
CANADIAN TIRE ACCEPTANCE LIMITED

- and -

MONTREAL TRUST COMPANY,
in its capacity as trustee of
CANADIAN TIRE RECEIVABLES TRUST

**AMENDED AND RESTATED
ADMINISTRATION AGREEMENT**

Amending and Restating in Full
the Administration Agreement
dated as of March 31, 1995

Dated as of November 29, 1995

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Schedule A - Amended and Restated Declaration of Trust

THIS AMENDED AND RESTATED ADMINISTRATION AGREEMENT made as of the 29th day of November, 1995 between **MONTREAL TRUST COMPANY**, a trust company governed by the laws of Canada, in its capacity as trustee of **CANADIAN TIRE RECEIVABLES TRUST**, and **CANADIAN TIRE ACCEPTANCE LIMITED**, a company governed by the laws of Canada.

WHEREAS pursuant to a declaration of trust made as of March 31, 1995 (the "**Original Declaration of Trust**"), Montreal Trust Company established Canadian Tire Receivables Trust as a trust under the laws of the Province of Ontario;

AND WHEREAS pursuant to the Declaration of Trust (as hereinafter defined), the Original Declaration of Trust was amended and restated in full;

AND WHEREAS pursuant to Section 3.20 of the Declaration of Trust, the Issuer Trustee has the power to appoint any Person as the Issuer Trustee deems necessary or desirable for the transaction of the Trust Business (as such capitalized terms are hereinafter defined);

AND WHEREAS the parties have entered into an administration agreement made as of March 31, 1995 to provide for the appointment by the Issuer Trustee of the Administrator (as hereinafter defined) and to set out the duties and obligations of the Administrator (the "**Original Administration Agreement**");

AND WHEREAS this Amended and Restated Administration Agreement amends and restates in full the Original Administration Agreement;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

Section 1.1 Definitions. Terms used herein and not otherwise defined, have the meanings specified therefor in the Pooling and Servicing Agreement. In addition, except as otherwise specified herein or unless the context otherwise requires, the following terms shall have the respective meanings set forth for all purposes of this Agreement:

"Account" shall have the meaning specified in the Declaration of Trust;

"Account Assets" shall have the meaning specified in the Declaration of Trust;

"Administrator" shall mean CTAL, its successors and assigns;

"Advisor" shall have the meaning specified in Section 3.4;

"Agreement" shall mean this Agreement as originally executed, as it may be amended, supplemented, modified or restated from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement;

"Annual Net Income of the Trust" shall have the meaning specified in the Declaration of Trust;

"Collateral" shall have the meaning specified in the Trust Indenture;

"Declaration of Trust" shall mean the amended and restated Declaration of Trust dated as of November 29, 1995 by Montreal Trust Company, as it may be amended, supplemented, modified or restated from time to time, a copy of which is attached hereto as Schedule A;

"including" shall have the meaning specified in the Declaration of Trust;

"Indebtedness" shall have the meaning specified in the Declaration of Trust;

"Issuer Trustee" shall have the meaning specified in the Declaration of Trust;

"Loan Agreement" shall have the meaning specified in the Declaration of Trust;

"Original Administration Agreement" shall have the meaning specified in the recitals;

"Original Declaration of Trust" shall have the meaning specified in the recitals;

"Pooling and Servicing Agreement" shall mean the amended and restated Pooling and Servicing Agreement dated as of November 29, 1995 between CTAL, as Seller and initial Servicer, and Montreal Trust Company of Canada, as agent, as it may be amended, supplemented, modified or restated from time to time and, with respect to a

particular Series of Ownership Interests, as supplemented by the related Series Purchase Agreement, as it may be amended, supplemented, modified or restated from time to time;

"Proceeds" shall have the meaning specified in the Trust Indenture;

"Receivable" shall have the meaning specified in the Declaration of Trust;

"Related Security Documents" shall have the meaning specified in the Trust Indenture;

"Services" shall have the meaning set forth in Section 2.1;

"Taxes" shall mean all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not;

"Trust" shall have the meaning specified in the Declaration of Trust;

"Trust Business" shall have the meaning specified in Section 2.1(2) of the Declaration of Trust;

"Trust Documents" shall have the meaning specified in the Trust Indenture;

"Trust Indenture" shall have the meaning specified in the Declaration of Trust; and

"Trust Property" shall have the meaning specified in the Declaration of Trust.

