be liable for any loss or difference in security resulting from such release.

Section 5.02. In the event of any taking of any part of the mortgaged premises by power of eminent domain or condemnation or other similar power, or of any sale or conveyance by the Company in lieu of such taking and in reasonable anticipation thereof where proceedings therefor might lawfully be exercised to vest such property in the grantee for the same purposes, or in the event that any authority shall at any time exercise any right which it may have to acquire any part of the mortgaged premises, the Trustee may release the property so taken or acquired upon the deposit with the Trustee of a sum equal to (a) the net proceeds of any such taking or exercise of such right of acquisition, or (b) in a case of sale in anticipation of such taking, the net proceeds of such sale or the fair value of the property to be released as appraised by an appraiser appointed by the Directors and approved by the Trustee, whichever is greater. The Trustee shall deal with such sum as in Article X provided. The Trustee shall be fully protected in giving such release upon being furnished with an opinion of Counsel to the effect that such property has been lawfully taken or sold as aforesaid and, in case of any such sale in anticipation, upon being also furnished with a Certified Resolution stating

that, in the opinion of the Directors, such sale was in lieu of and in reasonable anticipation of such taking and was for the best interests of the Company having in view such forcible taking.

Section 5.03. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Trustee to execute the release or to enquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser of any other property be under any obligation to ascertain or enquire into the occurrence of any event on which any sale is hereby authorized.

ARTICLE VI

Covenants of Company

Section 6.01. The Company hereby represents, covenants and agrees:

(a) That it lawfully owns and is lawfully possessed of the rights, powers and privileges under its charter and of its privileges, immunities and exemptions and that the same are in full force and effect and that, subject to the rights of lessees under any Leases, it lawfully owns and is lawfully possessed of the Equipment described in the Second Schedule hereto and the Leases and guarantees comprised in the mortgaged premises and the Company will warrant and defend the title thereto and every part thereof to the Trustee, its successors in the trust and their assigns, and for the benefit of the holders for the time being of the Notes issued hereunder, against the claims and demands of all persons whomsoever.

(b) That, subject to the provisions hereof, it will carry on and conduct or will cause to be carried on and conducted its business in a proper and efficient manner so as to preserve and protect the mortgaged premises and the earnings, incomes, rents, issues and profits thereof and will keep proper books of account and make therein true and faithful entries of all dealings and transactions in relation to its business and will file with the Trustee within the first six (6) months of each fiscal year its audited report for the preceding fiscal year and at all reasonable times will furnish the Trustee or its duly authorized agent or attorney such information relating to its business as the Trustee may reasonably require, and will supply copies of its balance sheet to the Trustee whenever called upon

to do so. The books of account of the Company shall at all reasonable times be open for inspection by any special auditor appointed by the Trustee who is satisfactory to the Company as the Trustee shall from time to time by instrument in writing for the purpose appoint.

(c) That it will well, truly and punctually pay or cause to be paid to every holder of Notes issued and secured hereunder the principal and interest accrued thereon and premium, if any, at the dates and places, in the moneys and in the manner mentioned herein and in such Notes.

(d) That, in order to prevent any accumulation after maturity of interest, it will not directly or indirectly extend or assent to the extension of time for payment of any interest upon any Note secured hereby and that it will not directly or indirectly be a party to or approve of any such arrangement by funding any interest or in any other manner. In case the time for payment of any such interest shall be so extended, such interest shall not be entitled, in case of default hereunder, to the benefit or security of these presents except subject to the prior payment in full of the principal of all Notes issued hereunder then outstanding and of all matured interest on such Notes the payment of which has not been so extended.

(e) That it will pay or cause to be paid all taxes, rates, levies or assessments, whether ordinary or extraordinary, and government fees or dues levied, assessed or imposed upon it or upon the mortgaged premises or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, levies, assessments, fees or dues is in good faith contested by the Company, provided that in such case the Company shall satisfy the Trustee and if required furnish security satisfactory to the Trustee that any such contestation will involve no forfeiture of any part of the mortgaged premises, and that it will exhibit to the Trustee when required the receipts and vouchers establishing such payment or will furnish the Trustee annually with a certificate of the Company's auditors that all such taxes have been duly paid, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged premises and all covenants, terms and conditions upon or under which any of the mortgaged premises are held.

(f) That it will from time to time punctually observe and perform all of its obligations and will pay and discharge all amounts payable under or by virtue of any lease or license or right held by it at any time so long as the same are of commercial value and will not suffer or permit any default for which any such lease, license or right might be terminated, so that the interest of the Company therein may at all times be preserved unimpaired, provided however, that nothing contained in this Section shall require the Company to make or cause to be made any such payments or to observe any such obligations so long as it shall in good faith contest the liability therefor, provided in such case that the Company shall satisfy the Trustee, and if required furnish security satisfactory to the Trustee, that any such contestation will involve no forfeiture of any such lease, license or right.

(g) That it will register these presents and all other instruments without delay at all offices, within or without Canada, where the registration or record thereof may in the judgment of the Trustee be necessary or of advantage to the security hereby created or intended so to be, and that it will deliver or exhibit to the Trustee on demand certificates establishing such registration and the same from time to time renew, and that it will fulfill all the requirements of the laws of Canada and of provincial or municipal governments of Canada or of any of their departments and of any other competent authority.

(h) That it will fully and effectually maintain and keep maintained the security hereby created as a valid and effective security during the continuance of the Notes or any of them and that it will not permit or suffer any judgment for the enforcement of any builder's, contractor's, workmen's or other lien or privilege upon or in respect of any of the mortgaged premises to remain unsatisfied for a period of thirty (30) days after the date of such judgment, provided that the non-payment of any such judgment for the enforcement of any such lien, privilege or charge shall not be deemed to be a breach of this covenant if the Company shall contest the same and shall give security to the satisfaction of the Trustee for the due payment of the amount claimed in respect thereof in case it shall be held to be a valid lien, privilege or charge.

(i) That it will at all times maintain its corporate existence and, subject to all the provisions herein contained, will diligently preserve all the powers, privileges and goodwill by it owned.

(j) That it will diligently maintain, use and operate or will cause to be maintained, used and operated the Equipment comprised in the mortgaged premises, and will at all times repair and keep in repair and good order and condition the same, consistently with the best practice of other companies working similar undertakings.

(k) That, to the Value or to the reasonable insurable value thereof, whichever is the greater, it will insure and keep insured the Equipment comprised in mortgaged premises for such amount as shall be established by a resolution of Directors, in or with some insurance company or companies of good standing and satisfactory to the Trustee (including such of the companies generally known as "New England Mutuals" or other companies, societies or exchanges for mutual or reciprocal insurance or Lloyd's, London, or other underwriters as may be satisfactory to the Trustee) against destruction or damage by fire and such other casualties as are usually insured against by companies similarly situated and operating like properties. All policies for such insurance shall be so drawn as to make any losses payable thereunder payable to the Trustee and such policies shall be deposited with the Trustee if so required by it. In case of any loss covered by any policy of insurance, any appraisement or adjustment of such loss and settlement and payment of indemnity therefor which shall be approved in writing by some person appointed by the Company and approved by the Trustee shall upon the written request of the Company be consented to and accepted by the Trustee. Should the Company at any time insure the mortgaged premises, or any part thereof, (either separately or under a blanket policy or policies) and be required to maintain a specific amount of insurance under a co-insurance clause, the Company shall at all times maintain a sufficient amount of insurance to meet the requirements of such co-insurance clause. The Trustee shall be entitled to rely absolutely upon a certificate or certificates of the Company's insurers that the amount of insurance carried from time to time is in compliance with the foregoing provisions. No duty with respect to effecting or maintaining insurance or of notifying the Noteholders or others of the failure to insure shall rest upon the Trustee, and the Trustee shall not be responsible for any loss by reason of want or insufficiency of insurance or by reason of the failure of any of the companies or other insurers in which the insurance is carried to pay the full amount of any loss against which they may have insured the Company. Should the Company fail to effect and transfer such insurance as herein provided for and to keep the same in force or to exhibit or deliver any such policies or contracts of insurance or renewals or binders

thereof or receipt as aforesaid, the Trustee or any Noteholder or other person or persons acting through the Trustee may, or shall if so requested by Noteholders' Instrument and indemnified to its satisfaction, effect such insurance, in which case the Company shall immediately repay to the Trustee on demand the amount expended in so doing with interest at the Penalty Rate from the date of the expenditure, for which amount and interest the Trustee shall have a lien and charge for its own indemnification, or that of any such Noteholder or other person or persons acting through it, as the case may be, upon the mortgaged premises prior to the lien and charge of the Notes, or the Trustee shall notify the Noteholders of the failure of the Company to insure as aforesaid.

(l) That so long as any of the Notes remain outstanding, the Company will not create or permit the creation of any fixed or specific hypothec, mortgage, pledge or charge on the mortgaged premises or any part thereof.

(m) That until the trusts hereof shall have been finally wound up and terminated it will pay the Trustee reasonable remuneration for its services hereunder and that it will repay to the Trustee on demand all moneys which shall have been expended or advanced by it for the purpose of paying premiums of insurance, rentals, repairs, renewals, taxes, maintenance, preservation, legal expenses or charges and any other expenditures or advances whatever which the Trustee may reasonably make or incur in and about the execution of the trust hereby created, with interest not exceeding twelve percent (12%) per annum from the date of expenditure until actual repayment, and the Trustee's remuneration and the moneys so expended or advanced and the interest thereon shall be secured hereby and the Trustee shall have a lien therefor upon the mortgaged premises and the proceeds thereof in priority to any of the Notes or interest secured hereunder and the Trustee shall have the right at any time to retain and pay itself the amount of any such remuneration or advances out of any funds coming into the possession of the Trustee or its successors in the trust hereunder.

(n) That it will do, observe and perform all matters and things necessary or expedient to be done, observed or performed in virtue of any law of Canada or any province thereof or the United States or any state thereof or any other jurisdiction for the purpose of creating, performing and maintaining the security hereof as a valid and effective security at all times during the continuance of the Notes or any of them and the

trusts hereof as security for the Notes, and will do, observe and perform all the obligations hereby imposed upon it.

(o) That it will whether or not required by the Trustee at any and all times do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all such acts, deeds, documents and things which in the opinion of Counsel are necessary for giving the Trustee (as far as may be possible under the local laws of the places where any of the mortgaged premises are situate respectively) a valid first specific hypothec, mortgage, pledge and charge upon the Equipment, Leases and other property hypothecated, mortgaged, pledged and charged as part of the mortgaged premises or intended so to be to secure all moneys for the time being and from time to time owing on the security of these presents and the Notes and for conferring upon the Trustee such powers of sale and other powers over the said property as are hereby expressed to be conferred and all and every such further acts, deeds, conveyances, mortgages, transfers and assurances in law, notices or memorials for registration as the Trustee shall reasonably require for the better assuring, conveying, hypothecating, assigning, and confirming unto the Trustee the Equipment and for the better accomplishing and effectuating of the intentions of this Deed.