Section 1.2 Accounting Principles. As used in this Agreement and in any certificate or other document made or delivered pursuant hereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under Canadian generally

accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall prevail.

Section 1.3 Headings and Table of Contents. The division of this Agreement into Articles and Sections, the insertion of headings, and the provision of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.4 Section References. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections, other subdivisions, Schedules or appendices are to Articles, Sections, other subdivisions, Schedules or appendices of or to this Agreement, unless otherwise specified.

Section 1.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each of the parties hereto attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 1.6 Currency. Unless expressly provided to the contrary herein, all amounts expressed herein in terms of money refer to Canadian Dollars.

Section 1.7 References to Statutes. Unless expressly provided to the contrary herein, all references herein to any statute or any provision thereof shall include all regulations or policies made thereunder or in connection therewith from time to time, and shall include such statute or provision as the same may be amended, restated, re-enacted or replaced from time to time.

Section 1.8 Severability. In the event that one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

Section 1.9 Number and Gender. 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 and *vice versa*.

Section 1.10 Schedule. The following Schedule referred to herein and annexed hereto is incorporated herein by reference and is deemed to be a part hereof.

Schedule A - Amended and Restated Declaration of Trust

ARTICLE 2
APPOINTMENT AND DUTIES OF ADMINISTRATOR

Section 2.1 Appointment and Authority of Administrator. The Issuer Trustee hereby appoints the Administrator as agent of the Issuer Trustee to provide or to cause to be provided such services, on behalf of the Issuer Trustee, as are contemplated by this Agreement and the Declaration of Trust in connection with the Trust Business or the Trust Property, including (a) all services in connection with the financing, acquisition, ownership, holding, collection, disposition, administration and management of Account Assets or undivided co-ownership interests in Account Assets or any other property described in any Trust Document, (b) services in connection with the issuance, incurrence and sale of obligations and payment of amounts owing under or as permitted by any Loan Agreement, as outlined in Section 2.3, and (c) services relating to the administration and management of the Trust, as outlined in Section 2.4 (collectively all such services are referred to herein as the "Services"), in each case in accordance with, and subject to the limitations and restrictions set forth, in the Trust Documents, other agreements to which the Issuer Trustee is a party or in any directions the Administrator may receive from time to time from the Issuer Trustee and subject always to the provision that, to the extent that and so long as any of the Services are the responsibility of or are being performed by the Servicer, the Administrator shall not perform such Services. The Administrator hereby acknowledges that it has been provided with a copy of the Trust Documents and all other agreements, documents and instruments to which the Issuer Trustee is a party or by which it is bound in effect on the date hereof and that it is familiar with the terms thereof.

Section 2.2 Acknowledgement of Administrator.

(1) The Administrator hereby accepts the appointment as agent of the Issuer Trustee in accordance with this Agreement and agrees to be bound by the terms hereof, the Trust Documents to which the Issuer Trustee is a party and any directions received from the Issuer Trustee from time to time, and covenants that it will provide the Services to the Issuer Trustee in accordance with the Issuer Trustee's obligations and rights, and subject to the limitations and restrictions set forth from time to time under the Trust Documents to which it is a party, all other agreements, documents and instruments to which the Issuer Trustee is a party or by which it is bound and any directions received from the Issuer Trustee. The Services of the Administrator to the Issuer Trustee under this Agreement are not to be deemed exclusive, and, accordingly, the Administrator shall be free to conduct such activities for its own account and render similar services to others.