(p) That it will fully and effectually maintain and keep maintained at all times during the continuance of the Notes, or any of them, Equipment comprised in the mortgaged premises having a total aggregate Value of not less than one hundred and twenty five per cent (125%) of the total principal amount of the Notes issued and outstanding hereunder; and in such connection and for such purpose, the Company shall implement from time to time, as may be necessary, the amount of said Equipment; and the Company will take all such steps and execute, deliver and cause to be registered all such further or supplemental deeds or instruments as may be expedient or necessary to bring any such additional Equipment within the scope and effect of the security hereby created.

(q) That it will deliver to the Trustee on or before October 31 in each year, beginning with October 1980, a list, as of the previous September 30, certified by the President or Vice-President and the Secretary or the Treasurer of the Company, of the Equipment and of the Leases thereof as at such previous September 30 stating the depreciated book value of each car comprised in the Equipment as at such date as shown by the books and records of the Company in said connection and the Value thereof calculated in accordance with Clause (23) of Section 1.01.

(r) That it will deliver to the Trustee on or before October 31 in each year, beginning with October, 1980, an opinion of Counsel specifying the action taken by the Company to comply with subsection (n) of this Section 6.01 since the last such opinion delivered pursuant to this subsection (r) (or, in the case of the first such opinion, since the date of this Trust Deed), or stating that no such action is necessary.

s) That should any default occur or be anticipated hereunder or under any purchase agreement relating to the Notes the Company will promptly give notice thereof to the Trustee and the Noteholders, specifying the nature thereof and the steps, if any, being taken to remedy the same.

ARTICLE VII

Sinking Fund and Redemption of Notes

Section 7.01. The Company covenants and agrees with the Trustee that so long as any of the Notes remain outstanding it will, subject to the provisions of Section 7.04, provide a sinking fund for the Notes sufficient to retire two hundred and fifty thousand dollars in lawful money of the United States of America (U.S. $250,000) principal amount of Notes on April first in each of the years nineteen hundred and eighty-one (1981) to nineteen hundred and ninety-nine (1999), both inclusive. Each of the aforesaid dates on which a sinking fund is to be provided is in this Article sometimes referred to as a "Sinking Fund Retirement Date".

Section 7.02. Not later than forty-five (45) days preceding each Sinking Fund Retirement Date, the Company shall deliver to the Trustee an Officers' Certificate stating the principal amount of Notes to be called for redemption for sinking fund purposes on such Sinking Fund Retirement Date.

Section 7.03. So long as any Note is held by any Noteholder which is an original holder or shall have complied with the provisions of Section 7.11 hereof, or the nominee of any such Noteholder, sinking fund payments in respect of such Note shall be made by the Company directly to such Noteholder or his nominee without surrender or presentation of such Note and the Noteholder or his nominee shall make notation on such Note of the principal amounts so paid. The Trustee shall not permit the transfer of any such Note unless the same is delivered to the Trustee for appropriate notation thereon of the principal amount remaining unpaid or in exchange for a new Note in the principal amount remaining unpaid.

Section 7.04. Notes purchased by the Company or the Trustee in accordance with the provisions of Section 2.23 or Section 10.02 and Notes redeemed by the Company in accordance with the provisions of Section 7.13 and surrendered to the Trustee for cancellation, shall for the purposes of the sinking fund be deemed to remain outstanding in the hands of the Company and shall be deemed to be subject to pro-rata redemption in accordance with Section 7.05 on subsequent Sinking Fund Retirement Dates.

Section 7.05. The Trustee shall pro-rate the principal amount of Notes to be redeemed among all holders in proportion to the principal amounts of Notes in the names of such holders, and shall then designate with respect to each holder, according to such method as it shall deem proper in its discretion, the particular Notes or portions of Notes of such holder to be redeemed. In any such pro-rating, the Trustee shall, according to such method as it shall deem proper in its discretion, make such adjustments by increasing or decreasing by not more than one thousand dollars in lawful money of the United States of America (U.S. $1,000) the amount which would be allocable on the basis of exact proportions to such Notes or to any one or more holders of Notes, as may be necessary to the end that the principal amount so pro-rated shall be an integral multiple of one thousand dollars in lawful money of the United States of America (U.S. $1,000).

Section 7.06. Not later than thirty (30) days preceding such Sinking Fund Retirement Date, the Company shall call for redemption at the principal amount thereof, plus accrued and unpaid interest, at the place where the principal of the Notes is payable, on such Sinking Fund Retirement Date, the principal amount of Notes required by Section 7.01 then to be retired and on or before such Sinking Fund Retirement Date the Company shall pay to or to the order of the Trustee the principal amount of the Notes so called for redemption together with the accrued and unpaid interest thereon to the date fixed for redemption, and such further sum as shall, in the opinion of the Trustee, be sufficient to cover the expenses necessarily connected with providing for payment. Such payment to the Trustee shall be reduced by the amount paid by the Company directly to the Noteholders pursuant to Section 7.03 or 7.11. From the sums so paid, the Trustee shall pay or cause to be paid to the holders of such Notes called for redemption, upon surrender of such Notes, the principal and interest to which they are respectively entitled on redemption.

Section 7.07. If notice shall have been duly given and if the redemption moneys shall have been duly paid to or to the order of the Trustee as provided in Section 7.06, but not otherwise, all the Notes so called for redemption shall thereupon be and become due and payable at such redemption price, plus accrued interest to the date of redemption, on such redemption date in the same manner and with the same effect as if it were the date of maturity specified in such Notes respectively, anything therein or herein to the contrary notwithstanding, and from and after such redemption date interest upon said Notes shall cease; but the giving of such notice in conformity with the provisions hereof shall, if the Company fails to make such payment, produce no more effect as between the Company and any Noteholder than if no such notice had been given.

Section 7.08. In case any question shall arise as to whether any notice has been duly given and such payment made, such question shall be decided by the Trustee, whose decision shall be final and binding upon all parties in interest.

Section 7.09. In case the holder of any such Note so called for redemption shall fail so to surrender his Note or shall not accept payment of the redemption moneys payable in respect thereof or give such receipt therefor, if any, as the Trustee may require, such redemption moneys shall be set aside in trust for such holder either in the banking department of the Trustee or in the bank at whose office the Note is payable, and such setting aside shall for all purposes be deemed a payment to the Noteholder of the sum so set aside and to that extent said 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 set aside upon surrender to the Trustee of his Note.

Section 7.10. All Notes so redeemed shall forthwith be cancelled by the Trustee, and the Company shall not be at liberty to issue any other Notes in substitution therefor.

Section 7.11. In the cases provided for in Section 7.03, or if any Noteholder which is an institutional investor shall so require the Company and the Trustee in writing, sinking fund payments and other payments of the redemption price of a portion of the principal amount of any Note shall be made by the Trustee or the Company, as the case may be, directly to the registered holder but only, in the case of any holder which is not an original holder, if such holder shall have undertaken in writing to the Trustee to note or record such payment on such Note and not to sell, transfer or otherwise dispose of such Note, unless the same shall be surrendered to the Trustee for notation thereon of the principal amount remaining unpaid or in exchange for a new Note equal in principal amount to the then unredeemed portion of such Note.

Section 7.12. Save as expressly provided in this Article, the Company shall have no right to call any of the Notes for redemption prior to April 1, 1985.

Section 7.13. Subject to Section 7.14 the Notes shall be redeemable on and after April 1, 1985 either in whole at any time or in part from time to time, prior to maturity, for other than sinking fund purposes, at the option of the Company at prices equal to the following percentages of the principal amount, together with accrued and unpaid interest to the date fixed for redemption:

If redeemed in the 12 months ending March 31	Percentage
1986	107.68
1987	107.17
1988	106.66
1989	106.14
1990	105.63
1991	105.12
1992	104.61
1993	104.10
1994	103.58
1995	103.07
1996	102.56
1997	102.05
1998	101.54
1999	101.02
2000	100.51

(a) Default shall be made in the payment of the principal on any of the Notes when the same becomes due and payable, either by the terms thereof or otherwise, or default shall be made in the payment of any sums required to be paid under Article VII hereof in respect of the sinking fund; or

(b) Default shall be made in the payment of any interest due on any of the Notes issued hereunder and such default shall have continued for a period of five (5) days; or

(c) Default shall be made with respect to the covenant contained in Clause (k) or Clause (p) of Section 6.01; or

(d) The Company or any Subsidiary makes an assignment for the benefit of creditors, or files a petition in bankruptcy; or the Company or any Subsidiary is adjudicated insolvent or bankrupt, or petitions or applies to any tribunal for any receiver, trustee, liquidator or sequestrator of, or for, the Company or any Subsidiary or any substantial portion of the property of the Company or any Subsidiary; or the Company or any Subsidiary commences any proceeding relating to the Company or any Subsidiary or any substantial portion of the property of the Company or any Subsidiary under any reorganization, arrangement, or readjustment of debt, dissolution, winding up, adjustment, composition or liquidation law or statute of any jurisdiction, whether now or hereafter in effect (hereinafter in this Clause (d) called a "Proceeding"); or if there is commenced against the Company or any Subsidiary any Proceeding and an order approving the petition is entered, or such Proceeding remains undismissed for a period of sixty (60) days; or any receiver, trustee, liquidator or sequestrator of, or for, the Company or any Subsidiary or any substantial portion of the property of the Company or any Subsidiary is appointed and is not discharged within a period of sixty (60) days; or the Company or any Subsidiary by any act indicates consent to or approval of or acquiescence in any Proceeding or the appointment of any receiver, trustee, liquidator or sequestrator of, or for, the Company or any Subsidiary or any substantial portion of the property of the Company or any Subsidiary; or

(e) Any process of execution be enforced or levied upon any of the property of the Company and remain unsatisfied for a period of two (2) weeks, as to moveable or personal property, or three (3) weeks, as to immoveable or real property, provided that such process is not in good faith disputed by the Company and, in that event, provided further that non-payment shall not in the judgment of the Trustee jeopardize or impair the security hereby created and that the

Company shall also give security which, in the discretion of the Trustee, shall be sufficient to pay in full the amount claimed in the event that it shall be held to be a valid claim; or

(f) The Company shall make default or any condition shall exist causing, or permitting a creditor (or a trustee or agent on behalf of a creditor) to cause the acceleration of the payment of moneys relating to any indebtedness of the Company and whether or not secured by any charge on the assets of the Company, unless, within such time as will prevent the exercise under such instrument of the remedies provided therein or available thereunder in cases of default and, in any event, within ninety (90) days from receipt of notice to that effect from the creditor (or trustee or agent), the Company remedies such default and the rights of the Trustee hereunder have not been prejudicially affected; or if the creditor (or trustee or agent) under any such instrument, whether or not any such default shall have been made, shall take any proceedings with a view to the appointment of a receiver; or

(g) Default shall be made in the due observance or performance of any other covenant or condition in this Deed or in any purchase agreement under which the Notes shall have been issued, required to be observed or performed by the Company and any such default shall continue for a period of ten (10) days after the earlier of the Company's knowledge of such default or notice received by the Company from the Trustee specifying such default and requiring the Company to rectify such default or shall continue for such shorter period of time as would at any time, if continued, render any property of the Company liable to forfeiture; or

(h) Default shall be made in the fulfillment of any other obligations, non-fulfillment of which is herein constituted an event of default; or

(i) A final judgment or judgments of any court rendered against the Company or any subsidiary condemning the Company to pay an amount or amounts aggregating in excess of fifty thousand dollars ($50,000) remain unsatisfied for a period in excess of thirty (30) days.

For the purpose of Clauses (e), (f) and (g) of this Section 8.01 the term "Company" shall include each Subsidiary.

Any notice as aforesaid may be given by the Trustee on its own initiative and shall be given at the written request of the holders of not less than ten percent (10%) of the aggregate principal amount of the Notes at the time outstanding.

Provided that a resolution or order for winding up the Company with a view to its consolidation, amalgamation or merger with another company or the transfer of its assets as a whole, or substantially as a whole, to such other company, as provided in Article XIX shall not make the security enforceable under paragraph (d) of this Section if such last-mentioned company shall, as a part of such consolidation, amalgamation, merger or transfer, and within ninety (90) days from the passing of the resolution or the date of the order, comply with the conditions to that end stated in Article XIX.

Section 8.02. Subject to the provisions of Section 8.03, in case the security hereby constituted shall become enforceable as hereinbefore provided, the Trustee may in its discretion and shall upon the request in writing of the holders of not less than twenty-five percent (25%) in principal amount of the Notes then outstanding, declare the principal of, and interest on, all the Notes outstanding hereunder, together with all other moneys secured hereby, to be due and payable, and the same shall forthwith become immediately due and payable to the Trustee, anything therein or herein to the contrary notwithstanding, and the Company shall and will pay forthwith to the Trustee the amount of the principal of, premium, if any, and interest then accrued on all of the Notes then outstanding and all other moneys secured hereby, together with interest at the rate of interest borne by the Notes on such principal and interest and at the same rate on such other moneys from the date of the said declaration until payment is received by the Trustee, and such payment of principal, premium, if any, and interest on the Notes and interest on such interest when made shall be deemed to have been made on such Notes and shall be applied in the same manner as if it were proceeds of a sale of the mortgaged premises made to enforce the security hereof.

Section 8.03. In the event of the security hereunder becoming enforceable, except by default in payment of principal moneys at maturity, and in addition to the powers exer-

cisable by the Noteholders by extraordinary resolution, the holders of not less than two-thirds in principal amount of all the Notes then outstanding shall have power by an instrument in writing or by the affirmative votes of such holders at a meeting duly convened and held as hereinafter provided to require the Trustee to waive the default and the Trustee shall thereupon waive the default upon such terms and conditions as such holders shall prescribe, and shall, if directed by such holders, pay to the Company the surplus of any income received by the Trustee from the mortgaged premises during the period of such default, provided that at the time of such waiver, (i) no judgment or decree has been entered for the payment of any moneys due on the Notes or pursuant to this Trust Deed, (ii) all arrears of interest on the Notes and all other sums payable on the Notes and pursuant to this Trust Deed (except any principal or interest or premium on the Notes which has become due and payable by reason of a declaration pursuant to Section 8.02) shall have been duly paid; and (iii) every other event of default shall have been duly waived or otherwise made good or cured.

ARTICLE IX

Remedies in Case of Default

Section 9.01. Subject to the provisions of Section 8.03, in case the security hereby constituted shall have become enforceable as herein provided and the Company shall have failed to pay to the Trustee, on demand, the principal of and interest on all the Notes then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and, upon the request in writing of the holders of not less than twenty-five percent (25%) of the total principal amount of the Notes then outstanding and upon being indemnified to its reasonable satisfaction, shall, by its officers, agents or attorneys, or by a receiver or manager or receiver and manager appointed by it, or its application, enter into and upon and take possession of the whole or any part or parts of the mortgaged premises, including the Leases and all guarantees thereof and all rental and other payments which up to that time have been made in respect of the mortgaged premises or otherwise with full power to carry on, manage and conduct the business operations of the Company in respect of the mortgaged premises including the power to collect the rents, issues, profits and other moneys due under the Leases and guarantees thereof and to advance its own moneys at such rate of interest as it may deem reasonable for the purposes of the business, maintenance and preservation of the

mortgaged premises or any part thereof and the payment of taxes, wages and other charges ranking in priority to the Notes and current operating expenses and operating expenses incurred not more than sixty (60) days prior to such taking possession by the Trustee (and moneys so advanced by the Trustee shall be repaid by the Company on demand and until repaid shall, with interest thereon at a rate not exceeding twelve percent (12%) per annum, be secured by the security created hereunder and shall be a first charge upon the mortgaged premises in priority to the Notes), and to receive the rents, incomes, issues and profits thereof and to pay therefrom all expenses, charges and advances of the Trustee in carrying on the said business, or otherwise, and all taxes, assessments, insurance premiums and other charges against the property ranking in priority to the Notes or payment of which may be necessary to preserve the mortgaged premises and to apply the remainder of the moneys so received, first in the payment of unpaid and claims for interest on the Notes with interest on all overdue interest at the Penalty Rate, subject to the proviso contained in Section 9.05 and the balance, if any, shall be held and applied as if the same arose from a sale or realization of the mortgaged premises, provided that the Trustee shall, upon all defaults being made good or waived by the Trustee and the Noteholders as herein provided, restore the mortgaged premises to the Company and pay to it any balance of income so received after such payment of all amounts due to the Trustee hereunder in priority to the Notes, and in case of any such return of mortgaged premises 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.

Section 9.02. Subject to the provisions of Section 8.03, in case the security hereby constituted shall have become enforceable as herein provided and the Company shall have failed to pay to the Trustee, on demand, the

principal of and interest on all the Notes outstanding together with any other amounts due hereunder or on the Notes, the Trustee may in its discretion 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 like request as set forth in Section 9.01 and, upon being indemnified to its reasonable satisfaction, the Trustee shall sell and dispose of all the mortgaged premises, either as a whole or in separate parcels, at public auction or by public tender, at such times and on such terms and conditions as the Trustee shall appoint, having first given such notice as it may think proper, which notice shall in any case include advertisements published at least once in each of three (3) consecutive periods of seven (7) days in newspapers of general circulation in the English language published in the City of Montreal, and in the City of Toronto, and it shall be lawful for the Trustee to make such sale, either for cash or upon credit, upon such reasonable conditions as to upset or reserve bid or price and as to terms of payment, as the Trustee and the Noteholders may deem proper, and thereafter, if such sale proves abortive and if the holders of the outstanding Notes consent in writing, in the manner contemplated by Clause 16 of Section 18.01, to sell by private sale, without further notice, and to receive the price or consideration for any sale as aforesaid in whole or in part in Notes secured hereunder in such proportion, at such rate and for such amounts as is provided in Section 9.09, also 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 premises, or any part thereof, good and sufficient deeds for the same, the Trustee being hereby constituted the irrevocable attorney of the Company for the purpose of making such sale and executing such deeds and such sale made as aforesaid shall be a perpetual bar against the Company and its assigns and all other persons claiming the mortgaged premises or any part or parcel 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.

Section 9.03. The Trustee, or any one or more of the Noteholders or any agent or representative thereof, may become purchasers at any sale of the mortgaged premises, whether made under the power of sale herein contained or pursuant to judicial proceedings.

Section 9.04. The Company binds and obliges itself to yield up possession of the mortgaged premises and the conduct of its business in respect thereof to the Trustee, or to any receiver or manager or receiver and manager appointed by it or by a court of competent jurisdiction in that behalf, on its application, on demand whenever the Trustee shall have a right of entry under the foregoing provisions 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 exercise of the powers hereby granted to it, and in the event of the security becoming enforceable, as hereinbefore provided, the Company shall and does hereby consent to the appointment in such case of a liquidator, receiver or manager or receiver and manager with all such powers as the Trustee is hereby vested with or the court shall order, if so required by the Trustee. The Company hereby binds itself in said event to consent to any petition or application presented to the court by the Trustee in order to effectuate the intent of this Deed, and the Company shall not, after receiving due notice from the Trustee that it has taken possession of the mortgaged premises and the conduct of the operating thereof by virtue of these presents, continue to conduct the operation thereof, unless with the express written consent and authority of the Trustee or other officer as aforesaid, and shall forthwith, by and through its officers and Directors, execute such documents and transfers (including the assignment of all leases) as may be necessary to place the Trustee or other officer as aforesaid in legal possession thereof, and after receipt of such notice 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 premises unless expressly continued in writing by the Trustee or other officer as aforesaid, or unless the property shall have been restored to the Company as hereinbefore provided.

Section 9.05. Except as herein otherwise expressly provided, the moneys arising from any sale or realization of the whole or any part of the mortgaged premises, whether under any sale by the Trustee or by judicial process or otherwise or received from any trustee in bankruptcy or liquidator of the Company, shall be applied, together with any other moneys then in the hands of the Trustee available for such purposes, in the first place to pay or reimburse to the Trustee its compensation, costs, charges, expenses, borrowings, advances or any other moneys furnished or provided by or at the instance of the Trustee in or about the execution of its trust or

otherwise in relation to these presents with interest thereon as herein provided; and the residue of the said moneys shall be applied:

First, to the payment of the whole amount then owing and unpaid for interest upon the Notes hereby secured, with interest on the overdue instalments of interest at the Penalty Rate; provided that no payment shall be made in respect of any interest the time of payment of which has been extended, whether by purchase or funding or otherwise, contrary to the provisions of subparagraph (d) of Section 6.01 until the prior payment in full of all other interest on the Notes; and

Second, in or towards the payment rateably of the principal of and premium, if any, on all the Notes.

The surplus of any of such moneys shall be paid to the Company or its assigns.

Section 9.06. The Trustee shall not be bound to apply or make any partial or interim payment of any money coming into its hands if the amount so received by it is insufficient to make a distribution of at least two percent (2%) of the aggregate principal amount of the outstanding Notes, but it may retain the money so received by it and invest or deposit the same as provided in Article X until the money or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control, shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth.

Section 9.07. Not less than twenty-one (21) days' notice shall be given by the Trustee of any payment to be made under this Article to the Noteholders. Such notice shall state the time and place when and where such payment is to be made and also the liability under the present security upon which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Noteholders will be entitled to interest only on the balance, if any, of the principal moneys, premium, if any, and interest due to them, respectively, on the Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 9.08. The Trustee shall have the right at the time it makes any payment of principal or interest required by this Article to demand of the person claiming such payment the production of the actual Note under which he claims such payment be made, and may 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 to it and to the Company as it shall deem sufficient.

Section 9.09. Upon any sale of the mortgaged premises, or any part thereof, whether made under the power of sale herein contained or pursuant to judicial proceedings, any purchaser may in paying purchase money turn in any of the outstanding Notes hereby secured 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 so payable thereon shall be less than the amount due thereon, the Notes shall be returned after being properly stamped to show such partial payment.

Section 9.10. Upon any such sale of the mortgaged premises, or any part thereof, whether made under the power of sale herein contained, or pursuant to judicial proceedings, the principal of all the Notes issued hereunder and then outstanding, if not previously declared due, shall immediately become due and payable, together with the premium, if any, which would have been payable thereon if the Notes had been redeemed by the Company pursuant to Section 7.13 on the date of such sale, anything in the Notes or in this Deed to the contrary notwithstanding.