(2) The Administrator hereby acknowledges that all activities engaged in by the Administrator as agent for and on behalf of the Issuer Trustee shall be subject to the overall policies, directions and control of the Issuer Trustee.

Section 2.3 Provision of Services. On behalf of, and for the account of, the Issuer Trustee, in connection with the Trust Business or the Trust Property, the Administrator shall, subject to Section 2.2(2):

- (a) make all necessary, proper or desirable arrangements when so requested to acquire undivided co-ownership interests in Account Assets, Additional Property and related assets and property, including advising the Issuer Trustee regarding the terms thereof;
- (b) negotiate and settle the terms of any Trust Documents and other agreements, documents and instruments to which the Issuer Trustee is a party and exercise all of the Issuer Trustee's rights and fulfil all of the Issuer Trustee's obligations thereunder and under any other agreements, documents and instruments by which it is bound, including the giving of all notices, the granting of waivers (to the extent permitted), the performance of all obligations and the taking of all such other steps as may be required of the Trust from time to time thereunder;
- (c) determine the need for, and advise the Issuer Trustee with respect to, the requirements for new Indebtedness;
- (d) select and advise a firm or firms of investment dealers, a bank or other financial institutions, as appropriate, of the financing requirements of the Issuer Trustee, determine (in consultation with such dealers, bank or financial institutions in connection with each issuance or incurrence of Indebtedness) the terms, conditions, attributes and rights of such Indebtedness and negotiate and settle with such firm or firms the terms of any purchase agreement, underwriting agreement, agency agreement or similar agreement relating to the offering of the Indebtedness, subject to the terms of the Trust Indenture and any Supplement, negotiate and settle the terms of any Loan Agreement relating to the Indebtedness, prepare and advise the Issuer Trustee of the contents of any prospectus, offering memorandum, information circular or term sheet, if required for the offering of such Indebtedness, negotiate and settle the terms of any acquisition of property to be acquired through, or from the proceeds of, the issuance or incurrence of Indebtedness and, with respect to any commercial paper programme, negotiate and settle the terms of any note issuance and redemption agreement and any Loan Agreement providing liquidity

support, negotiate and settle the terms of distribution arrangements with investment dealers, advise such dealers of the Issuer Trustee's commercial paper issuance requirements, negotiate and settle the interest rate, discount, principal amount and other terms of any commercial paper to be issued by the Issuer Trustee and take such other steps as may be necessary, desirable or required in connection with the operation of any such commercial paper program and under any agreement to which the Issuer Trustee may be a party or by which it is bound;

- (e) provide advice and instruction to the Custodian regarding the exercise of the Issuer Trustee's rights under the Pooling and Servicing Agreement;
- (f) arrange for the registration of the Trust Indenture and each Supplement, including the filing of financing statements and financing change statements (or other registration documentation, as required), under relevant personal property security laws in each jurisdiction where registration is necessary, proper or desirable;
- (g) provide the services which may be required in connection with the preparation, completion and maintenance of listing applications of any stock exchange on which Indebtedness may from time to time be listed;
- (h) arrange for the preparation, execution, printing, delivery and filing with securities regulatory authorities and stock exchanges of the Trust Documents and all ancillary agreements to which the Issuer Trustee is a party, to the extent necessary, proper or desirable, and the payment of all related costs;
- (i) arrange for ratings of all or any of the Indebtedness from any credit rating agency and assist the Issuer Trustee in dealing with any credit rating agency which may from time to time have rated all or any undivided co-ownership interests in Account Assets or any of the Indebtedness, including providing the Issuer Trustee and such credit rating agency with any required information, data, statistics or reports; and
- (j) take all such other steps and action as may be required to complete the issuance or incurrence of Indebtedness.

Section 2.4 Administrative Functions. In connection with its Services hereunder, the Administrator shall be responsible for, and, subject to Section 2.2(2), agrees to perform on behalf of and for the account of the Issuer Trustee in accordance with this Agreement the following matters:

- (a) providing the clerical, administrative and operational services necessary for the proper management and administration of the Trust, including providing any office accommodation, equipment, facilities and personnel as may be required or desirable for the purpose of conducting the Trust Business;
- (b) calculating from time to time the amount of cash on hand and in the Trust's bank accounts, determining amounts required to pay Trust expenses and obligations as they become due, notifying all relevant parties of such requirements and taking all such further steps as may be required as a result of such determination; including acquiring additional co-ownership interests in Account Assets and investing in or liquidating investments and other assets of the Trust;
- (c) performing the duties of keeping accounts and banking activities of the Trust, including each deposit, trust, escrow, reserve or other account maintained pursuant to any of the Trust Documents, and keeping such books and records as are required or are consistent with good practice for the proper conduct of the Trust Business and the computation of the Annual Net Income of the Trust;
- (d) monitoring the collection of Receivables, Miscellaneous Deposits and any other property owned by the Trust, notifying any servicer of such property to deposit collections to the appropriate bank accounts pursuant to instructions received by the Issuer Trustee which are provided for by any agreement entered into by the Issuer Trustee in connection with the payment of any Indebtedness;
- (e) preparing and filing all annual returns, financial statements, reports, certificates and other filings required to be made under the Trust Documents and all other agreements, documents and instruments to which the Issuer Trustee is a party or by which it is bound or otherwise in the conduct of the operations of the Trust Business, including all tax and securities laws returns required to be filed by the Issuer Trustee and determining and remitting any Taxes;

- (f) monitoring and enforcing compliance by the Trust and the Issuer Trustee with all applicable laws and agreements entered into by the Issuer Trustee or by the Administrator on behalf of the Issuer Trustee with any Person, including the Trust Documents and all other agreements, documents and instruments to which the Issuer Trustee is a party or by which it is bound;
- (g) arranging for the safekeeping of investments in such manner as may be required by the Trust Documents;
- (h) defending any claims made against the Trust on such terms and conditions as the Issuer Trustee may direct;
- (i) to the extent permitted by law and subject to the Declaration of Trust, taking all such action as may reasonably be required to maintain the existence of the Trust;
- (j) providing such other advice and services as the Issuer Trustee may from time to time reasonably request or require in connection with (i) the compliance with the provisions of the Trust Documents and all other agreements, documents and instruments to which the Issuer Trustee is a party or by which it is bound, and/or (ii) the Trust Business; and
- (k) taking such other actions as may be necessary, proper or desirable to the accomplishment of the duties of the Administrator set forth in this Article 2.

Section 2.5 Reporting. The Administrator shall provide to the Issuer Trustee no less frequently than annually an officer's certificate of the Administrator confirming compliance with its duties hereunder.

ARTICLE 3

STANDARD OF CARE, DELEGATION AND COMPENSATION

Section 3.1 Standard of Care. The Administrator shall act on a basis which is fair and reasonable and exercise its powers and duties under this Agreement honestly, in good faith and in the best interests of the Trust and the Issuer Trustee and, in connection therewith, shall exercise the degree of care, diligence and skill as would be exercised by a prudent Person in connection with the performance of such services.

Section 3.2 Expenses and Fees.

(1) In consideration of and as full compensation for the performance by the Administrator of the Services described hereunder, the Issuer Trustee will, subject to Section 3.2(2), pay to the Administrator an annual fee equal to \$50,000.00, such fee to be payable annually in arrears on the last Business Day of the year. The fees described herein to be paid to the Administrator are inclusive of all reimbursement for any expenses incurred by the Administrator in the performance of the Services (other than any fees or charges paid by the Administrator on behalf of and for the account of the Issuer Trustee in connection with Section 3.4) and the Administrator shall not be entitled to any other reimbursement for any such expenses.