Section 9.11. The Company hereby irrevocably appoints the Trustee to be the attorney of the Company 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.

Section 9.12. If the security hereby created shall become enforceable, the Trustee may in its discretion and, upon the request in writing of the holders of not less than twenty-five percent (25%) in principal amount of the Notes then oustanding, shall by writing appoint a receiver or manager or receiver and manager (herein collectively called the "receiver") of the mortgaged premises 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 premises or any part

thereof but such appointment shall be revoked upon the direction of the Noteholders by resolution adopted at a meeting duly held as hereinafter provided or upon the request in writing of the holders of a majority in principal amount of the outstanding Notes;

(b) Every such receiver may be vested with all or any of the powers and discretions of the Trustee;

(c) Such receiver may carry on the business of the Company in respect of the mortgaged premises or any part thereof and may exercise all the powers conferred upon the Trustee by Section 9.01;

(d) The Trustee may from time to time fix the remuneration of every such receiver and direct the payment thereof out of the mortgaged premises or the proceeds thereof;

(e) 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;

(f) Every such receiver may, with the consent in writing of the Trustee and the consent of the holders of a majority in principal amount of the Notes then outstanding given either in writing or by resolution adopted at a meeting duly held as hereinafter provided, borrow money for the purpose of carrying on the business of the Company in respect of the mortgaged premises or for the maintenance of the mortgaged premises or any part or parts thereof or for any other purposes approved by the Trustee and said holders, and may issue certificates (herein called "Receiver's Certificates") for such sum as will in the opinion

of the Trustee and said holders be sufficient for obtaining upon the security of the mortgaged premises the amounts from time to time required, and such 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 not exceeding twelve percent (12%) per annum, 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 for the Company may hypothecate, mortgage, pledge, charge or otherwise grant security upon the whole or any part of the mortgaged premises, in priority over the security created hereunder, as security for the repayment of the moneys borrowed upon such Receiver's Certificates, and interest thereon at a rate not exceeding twelve percent (12%) per annum, 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 premises in priority to the Notes provided always that in the exercise of the powers and duties conferred upon the Trustee by this Section the Trustee shall be bound to observe and act in accordance with the directions and instructions of the holders of a majority in principal amount of the Notes then outstanding given either in writing or by resolution adopted at a meeting duly held as hereinafter provided, if and whenever any such directions or instructions shall be given;

(g) 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 of these presents;

(h) Every such receiver shall so far as concerns responsibility for his acts and omission be deemed the agent of the Company and not of the Trustee.

Section 9.13. 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 this Article IX unless and until it shall have been required so to do by a Noteholders' Instrument or by a resolution of the Noteholders adopted at a meeting held in accordance with the provisions contained in Article XVIII of this Deed, defining the action which it is required to take and the Trustee may, before taking such action, require the Noteholders at whose instance it is required, to deposit with the Trustee the Notes held by them for which Notes the Trustee shall issue receipts, or in lieu of such deposit the Trustee may accept as proof of the ownership of such Notes the certificate or certificates of any bank, banker, trust company or other depositary satisfactory to the Trustee, wherever situated, to the effect that a specified principal amount of the Noteshas been deposited with and is held by it or them as depositary of such Noteholders and that such Notes will remain so deposited until the surrender or cancellation of such certificate or certificates. The Trustee may, nevertheless, in its discretion, require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper. The obligation of the Trustee to commence or continue any act, action or proceedings for the purpose of realizing upon the mortgaged premises shall, at the option of the Trustee, be conditional upon the Noteholders furnishing, when required in writing by the Trustee, sufficient funds to commence or continue such act, action or proceedings and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may sustain by reason thereof.

Section 9.14. The Trustee shall not, nor shall any receiver appointed by it, 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 or receiver shall manage the mortgaged premises upon entry, as herein provided, nor shall the Trustee nor the receiver be liable to account as mortgagee or mortgagees in

possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable.

Section 9.15. 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 premises 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.

Section 9.16. No remedy herein conferred upon or reserved to the Trustee or upon or to the holders of the Notes 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.

Section 9.17. All the covenants, stipulations and agreements in this Deed contained, by or on behalf of the Company to be kept, observed, fulfilled or performed, are and shall be for the sole and exclusive benefit of the parties hereto and of the respective holders of the Notes hereby secured.

Section 9.18. The Company covenants and agrees to and with the Trustee that, in case of any foreclosure proceedings or other proceeding to enforce the security hereby created, judgment may be rendered against it in favour of the Noteholders hereunder or in favour of the Trustee, as trustee of an express trust for the Noteholders hereunder for any amount which may remain due in respect of the Notes and interest thereon after the application to the payment thereof of the proceeds of any sale of the mortgaged premises.

ARTICLE X

INVESTMENT BY TRUSTEE

and APPLICATION of PROCEEDS of INSURANCE

and SETTLEMENTS of LOSSES

Section 10.01. Unless otherwise provided herein, any moneys held by the Trustee as security for the Notes may be invested in the name of the Trustee in any of the securities now or hereafter authorized by the laws of the Province of Quebec for the investment by trustees of trust moneys, or in any bonds, debentures or other evidences of indebtedness maturing one (1) year or less after date of acquisition by the Trustee and in which a company registered under Part III of the Canadian and British Insurance Companies Act may invest its funds without availing itself for such purpose of subsection 4 of section 63 of the said Act and any such investments may from time to time be varied for others of a like nature; and pending any such investment, or other application thereof under any provision hereof from time to time, such moneys may be placed on deposit in the name of the Trustee in some chartered bank in Canada at the rate of interest then current on similar deposits, or with the consent of the Company may be placed on deposit in the deposit department of the Trustee at the rate then current on similar deposits.

Section 10.02. With the approval of the Company moneys held by the Trustee may be used in the purchase in conformity with Section 2.23 of Notes at any price not exceeding the principal amount thereof, plus interest accrued on the principal amount to the date of purchase and costs of purchase, or for the payment of Notes at maturity.

Section 10.03. Subject to the provisions of subparagraph (p) of Section 6.01, all moneys received by the Trustee from insurance or as compensation for the loss, destruction or damage of Equipment forming part of the mortgaged premises shall be held by it as security for the Notes, upon the following conditions:

(a) the Company, if not in default hereunder to the knowledge of the Trustee, shall have the right to receive such moneys to the extent that the same do not exceed U.S. $250,000 to be used by the Company for the general purposes of its business;

(b) to the extent that such moneys exceed U.S. $250,000, the same shall be payable to the Company by the Trustee to reimburse the Company for expenditure in excess of U.S. $250,000 made by it for repair, restoration or replacement of Equipment to form part of the mortgaged premises or for the acquisition of such Equipment upon receipt by the Trustee of a Certified Resolution requesting such payment and an Officers' Certificate stating the amount of such expenditure and an opinion of Counsel that the Equipment thus repaired, restored, replaced or acquired has been made subject to the charge hereof as part of the mortgaged premises; or

(c) in case the Company shall furnish proof to the satisfaction of the Trustee that it is not desirable or necessary for the efficient conduct of the business of the Company or the operation of the remaining mortgaged premises to repair, restore or replace such damaged or destroyed Equipment, then such moneys shall upon the application of the Company from time to time be paid or applied as provided in Section 10.02.

ARTICLE XI

Confirmatory Deed

Section 11.01. In case of any sale hereunder, whether by the Trustee or under judicial proceedings, the Company agrees that it will execute in favour of the purchaser or purchasers on demand any instruments reasonably necessary to transfer, convey, assure or confirm to the purchaser or purchasers the title to the property so sold, and in case of any such sale the Trustee is hereby irrevocably authorized to execute on behalf of the Company and in its name any such instruments.

ARTICLE XII

Suits by Noteholders and Trustee

Section 12.01. No holder of any Note hereby secured shall have any right to institute any suit, action or proceeding for the purpose of bringing the mortgaged premises or any part thereof to sale or for the execution of any trust or power hereunder or for any other remedy hereunder or for the appointment of a liquidator or receiver or for a receiving order under the Bankruptcy Act or to have the Company wound up or to file or prove a claim or value security in any liquidation or bankruptcy proceedings, unless such holder shall previously have given to the Trustee written notice of the happening of an event of default which has rendered enforceable the security hereby created; nor unless the holders of at least twenty-five percent (25%) in principal amount of the Notes then outstanding shall have made written request to the Trustee, or the Noteholders by resolution passed at a meeting duly held as hereinafter provided in Article XVIII of this Deed have made request to the Trustee and in either case the Trustee shall have been afforded reasonable opportunities either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; nor unless also such Noteholder or Noteholders shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; nor unless also the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of

the Trustee, to be conditions precedent to any such proceeding or act as aforesaid by or on behalf of the holder or holders of such Notes or any of them; it being understood and intended that no one or more holders of Notes shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereby created by his or their action or to enforce any right hereunder, except in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law or in equity shall be instituted, had and maintained by the Trustee, except only as herein provided, and only in any event for the equal benefit of all holders of outstanding Notes in proportion to the amounts to which they may respectively be entitled hereunder; provided that no provision in this Deed shall affect or impair the right of the holder of any Note to enforce payment of the principal and interest, represented thereby when the same become due and payable, whether at maturity or otherwise, or of any moneys payable to such holder pursuant to the Note or this Deed without reference to, or the consent of, the Trustee or the holder of any other Notes.

Section 12.02. All rights of action under this Deed may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceedings relative thereto.

Section 12.03. The Trustee shall have the power to institute and maintain all and any 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 contravention of this Deed or otherwise in violation 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 holders of the Notes in respect of the mortgaged premises or in respect of the income, earnings, rents, issues or profits thereof.

Section 12.04. No delay or omission of the Trustee or of any of the Noteholders to exercise any right or power accruing hereunder shall impair any such right or power, or shall be construed to be a waiver of any default or an acquiescence therein, and every power and remedy given hereby to the Trustee or to the Noteholders may be exercised by it or them from time to time and as often as may be deemed expedient by it or them.

Section 12.05. In case any action, suit or other proceeding shall have been brought by the Trustee or by any Noteholder or Noteholders after failure of the Trustee to act, the Noteholders may by extraordinary resolution direct the Trustee or the Noteholder or Noteholders bringing any such action, suit or other proceeding to waive the default in respect of which any such action, suit or other proceeding shall have been brought upon payment of costs, charges and expenses incurred by the Trustee or the Noteholder or Noteholders, as the case may be, in connection therewith, and to stay or discontinue or otherwise deal with any such action, suit or other proceeding and such directions shall be binding upon the Trustee and such Noteholder or Noteholders and shall be observed by them.

ARTICLE XIII

Immunity of Officers, Shareholders and Directors

Section 13.01. No recourse under or upon any obligation, covenant or agreement contained in this Deed 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 Deed, shall be had against any shareholder, officer or Director, past, present or future, of the Company or of any successor company 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 holder 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 name and nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such shareholder, officer or Director 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 stock of the Company, is hereby expressly waived and released as a condition of and as part of the consideration for the execution of this Deed and the issue of the Notes. Nothing herein or in the Notes contained shall be taken, however, to prevent recourse to and the enforcement of the liability of any shareholder of the Company for uncalled capital, or the liability of any such shareholder upon unsatisfied calls or upon shares not fully paid up.