(2) The Administrator acknowledges in favour of the Issuer Trustee and the Indenture Trustee that (a) the amounts that the Issuer Trustee is obligated to pay the Administrator under this Agreement, and the amounts that the Administrator is entitled to receive hereunder, are expressly limited to the amounts available from the application of funds made in accordance with the Trust Indenture and any Supplement, (b) the Administrator agrees to be bound by the priority arrangements provided for in the Trust Indenture and shall not, to the extent permitted by applicable law, exercise any rights or remedies in, to or under the Collateral, whether granted or available to the Administrator at law, under statute, in equity, under this Agreement or otherwise, except as to and to the extent permitted under the Trust Indenture and any Supplement, (c) if, notwithstanding the foregoing, any Proceeds derived from the Collateral other than in accordance with the Trust Indenture and any Supplement shall be received at any time by the Administrator, then such Proceeds shall be held by the Administrator in trust for the Indenture Trustee and the Administrator shall forthwith remit to the Indenture Trustee such Proceeds to be paid by the Indenture Trustee in accordance with the Trust Indenture and the related Supplement, and (d) the Administrator irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of deeds of subordination) as may be necessary or appropriate to further assure all of the foregoing (including the priority arrangements provided for in the Trust Indenture and in any Supplement and the provisions contained therein regarding the application of payments) and hereby appoints the Indenture Trustee as its agent for any and all such purposes.

Section 3.3 Indemnification.

(1) Without limiting any other rights that the Issuer Trustee may have hereunder or under applicable law, the Administrator hereby agrees to indemnify, defend and hold harmless the Trust and the Issuer Trustee, and its directors, officers, agents, beneficiaries and security holders, from and against any and all damages, losses, liabilities, costs and expenses (including reasonable legal fees and disbursements on a

solicitor and client basis) which may be imposed on, incurred by or assessed against any of them resulting from the failure by the Administrator to comply with the terms of this Agreement.

(2) It is, however, expressly understood that the Administrator is not agreeing to indemnify or hold the Trust or the Issuer Trustee, and its directors, officers, agents, beneficiaries and security holders, harmless with respect to (a) payments due on any Indebtedness of the Trust and any ancillary costs and expenses related to the issuance and incurrence of Indebtedness, (b) any liabilities resulting from the dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee or the breach of its duties pursuant to the Declaration of Trust, having regard to the standard of care imposed on the Issuer Trustee therein, (c) any claim arising out of the assessment of any Tax against the Issuer Trustee or the Trust, or (d) any liability of the Issuer Trustee or the Trust arising in respect of matters occurring after the termination of this Agreement, other than any such liabilities which result from the failure of the Administrator to perform its obligations under this Agreement.

(3) The Issuer Trustee shall notify the Administrator of any damage, loss, liability, cost or expense which the Issuer Trustee has determined has given or would give rise to a right of indemnification hereunder promptly after becoming aware of the same, provided that the failure by the Issuer Trustee to so notify the Administrator shall impose no liability on the Issuer Trustee unless there is actual prejudice to the Administrator as a result of the failure to so notify. The Administrator shall have the exclusive right to compromise or defend, through counsel selected and retained by the Administrator, any such liabilities or related claims at its own expense, which decision shall be binding upon the Trust and the Issuer Trustee.

Section 3.4 Advice. The Administrator may, from time to time, appoint, retain, engage the services of and rely on the advice of any Person as agent, representative or independent contractor, including lawyers, bankers, notaries, registrars, accountants, brokers or dealers in one or more capacities and any other advisors (each, an "Advisor"), on behalf of and for the account of the Issuer Trustee, to advise the Administrator in respect of the performance of its Services hereunder where in the opinion of the Administrator acting reasonably such advice is required. The Administrator may at any time and from time to time dismiss any such Advisor so appointed. Notwithstanding Section 3.2(1), the Administrator shall not be responsible for and shall, subject to Section 3.2(2), be entitled to be reimbursed by the Issuer Trustee in respect of the reasonable fees or charges payable to an Advisor engaged by the Administrator in accordance with this Section.