ARTICLE XIV

Appointment of New Trustee

Section 14.01. Any Trustee hereof may at any time resign office by ninety (90) days' notice in writing to the Company and the Noteholders or by such shorter notice as the Company and the Noteholders may be willing to accept, and the Company may, subject as herein provided and with the prior written consent of a majority in principal amount of the Notes then outstanding, at any time appoint in writing a new Trustee or new Trustees hereof in the place of any Trustee so resigning or desiring to be discharged from the trusts hereof, or being removed, dissolved or wound up or becoming bankrupt or going into liquidation or otherwise becoming incapable of acting or unfit to act; and, in the event of the Company failing so to do after being thereunto requested by any Noteholder or if after default a vacancy occurs in the office of Trustee or the Trustee ceases to act, such appointment shall be made by the holders of a majority in principal amount of the outstanding Notes by an instrument or instruments in writing or by resolution adopted at a meeting of the Noteholders duly held as hereinafter provided. And it is agreed that the Trustee hereunder shall always be a trust company having capacity and power to administer the trusts hereof and, if and so long as there be such a trust company willing to act as Trustee, having a capital and surplus of at least thirty million dollars ($30,000,000) and having offices in the Cities of Montreal and Toronto.

Section 14.02. Any new Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and deliver one notarial copy or counterpart to the Company and to each Noteholder and one notarial copy or counterpart thereof to the Trustee last in office, and thereupon such new Trustee without further act, deed or conveyance shall become vested with all the estates, properties, rights, powers and trusts of its predecessors in the trusts hereunder, with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of the successor Trustee or of the Company, the Trustee ceasing to act shall execute and deliver an instrument or instruments assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the mortgaged premises, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or

instrument in writing from the Company be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall, on request of said new Trustee, be made, executed, acknowledged and delivered by the Company.

Section 14.03. Any company into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Deed without the execution of any instrument or any further act.

ARTICLE XV

Non-Production of Notes

Section 15.01. In the event of a holder not producing any Note upon the redemption, maturity or other date of payment thereof, a certificate of the Trustee hereunder of the deposit with it for payment of the principal amount of such Note and interest as may be due thereon shall avail as a cancellation of such Note for the purposes hereof, and as sufficient authorization to the Company and to the Trustee to cancel all entries in any Register or elsewhere relating to such Note and to the Trustee to discharge pro tanto the security hereby created.

ARTICLE XVI

Defeasance

Section 16.01. These presents 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 Deed 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 convey to the Company the mortgaged premises free and clear of the charges of this Deed, 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, premium, if any, and the interest due or to become due on all of the Notes outstanding hereunder at the times and in the manner 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 pay all sums which may be due to the Trustee hereunder or if the Noteholders by extraordinary resolution shall so require and shall cause to be paid all said sums which may be due to the Trustee hereunder. Notes for the payment or redemption of which money shall have been set apart by or paid to the Trustee in conformity with the provisions of this Deed shall be deemed to be paid within the meaning of this Article.

The registrar of any registration division in which any properties affected by this Deed are situate shall radiate and discharge and cancel the registration of any hypothec, mortgage, pledge, charge, cession or transfer created hereby or hereafter created under the provisions hereof, upon the registration of any acquittance, discharge, release, main-levée or document to that effect signed by the Trustee, without being obliged to see that any of the conditions of this Deed have been fulfilled.

ARTICLE XVII

Evidence of Rights of Noteholders

Section 17.01. Any request, direction, notice, consent or other instrument which this Deed may require or permit to be signed or executed by Noteholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Noteholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such attorney may be made by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the person signing such request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, or in any other manner which the Trustee may consider adequate.

ARTICLE XVIII

Noteholders' Meetings

Section 18.01. Meetings of Noteholders shall be convened, held and conducted in the manner following:

Clause 1 At any time and from time to time the Trustee or the Company may, and the Trustee shall on being served with a requisition signed by Noteholders representing at least ten percent (10%) of the aggregate principal amount of the Notes then outstanding, convene a meeting of the Noteholders. In the event of the Trustee failing to convene a meeting within thirty (30) days after being thereunto required by the Noteholders as hereinbefore set forth, such Noteholders representing the requisite percentage of Notes as aforesaid may themselves convene such meeting and the notice calling such meeting may be signed by such person or persons as such Noteholders may specify. Every such meeting shall be held at the City of Montreal or at such other place as the Trustee and the Noteholders may in any case determine or approve.

Clause 2 At least twenty-one (21) clear days' previous notice of such meeting shall be given to the Noteholders and to the Company and such notice shall state the time when, and the place where, said meeting is to be held and shall specify in general terms the nature of the business to be transacted thereat, but it shall not be necessary to specify in the notice the text of the resolutions to be passed. Notices shall be given in the manner set forth in Section 2.10 and a copy thereof shall be sent by post or delivered to the Trustee unless the meeting has been called by it. It shall not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting.

Clause 3 At any meeting of the Noteholders, subject as hereinafter provided, a quorum shall consist of two or more persons present in person holding either personally or as proxies for holders not less than two-thirds (2/3) in principal amount of all outstanding Notes. In the event of such quorum not being present on the date for which the meeting is called within one-half hour after the time fixed for the holding of such meeting, the meeting may be adjourned to be held at a place and upon a date and at an hour to be fixed by the Trustee who shall give not less than fourteen (14) days' notice of the date to which such meeting is adjourned

and at such adjourned meeting a quorum shall consist of the Noteholders then and there represented in person or by proxy.

Clause 4 Some person, who need not be a Noteholder, nominated in writing by the Trustee shall be chairman of the meeting and, if no person is so nominated or if the person so nominated is not present within twenty-five (25) minutes from the time fixed for the holding of the meeting, the Noteholders and proxies for Noteholders present shall choose one of their number to be chairman.

Clause 5 Notes held directly or indirectly by or for or pledged to the Company, or by or for or pledged to any Affiliate, shall not be deemed to be outstanding Notes for any purpose of this Article, provided, however, that Notes pledged or charged by the Company or any Affiliate as security for loans or other indebtedness shall, for all such purposes, be deemed to be outstanding Notes and the pledgees thereof or holders of any lien or charge thereon shall be qualified and entitled to sign any requisition or notice, attend all meetings of Noteholders, and vote thereat in respect of the Notes so pledged or charged, unless such pledgees or holders are expressly precluded under the terms of the pledge or charge from freely exercising in their discretion, uncontrolled by the Company or any Affiliate, the right to vote such Notes, in which case the terms of the pledge or charge shall govern.

Clause 6 Every question submitted to a meeting, except an extraordinary resolution, shall be decided in the first place by a majority of the votes given on a show of hands.

Clause 7 A poll shall be taken on every extraordinary resolution and, when requested by a Noteholder or Noteholders, or by a proxy or proxies representing a Noteholder or Noteholders holding at least ten thousand dollars ($10,000) principal amount of the Notes, on any other question or resolution.

Clause 8 If at any meeting a poll is so demanded as aforesaid on the election of a chairman or on a question of adjournment, it shall be taken forthwith. If at any meeting a poll is so demanded on any other question, or an extraordinary resolution is to be voted upon, a poll shall be taken in such manner and either at once or after an adjournment as the chairman directs. The results of a poll shall be deemed to be the decision of the meeting at which the poll was demanded

Clause 9 At any meeting of the Noteholders each Noteholder shall on a poll have one vote for every one thousand dollars ($1,000) principal amount of Notes of which he shall be the holder. Votes may be given in person or by proxy and a proxy need not be a Noteholder.

Clause 10 The Trustee may (for the purpose of enabling Noteholders to be represented and vote at any such meeting by proxy and of lodging such proxies at some place or places other than the place where the meeting is to be held) from time to time make and from time to time vary such regulations as it shall think fit providing for and governing:

(i) The voting by proxy by holders of Notes and the form of instrument appointing proxies where authorized under such regulations and the manner in which the same shall be executed, and for the production of the authority of any person signing on behalf of the giver of such proxy; and

(ii) The lodging of such certificates and of the instruments appointing proxies at such place or places and in such custody as the Trustee directs and the time, if any, before the holding of the meeting or adjourned meeting by which the same shall be deposited; and

(iii) The forwarding by the custodian of particulars of such certificates and instruments appointing proxies by letter, cable, telegraph or radio before the meeting to the Company or to the Trustee or to the chairman of the meeting and providing that certificates or instruments appointing proxies so lodged and particulars of which are forwarded in accordance with such regulations will confer the same right to vote as though the certificates or instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and votes given in accordance therewith shall be valid and shall be counted. A holder of Notes may by instrument in writing under his hand appoint any person (who need not be a Noteholder) as his proxy to vote for him at any meeting. Save as aforesaid the only persons who shall be recognized at any meeting as the holders of Notes or as entitled to vote or be present at the meeting in respect thereof shall be the registered Noteholders.

Clause 11 The Company and the Trustee by their respective officers and directors may attend any meeting of Noteholders. The legal advisers of the Company and of the Trustee may also attend any such meeting.

Clause 12 A meeting of the Noteholders shall, in addition to any powers hereinbefore given, have the following powers, exercisable from time to time by extraordinary resolution only, except where provided otherwise in this Deed:

(i) Power to require the Trustee on having entered into and taken possession of the mortgaged premises or any part thereof or to authorize any receiver in possession of the mortgaged premises to restore the same to the Company upon such conditions as such resolution may specify.

(ii) Power to authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer by the Trustee of all or any part of the mortgaged premises any shares (whether preference, ordinary, deferred, management or founders), bonds, debentures,

hypothecs, mortgages, debenture stock or any other securities of any company, including any Subsidiary formed or to be formed.

(iii) Power to sanction any scheme for the reconstruction or reorganization of the Company or for the consolidation, amalgamation or merger of the Company with any other company, including any Subsidiary, or for the selling or leasing of the undertaking, property and assets of the Company or any part thereof; provided that no such sanction shall be necessary for a reconstruction, consolidation, amalgamation or merger or transfer under the provisions of Article XIX.

(iv) Power to authorize the distribution in specie of any shares or securities or the use or disposal of the whole or any part of such shares or securities or any cash in such manner and for such purpose as may be deemed advisable.

(v) Power to require the Trustee to exercise or refrain from exercising any of the rights which it or the Noteholders is or are entitled to exercise under this Deed or under the Notes or to waive any default on the part of the Company, other than non-payment of any principal moneys when due, upon such terms as may be decided upon.

(vi) Power to sanction the release of the Company and of the whole or any part of the charges hereby created.

(vii) Power to authorize the Trustee or any other corporation, firm, person or persons to do all or any of the following, namely:

(a) to bid or tender at any sale of the mortgaged premises or any part thereof;

(b) to tender in payment or part payment on account of the purchase price of any property so purchased all or any part of the Notes then outstanding or to set off the amount or any part

thereof due upon all or any of the Notes then outstanding against such purchase price and to give to the Company a valid discharge in respect of the Notes so tendered or the amount so set off;

(c) to hold any property so purchased and Notes not so tendered (subject to any hypothec, mortgage, charge, lien, privilege, cession or transfer or to such right of retention to secure any moneys so borrowed or advanced) in trust for all the holders of the Notes at the time of such tender pro-rata in proportion to the amounts due to them thereon respectively in principal and interest before the making of such tender;

(d) to sell, transfer and convey the whole or any part or parts of the property so purchased for cash upon terms and conditions as may be determined by such extraordinary resolution of the Noteholders, or, failing such determination, as it, he or they may deem expedient; and

(e) until the sale, transfer and conveyance of the whole of such property so purchased, to maintain and operate such part of said property as has not been disposed of and for such purpose to advance money, in which event it, he or they shall have a lien, charge or privilege upon or right of retention of the property so purchased for the amounts so advanced and interest thereon and otherwise to deal with such property and the proceeds of any sale, transfer or conveyance thereof as the Noteholders may by such extraordinary resolution direct.

(viii) Power to remove the Trustee from office and to appoint a new Trustee or Trustees.

(ix) Power to sanction any change whatsoever of any provision of the Notes or of this Deed and any modification, alteration, abrogation, compromise or arrangement of or in respect of the rights of the Noteholders against the Company or against its property, whether such rights shall arise under the provisions of this Deed or otherwise.

(x) Power to assent to any compromise or arrangement by the Company with any creditor, creditors or class or classes of creditors or with the holders of any shares or securities of the Company.

(xi) Power to authorize the Trustee, in the event of the Company making an authorized assignment or a custodian or Trustee being appointed under the Bankruptcy Act or a liquidator being appointed under the Winding-Up Act, for and on behalf of the Noteholders, and in addition to any claim or debt proved or made for its own account as Trustee hereunder, to file and prove a claim or debt against the Company and its property for an amount equivalent to the aggregate amount which may be payable in respect of the Notes, value security, and vote such claim or debt at meetings of creditors and generally act for and on behalf of the Noteholders in such proceedings as such extraordinary resolution may provide.

(xii) Power to require the Trustee to make a declaration under the provisions of Section 8.02 hereof and/or to proceed to enforce the security hereunder, but subject always to compliance with the provisions of Section 9.13 hereof.

(xiii) Power to assent to any modification of or change in or addition to or omission from the provisions contained in this Deed which shall be agreed to by the Company and to authorize the Trustee to concur in and execute any deed supplemental to this Deed embodying any such modification, change, addition or omission of any deeds, documents or writings authorized by extraordinary resolution.

The foregoing powers shall be deemed to be several and not dependent on each other and each paragraph of this Clause 12 and each power therein conferred shall, accordingly, be construed as complete in itself and not by reference to any other paragraph or power in said Clause and the exercise of any one or more of such powers, or any combination of such powers, from time to time, shall not be deemed to exhaust the rights of the Noteholders to exercise such power or powers, or combination of powers, thereafter from time to time; provided, however, that the powers expressed in this Trust Deed to be conferred upon or exercisable by the Noteholders, by extraordinary resolution or otherwise howsoever, may not be exercisable so as to have the effect of (a) changing the fixed maturity of the Notes or any of them, (b) changing the

rate or changing the time for payment of interest thereon, (c) reducing the amount of the principal thereof, (d) changing the currency in which the same are expressed to be payable or otherwise modifying the terms of payment of such interest or principal, (e) depriving the holders of any Notes of the lien upon the mortgaged premises (except as elsewhere in this Trust Deed specifically permitted), (f) changing the sinking fund provisions applicable to the Notes, (g) permitting the creation of any lien not otherwise permitted hereby ranking prior to or on a parity with the specific lien of this Trust Deed with respect to any of the mortgaged premises, or (h) reducing the percentages of holders of Notes required by this Trust Deed to give any such consent or to pass any such resolution, without the consent of the holder of each Note then outstanding.

Clause 13 An extraordinary resolution passed at a meeting of the Noteholders held in accordance with the provisions hereof, shall be binding upon all the Noteholders and upon each and every Noteholder whether present or absent.

Save as herein expressly otherwise provided, no action shall be taken at a meeting of the Noteholders which changes any provision of this Trust Deed or changes or prejudices the exercise of any right of any Noteholder except by extraordinary resolution as hereinbefore provided.

Clause 14 At any meeting of the Noteholders, in cases where no poll is required or requested, a declaration made by the chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence thereof.

Clause 15 Minutes of all resolutions and proceedings at every such meeting, as aforesaid, shall be made and duly entered in books to be provided from time to time for that purpose by the Trustee, at the expense of the Company, and any such minutes, as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of Noteholders, shall be prima facie evidence of the matters therein stated, and, until the contrary is proved,

every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed and had.

Clause 16 Notwithstanding the foregoing provisions of this Deed, any resolution or instrument signed in one or more counterparts by the holders of not less than seventy-five percent (75%) of the aggregate principal amount of the Notes for the time being outstanding shall have the same force and effect as an extraordinary resolution duly passed by the Noteholders under the provisions of this Article with respect to extraordinary resolution.

ARTICLE XIX

Consolidation and Amalgamation

Section 19.01. Nothing in this Deed shall prevent, if otherwise permitted by law, the reorganization or reconstruction of the Company or the consolidation, amalgamation or merger of the Company with any other company, including any Subsidiary, or shall prevent the transfer by the Company of its undertaking and assets as a whole or substantially as a whole to another company, including any Subsidiary, lawfully entitled to acquire and operate the same, nor shall the security hereby constituted become enforceable in any such case, provided that the conditions of this Article XIX be observed, and provided also that every such successor or assign shall, as a part of such reorganization, reconstruction, consolidation, amalgamation, merger or transfer and in consideration thereof enter into and execute a deed or deeds supplemental hereto in favour of the Trustee whereby such successor or assign covenants:

(a) To pay punctually when due the principal moneys, premium, if any, interest and other moneys intended to be secured by these presents, and

(b) To perform and observe punctually all the obligations of the Company under these presents and under and in respect of all outstanding Notes, and

(c) To keep or cause to be kept the mortgaged premises at all times in good working order and condition fitted for separate operation and subject to the charges created or affected by these presents, and

(d) To observe and perform each and every covenant, stipulation, promise, undertaking, condition and agreement of the Company herein contained as fully and completely as if it had itself executed this Deed as Party of the First Part hereto and had expressly agreed herein to observe and perform the same, and by the said deed or deeds, or by another or other deed or deeds, such successor or assign shall, as a part of such reorganization, reconstruction, consolidation, amalgamation, merger or transfer, and in consideration thereof covenant that it will not create any fixed or specific charge upon the mortgaged premises or any part thereof.

Provided that every such reorganization, reconstruction, consolidation, amalgamation, merger or transfer shall be made on such terms and at such times and otherwise in such manner as shall be approved by the Company and by the Trustee as being in no wise prejudicial to the interests of the Noteholders and as preserving and not impairing the charge and security created by these presents, and, upon such approval the Trustee shall facilitate the same in all respects, and may give such consents and sign, execute or join in such documents and do such acts as in its discretion may be thought advisable in order that such reorganization, reconstruction, consolidation, amalgamation, merger or transfer may be carried out, and thereupon the Company may be released and discharged from liability under this Deed and the Trustee may execute any document or documents which it may be advised is or are necessary or advisable for effecting or evidencing such release and discharge and the opinion of Counsel as hereinafter mentioned shall be full warrant and authority to the Trustee for so doing. The Company shall furnish to the Trustee and the Noteholders an opinion of Counsel as to the legality of any action proposed to be taken and as to the validity of any action taken pursuant to the provisions contained in this Article, and as to such other matters as they may reasonably request and the Trustee shall incur no liability by reason of reliance thereon.

Section 19.02. In case of any reorganization, reconstruction, consolidation, amalgamation, or merger as aforesaid or in the case

of such transfer of the undertaking and assets of the Company as a whole or substantially as a whole, the corporation formed by such consolidation or with which the Company shall have been amalgamated or merged or to which such transfer shall have been made, upon executing a deed or deeds, as provided in Section 19.01, shall succeed to and be substituted for the Company (which may then be wound up, if so desired by its shareholders), with the same effect as if it had been named herein as the Party of the First Part hereto, and shall possess and may exercise each and every right of the Company hereunder.

ARTICLE XX

Administration of the Trust and Protection of the Trustee

Section 20.01. By way of supplement to the provisions of any act of any of the Provinces of Canada for the time being relating to Trustees and in addition to any other provision of this Deed for the relief of the Trustee, it is expressly declared as follows, that is to say:

Clause 1 That the Trustee may in relation to these presents act on the opinion or advice of or information obtained from any lawyer, appraiser, valuer, auditor, engineer, surveyor, broker, auctioneer or other expert, whether obtained by the Trustee or by the Company, or otherwise, but shall not be bound to act upon such opinion, advice or information and shall not be responsible for any loss occasioned by so acting or not acting, as the case may be, and may employ such assistance as may be necessary to the proper discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice, information or assistance as aforesaid.

Clause 2 That any such advice or opinion or information may be sent or obtained by letter, telegram or cablegram, and that the Trustee shall not be liable for acting on any advice, opinion or information, purporting to be conveyed by any such means, although the same shall contain some error or shall not be authentic.

Clause 3 That, except where some other mode of proof is required or permitted by this Deed, the Trustee shall be at liberty to accept an Officers' Certificate (a) as to any statements of facts, as conclusive evidence of the truth of such statements and (b) to the effect that any particular act or transaction or step or thing is, in the opinion of the persons so certifying, expedient, as sufficient evidence that such act, transaction, step or thing is expedient and (c) as to the amount of the Notes which, having been certified by the Trustee, have, after having been pledged, delivered or deposited by the Company, been re-acquired by the Company in accordance with the provisions of Sections 2.22 and 2.23 hereof and are for the time being in the possession of the Company pending the sale or other disposal thereof, and may also accept a like certificate that any expenditure made or indebtedness incurred by the Company is made or incurred for the purpose of its undertaking as sufficient evidence that it is so made or incurred, and the Trustee shall be in no wise bound to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

Clause 4 That the Trustee shall only be accountable for reasonable diligence in the management of the trusts hereof and shall not be liable for any act or default on the part of any agent or co-trustee, or for having permitted any agent or co-trustee to receive and retain any moneys payable to the Trustee hereunder, but the Trustee hereof shall only be liable for its own wilful acts and defaults.

Clause 5 That the Trustee shall be at liberty to place all bonds or other securities, or deeds or other documents of title to any of the mortgaged premises, in any safe or receptacle selected by the Trustee, or with any banker or banking company or lawyer or firm of good repute, or other depositary in any part of Canada, and the Trustee shall not be responsible for any loss incurred in connection with any such deposit, and the Trustee may pay out of the mortgaged premises all sums required to be paid on account of or in respect of any such deposit.

Clause 6 That the certificate of the Trustee signed on the Notes issued hereunder shall not be construed as a representation or warranty by the Trustee as to the nature, extent, priority, validity or security of the charge created or purporting to be created by this Deed or the Notes and the Trustee shall in no respect be liable or answerable for the use made of said certificate of the Notes or any of them or the proceeds thereof.

Clause 7 That the Trustee may employ such attorneys, bankers, receivers, lawyers, agents, officers, servants and other assistants as it may reasonably require for the proper discharge of its duties hereunder and shall not be responsible for any misconduct on the part of any such attorneys, bankers, receivers, lawyers, agents, officers, servants and other assistants or persons appointed by it hereunder or be bound to supervise the proceedings of any such appointee and may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof without taxation of any costs or fees of counsel, solicitor or attorney and shall be entitled to receive reasonable remuneration for all services performed by it in the discharge of the trusts hereof and compensation for all disbursements, costs, liabilities and expenses made or incurred by it in the discharge of its duties hereunder, and in the management of the trusts hereof and all such remuneration, disbursements, costs, liabilities and expenses, and all remuneration and expenses incident to the preparation, execution and recording of this Deed or of any instrument ancillary or supplemental hereto and the preparation, execution and issue of the Notes, whether done or incurred at the request of the Trustee or the Company, shall bear interest at a rate not in excess of twelve percent (12%) per annum from the date of the same being incurred, expended or becoming due and shall be payable on demand and together with such interest are hereby declared to be secured by the security created hereunder and to be a charge upon the mortgaged premises prior to the charge of the Notes.

Clause 8 That, except as otherwise provided herein, the Trustee shall not be bound to give notice to any person or persons of the execution hereof or of the 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.

Clause 9 That the Trustee, except as herein otherwise provided, shall, as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode of and time for the exercise thereof, and, in the absence of fraud, it shall in nowise be responsible for any loss, costs, damages or inconveniences that may result from the exercise or non-exercise thereof.

Clause 10 That 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.

Clause 11 That the Trustee may buy, sell, lend upon and deal in the Notes, either with the Company or otherwise, and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

Clause 12 That the Trustee shall not be liable for or by reason of any failure or defect of title to or any lien, charge or encumbrance upon the mortgaged premises or for or by reason of the statements, recitals or implications of fact or law contained in or arising out of anything contained in this Deed or in the Notes or be required to verify the same, but all such statements, recitals or implications 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 wise cast any obligation upon the Trustee, to see to the registration or filing or renewal of this Deed, or any other deed or writing by way of hypothec, mortgage, pledge, charge, cession or transfer of or upon the mortgaged premises or any part thereof, or upon any other property of the Company or to procure any local hypothec, mortgage or charge or other additional

instrument of further assurance or to do any other act for the continuance of the lien or charge thereof 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 premises or any part thereof, 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 should make or to require such payment to be made, it being hereby agreed and declared that as to all matters and things in this Clause referred to, the duty and responsibility shall rest upon the Company and not upon the Trustee and the failure of the Company to discharge such duty and responsibility shall not in any way render the Trustee liable or cast upon it any duty or responsibility for breach of which it would be liable.

Clause 13 That the Trustee may, if it so elects, enforce all or any of its rights hereunder by judicial proceedings in any court of competent jurisdiction. This power of the Trustee shall be in addition to any other powers which may from time to time be vested in it under the general law or as holder of any of the Notes.

Clause 14 That the Trustee shall not be bound to do, observe or perform, or see to the observance or performance by the Company of any of the obligations herein imposed upon the Company or any of the covenants on the part of the Company herein contained, including, without limiting the generality of the foregoing, any of the covenants of the Company to register this Deed or to execute or register further assurances of or hypothecs or mortgages or charges upon the mortgaged premises or any part thereof nor to take any steps to enforce the security hereof, nor in any way to supervise or interfere with the conduct of the Company's business, unless and until the security hereby created shall have become enforceable and the Trustee shall have determined or become bound to enforce the same and unless the Trustee shall have been required to do so in writing by the holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Notes for the time being outstanding, or by a resolution of the Noteholders passed in accordance with the provisions contained in Article XVIII, and then only after it shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Clause 15 That, in the event of the Company making an authorized assignment or a custodian, trustee or liquidator in respect of the Company's properties being appointed under the Bankruptcy or the Winding-Up Act, the Trustee, if authorized by an extraordinary resolution passed pursuant to Section 18.01, may in bankruptcy or winding-up proceedings and as Trustee and on behalf of the Noteholders file and prove a claim, value security and vote and act at all meetings of creditors and otherwise in such proceedings as directed or empowered by such extraordinary resolution.

Clause 16 That the Trustee may, whenever it thinks it expedient in the interests of the Noteholders and from time to time, delegate to any company or person or persons or fluctuating body of persons, whether being a Trustee hereof or not, the performance of any of the trusts and powers vested in it by these presents, and any such delegation may be made upon such terms and conditions and subject to such regulations, not including, however, any power to sub-delegate, as the Trustee may think to be in the interests of the Noteholders, and the Trustee shall not be in anywise responsible for any loss incurred by the misconduct or default of any such delegate or such delegates as it shall from time to time have so designated.

Clause 17 That, notwithstanding anything herein to the contrary contained, any payment to be made to the Trustee either by the Company or by any person, or any act or thing to be done by the Trustee may, if and so long as there is more than one Trustee hereof, be made to or done by any one of the Trustees, and the receipt of any one Trustee shall be a good and sufficient discharge to the person making any such payment who shall not be bound to see to the application of the moneys so paid or be liable or responsible for the misapplication of non-application thereof.

Clause 18 That any written demand, statement, request, notice, designation, direction or nomination to be made by the Company under any of the provisions hereof shall, unless otherwise provided, be deemed sufficiently made and executed if executed under the corporate seal of the Company by the President or a Vice-President or any Director and the Secretary or an Assistant Secretary or Treasurer or an Assistant Treasurer of the Company. The Trustee may accept a certificate signed by the Secretary or an Assistant-Secretary of the Company as sufficient evidence of the passage of any resolution of the Directors or of the shareholders of the Company.

Clause 19 That the Trustee shall not be bound to act as hereinbefore provided in accordance with any direction or request of the Company or of the Directors until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any instrument or instruments purporting to be proper certificates or copies of resolutions or the Directors and believed by the Trustee to be genuine.

Clause 20 That the regularity and validity of all acts, consents, requests and directions of the Directors or of any officer or officers of the Company shall be deemed for the protection of the Trustee to be conclusively proven by a certificate signed by any person being, or by the Trustee believed to be, the Secretary or an Assistant Secretary or Treasurer or an Assistant Treasurer of, or the solicitor for, the Company. The Trustee shall not be responsible for any error made, or act done by it, resulting from reliance upon the Company's seal or upon the identity, official position or signature of any officer or Director of the Company, or of any person on whose signature the Trustee may be called upon to act or refrain from acting under this Deed.

Clause 21 That the Trustee shall not incur any liability or responsibility whatever in consequence of permitting or suffering the Company, its successors or assigns, to retain or be in possession of any part of the mortgaged premises, and to use and enjoy the same unless herein expressly otherwise provided; nor shall the Trustee be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the mortgaged premises by the Company, its agents or servants, or by any other person or corporation, or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants herein contained or of any acts of the agents or servants of the Company.

Clause 22 That the Trustee shall not be responsible or accountable in any way for any loss incurred or suffered in connection with any moneys deposited by the Trustee in accordance with Section 10.01.

Section 20.02 Notwithstanding anything herein contained:

Clause 1 The Trustee represents to the Company that at the date of the execution and delivery hereof there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder. If a material conflict of interest arises hereafter in the Trustee's role as a fiduciary hereunder, the Trustee shall, within ninety (90) days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 14.01 hereof.

Clause 2 In the exercise of the rights and duties prescribed or conferred by the terms of this Deed, the Trustee shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Clause 3 Whenever the Trustee shall be required to take any action at the request of or on the application of the Company including, without limitation, any action in connection with the certification and delivery of Notes or the satisfaction and discharge of this Deed, the Company shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Deed relating to the taking of such action. Such evidence shall consist of (i) a statutory declaration or a certificate made by the Chairman of the Board or the President or a Vice-President and the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Company, stating that such conditions precedent have been complied with in accordance with the terms of this Deed, (ii) in the case of any such conditions precedent, compliance with which are subject to review or examination by a solicitor, an opinion of Counsel that such conditions precedent have been complied with in accordance with the terms of this Deed, and (iii) in the case of any such conditions precedent, compliance with which are subject to review or examination by the Company's auditors, an opinion or report of such auditors that such conditions precedent have been complied with in accordance with the terms of this Deed.

Each statutory declaration, certificate, opinion or report with respect to compliance with conditions precedent provided for in this Deed shall include (a) a statement by

the person making or giving such statutory declaration, certificate, opinion or report that he has read and is familiar with the conditions precedent, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in the statutory declaration, certificate, opinion or report are based, (c) a statement that, in the belief of the person making the statutory declaration or certificate or giving the opinion or report, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether or not in the opinion of such person such conditions precedent have been complied with or satisfied.

The Company shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, certificate, opinion or report as specified by the Trustee as to any action or step required or permitted to be taken by the Company under this Deed or as a result of any obligation imposed by this Deed.

Clause 4 In the exercise of its rights and duties hereunder, the Trustee may, if acting in good faith, rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, certificates, opinions or reports furnished pursuant to Clause 3 of this Section 20.02 or to any other provision of this Deed or at the request of the Trustee where the Trustee examines such statutory declarations, certificates, opinions and reports and determines that the statements and opinions set forth therein conform to the applicable requirement of this Deed.

Clause 5 If an event of default, as defined in Section 8.01 hereof, shall occur, the Trustee shall within a reasonable time, but not exceeding ten (10) days after it becomes aware of the occurrence of such event of default, give notice to the Noteholders of every such event of default continuing at the time such notice is given.

Clause 6 The Company shall furnish the Trustee and the Noteholders annually, and at any other reasonable time if the Trustee so requires, a certificate that the Company has complied with all covenants, conditions and other requirements contained in this Deed that would, if not complied with, with the giving of notice or lapse of time or both or otherwise, constitute an event of default hereunder or, if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance.

ARTICLE XXI

Acceptance of Trust by Trustee

Section 21.01 The Trustee hereby accepts the trusts in this Deed declared and provided and agrees to perform the same upon the terms and conditions hereinbefore set forth.

ARTICLE XXII

Paying Agents

Section 22.01 Wherever in any Note or in this Deed any reference is made to The Royal Bank and Trust Company or to any other paying agent of the Company, the same shall be read to extend to and include the successors and assigns of such paying agent.

ARTICLE XXIII

Corrections of Errors

Section 23.01 The Company and the Trustee may correct typographical, clerical or other manifest errors in the present Deed, 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 XXIV

Currency

Section 24.01 In this Deed all dollar amounts, unless otherwise expressly stated as being in lawful money of the United States of America or prefixed with the letters "U.S.", are stated in Canadian dollars.

ARTICLE XXV

Effect of Headings

Section 25.01. The headings of all the preceding Articles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Deed.

ARTICLE XXVI

The following are the First and Second Schedules of this Deed herein referred to.

Section 26.01. FIRST SCHEDULE

Form of Note

CANADIAN GENERAL TRANSIT COMPANY, LIMITED
(Incorporated under the laws of Canada)

10 1/4% FIRST MORTGAGE SINKING FUND EQUIPMENT NOTE

DUE APRIL 1, 2000

No ..... $ .....

CANADIAN GENERAL TRANSIT COMPANY, LIMITED (hereinafter called the "Company") for value received promises to pay to the registered holder hereof on April 1, 2000 or on such earlier date as the principal moneys hereof become payable in accordance with the provisions of the Trust Deed hereinafter mentioned, on presentation and surrender of this Note, the sum of

in lawful money of the United States of America at The Royal Bank and Trust Company, 68 William Street, New York, New York, 10005, and to pay interest thereon from the date of certification hereof if certified prior to October 1, 1980, or the April 1 or October 1 next preceding the date of certification hereof if certified after October 1, 1980, or from the date of such certification if it be April 1 or October 1, by cheque to the order of the registered holder mailed to his last address appearing in the register and payable at par at the same place, in like money, at the rate of ten and one-quarter percent ($10\frac{1}{4}$%) per annum,

half-yearly, on April 1 and October 1 in each year, the first interest payment date to be October 1, 1980 in respect of the period then ending, together with interest after maturity and on all overdue payments on account of the sinking fund, overdue premium on redemption and overdue interest at the Penalty Rate specified in the Trust Deed.

This Note is one of an issue of U.S. $5,000,000 principal amount of 10 1/4% First Mortgage Sinking Fund Equipment Notes due April 1, 2000 issued under a Trust Deed of Hypothec, Mortgage and Pledge and concurrent Deed of Trust and Mortgage dated as of April 1, 1980 between the Company and Montreal Trust Company, as Trustee, which Deeds are herein collectively referred to as the "Trust Deed", and reference to which is hereby made for a description of the security for the Notes, the rights of the holders of the Notes against the Company and among themselves and the terms and conditions upon and subject to which the Notes are issued and held.

The Notes are issued as fully registered Notes in the denomination of U.S. $1,000 and authorized multiples thereof. Notes of any authorized denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations subject to the provisions of the Trust Deed.

The Company has covenanted in the Trust Deed to provide for the retirement of the Notes a sinking fund sufficient to retire U.S. $250,000 principal amount of the said Notes on April 1 in each of the years 1981 to 1999 inclusive at their principal amount.

This Note is redeemable at the option of the Company at any time on or after (but not before) April 1, 1985 at a redemption price consisting of its principal amount plus a premium commencing at 7.68% of such principal amount in the first year and declining thereafter, plus accrued interest.

This Note is subject to the terms of the Trust Deed to which reference is hereby made and to which the holder of this Note by his acceptance hereof assents.

The Trust Deed contains provisions for holding meetings of Noteholders and for making binding on all Noteholders extraordinary resolutions passed at such meetings in accordance with such provisions and instruments in writing signed by the holders of a specified percentage of Notes outstanding.

No transfer of this Note shall be valid unless made on any one of the registers to be kept at the offices of the Trustee in Montreal or Toronto, Canada, or at such other place or places and/or by such other registrar or registrars, if any, as the Company, with the approval of the Trustee, may designate by the registered holder or his executors or administrators or other legal representatives or his or their attorney

duly appointed by an instrument in writing in form and execution satisfactory to the Trustee, upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and unless such transfer shall have been noted on this Note by the Trustee or other registrar. The person in whose name this Note shall be registered shall be deemed the owner thereof for all purposes of the Trust Deed and payment of or on account of the principal, interest and premium, if any, thereon shall be made only to or upon the order in writing of such registered holder.

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

IN WITNESS WHEREOF, CANADIAN GENERAL TRANSIT COMPANY, LIMITED has caused its corporate seal to be hereunto affixed and this Note to be signed by its President or a Vice-President and countersigned by its Secretary or Assistant Secretary and to be dated April 1, 1980.

CANADIAN GENERAL TRANSIT
COMPANY, LIMITED

By: _____
President or Vice-President

Countersigned by: _____
Secretary or Assistant
Secretary

TRUSTEE'S CERTIFICATE

This Note is one of the 10 1/4% First Mortgage Sinking Fund Equipment Notes due April 1, 2000 issued under the Trust Deed within mentioned.

Date of certification

MONTREAL TRUST COMPANY
Trustee

By:_____
Authorized Officer

(Form of Registration Panel)

(No writing hereon except by the Trustee or other Registrar.)

Date of Registration	In Whose Name Registered	Place of Registration	Trustee or Registrar

SINKING FUND PAYMENTS

Date	Amount of Payment	Balance of Principal	Authorized Signature
April 1, 1981			
April 1, 1982			
.....			
.....			
April 1, 1999			

SECTION 26.02 SECOND SCHEDULE

No. of Cars	Description	Average Cost Per Car	Total Cost	Depreciated Book Value Sept. 30, 1979
28	4,550 cu. ft. covered hoppers for potash and general service, four compartments, 100 ton trucks, initialled CP and numbered -			
	389419-389440 incl. (22)	$39,444		
	389443-389445 incl. (3)	39,444		
	389447-389449 incl. (3)	39,444	$1,104,432	$1,089,312
175	4,550 cu. ft. covered hoppers for potash and general service, four compartments, 100 ton trucks, initialled CP and numbered - 389050-389224 incl.	40,092	7,016,100	7,013,427
203			$8,120,532	$8,102,739

ARTICLE XXVII

Formal Date

Section 27.01. For the purpose of convenience, this Trust Deed may be referred to as being dated as of the first day of April, nineteen hundred and eighty, irrespective of the actual date of the execution hereof.

ARTICLE XXVIII

Concurrent Trust Deeds

Section 28.01. Contemporaneously or substantially contemporaneously with the execution of this Deed of Trust and Mortgage, the Company has, in conformity with the laws of the Province of Quebec, in which a part of the mortgaged premises may from time to time be situated, signed and executed in notarial form a Trust Deed of Hypothec, Mortgage, Pledge and Charge, hypothecating, mortgaging, pledging, charging as and by way of fixed charges in favour of the Trustee, the mortgaged premises hereby affected as security for the Notes, such Trust Deed of Hypothec, Mortgage, Pledge and Charge, being substantially of the same tenor and effect as this Deed of Trust and Mortgage, both the said Deeds constituting and to be read as one instrument.

ARTICLE XXIX

Counterparts

Section 29.01. This Trust Deed may be executed in counterparts, either on different dates or simultaneously, as the case may be, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

In Witness Whereof the Parties hereto have duly executed this Deed of Trust and Mortgage.

CANADIAN GENERAL TRANSIT COMPANY, LIMITED

Signed, Sealed and
Delivered in the
Presence of:

Vice-President

Secretary

MONTREAL TRUST COMPANY

Signed, Sealed and
Delivered in the
Presence of:

Assistant Manager,
Corporate Trust Department

Corporate Trust Officer

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

A F F I D A V I T

I, Thomas S.G. Flett, of the Town of Roxboro in the District of Montreal and therein residing at 38-8th Avenue South, being duly sworn do depose and say:

1. That I am the Comptroller of Canadian General Transit Company, Limited, one of the parties to the annexed Deed of Trust and Mortgage, am aware of the circumstances connected with the transaction, and have a personal knowledge of the facts herein deposed to;

2. That I was personally present and did see the annexed Deed of Trust and Mortgage signed, sealed, executed and delivered by the said Company by John G. Buckley and E.S. Cowan, the Vice-President and Secretary respectively of the said Company, and the corporate seal of the said Company thereto affixed;

3. That I know the said John G. Buckley and E.S. Cowan and know them to be respectively the Vice-President and Secretary of the said Company duly authorized to execute the said Deed of Trust and Mortgage, and that the signatures purporting to be their signatures opposite the corporate seal of the said Company at the foot of the said Deed of Trust and Mortgage were made by them respectively in my presence and are of the proper handwriting of the said John G. Buckley and E.S. Cowan;

4. That the seal affixed to the said Deed of Trust and Mortgage is the corporate seal of the said Company;

5. That I am a subscribing witness to the said Deed of Trust and Mortgage and that the name "T.S.G. Flett" subscribed as a witness to the execution of the said Deed of Trust and Mortgage is of the proper handwriting of me, this deponent;

6. That the said Deed of Trust and Mortgage was executed by Canadian General Transit Company, Limited at the City of Montreal, in the Province of Quebec, on the 7th day of November, 1979.

SWORN TO BEFORE ME
at the City of
Montreal this 7th
day of November, 1979

Notary Public in and for
the Province of Quebec

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

A F F I D A V I T

I, N.P. Cloghesy, of the City of Montreal, in the District of Montreal, and therein residing at 6875 Sherbrooke St. West, being duly sworn do depose and say;

1. That I am a Corporate Trust Officer of Montreal Trust Company, one of the parties to the annexed Deed of Trust and Mortgage, am aware of the circumstances connected with the transaction, and have personal knowledge of the facts herein deposed to;

2. That I was personally present and did see the annexed Deed of Trust and Mortgage signed, sealed, executed and delivered by the said Company by E.N. Varga, Assistant Manager, Corporate Trust Department, and E.S. Stark, Corporate Trust Officer respectively, of the said Company and the corporate seal of the said Company thereto affixed;

3. That I know the said E.N. Varga and E.S. Stark and know them to be respectively Assistant Manager, Corporate Trust Department and Corporate Trust Officer of the said Company duly authorized to execute the said Deed of Trust and Mortgage and that the signatures purporting to be their signatures opposite the corporate seal of the said Company at the foot of the said Deed of Trust and Mortgage were made by them respectively in my presence and are of the proper handwriting of the said E.N. Varga and E.S. Stark respectively;

4. That the seal affixed to the said Deed of Trust and Mortgage is the corporate seal of the said Company;

5. That I am a subscribing witness to the said Deed of Trust and Mortgage and that the name "N.P. Cloghesy" subscribed as a witness to the execution of the said Deed of Trust and Mortgage is of the proper handwriting of me, this deponent;

6. That the said Deed of Trust and Mortgage was executed by Montreal Trust Company at the City of Montreal in the Province of Quebec on the 7th day of November, 1979.

SWORN TO BEFORE ME
at the City of
Montreal this 7th
day of November, 1979

A Notary Public in and for
the Province of Quebec

CANADA
PROVINCE OF QUEBEC

TO WIT:

AFFIDAVIT OF BONA FIDES

I, E.N. Varga, of the City of Montreal in the Province of Quebec and therein residing at 1475 St-Urbain Street, MAKE OATH AND SAY:

1. That I am an officer holding the office of Assistant Manager, Corporate Trust Department, of MONTREAL TRUST COMPANY, the Trustee named in the annexed Deed of Trust and Mortgage, made by CANADIAN GENERAL TRANSIT COMPANY, LIMITED to the said MONTREAL TRUST COMPANY, as Trustee, and I am aware of the circumstances connected with the transaction and have a personal knowledge of the facts and matters hereinafter deposed to.

2. That the said Deed of Trust and Mortgage being an instrument containing a specific charge of chattels or book debts, was executed in good faith and for the express purpose of securing payment of the Notes referred to therein and not for the mere purpose of protecting the chattels therein mentioned against the creditors of CANADIAN GENERAL TRANSIT COMPANY, LIMITED or preventing such creditors from obtaining payment of any claim against the said CANADIAN GENERAL TRANSIT COMPANY, LIMITED.

SWORN TO BEFORE ME at the City of Montreal in the Province of Quebec, this 7th day of November, 1979.

A Notary Public in and for the Province of Quebec