Section 3.5 Delegation. The Administrator may from time to time, at its own expense, appoint, retain or engage the services of agents, consultants and advisers to

perform all or certain of the Services, provided that the Administrator will remain liable for the performance of the Services so subcontracted and all other Services to be provided by the Administrator hereunder.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties. The Administrator represents and warrants to the Issuer Trustee that:

- (a) the Administrator is a corporation duly organized and subsisting under the laws of Canada and has, in all material respects, full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement;
- (b) the Administrator is duly qualified to do business and has obtained all necessary licenses and approvals in each jurisdiction in which the duties and obligations to be performed by the Administrator under this Agreement require such qualification or licenses and approvals, except where the failure to be so qualified or obtain licenses or approvals would not have a material adverse effect on its ability to perform its duties and obligations hereunder;
- (c) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Administrator;
- (d) this Agreement constitutes a legal, valid and binding obligation of the Administrator, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereinafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity;
- (e) the execution and delivery of this Agreement by the Administrator, the performance of the duties and obligations contemplated by this Agreement and the fulfilment of the terms hereof will not violate, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any applicable law or any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Administrator is a party or by which it is bound,

except where such violation, breach or default would not have a material adverse effect on its ability to perform its duties and obligations hereunder; and

- (f) there are, to the knowledge of the Administrator, no proceedings or investigations, pending or threatened against the Administrator before any court, regulatory body, administrative agency or other tribunal or governmental authority seeking any determination or ruling that, in the reasonable judgment of the Administrator, would materially adversely affect the performance by the Administrator of its duties and obligations under this Agreement, or seeking any determination or ruling that would materially adversely affect the validity or enforceability of this Agreement.

Section 4.2 Covenants. The Administrator hereby covenants and agrees with the Issuer Trustee that, subject to the express terms of this Agreement:

- (a) it will carry out the Services in a proper and efficient manner;
- (b) it will duly and punctually complete or cause to be completed all of the matters herein provided for;
- (c) it will from time to time execute and deliver any and all documents, statements, instruments of further assurance and other instruments and will take other or further action as the Issuer Trustee may reasonably consider necessary or advisable in connection with this Agreement;
- (d) it will deliver to the Issuer Trustee such certificates, statements and reports relating to the Services and the Trust Business as may be necessary, proper or desirable, and upon which the Issuer Trustee may rely, for the performance by the Issuer Trustee of its obligations under the Trust Documents and any other agreements, instruments or documents to which the Issuer Trustee is a party or by which it is bound;
- (e) it will not take or omit to take any action that would cause the Issuer Trustee or the Trust to be in violation of any law or regulation applicable to it;
- (f) it will not take any action which would impair the rights of the Trust or the Issuer Trustee in the Account Assets or other Trust Property;
- (g) it will hold in trust for the benefit of the Issuer Trustee any Trust Property in its possession which is held in its capacity as Administrator and, except

as otherwise provided in any of the Trust Documents, immediately deliver the same to the Issuer Trustee upon the Issuer Trustee's request following the resignation or replacement of the Administrator in accordance herewith, and will not, in the name of the Trust or otherwise, sell, assign or transfer to any Person, or mortgage, charge, pledge, or create any lien over, any Trust Property, except as otherwise contemplated in any of the Trust Documents or any Loan Agreement;

- (h) it will maintain in effect all qualifications, licenses and approvals in each jurisdiction required under applicable law in order to perform its obligations and duties under this Agreement, except where the failure to do so would not have a material adverse effect on its ability to perform its duties and obligations hereunder; and
- (i) it will promptly notify the Issuer Trustee in the event that it is unable to perform any of its duties under this Agreement or that the performance by the Administrator of its duties hereunder is no longer permissible under applicable law or that one of the events referred to in Section 5.3 has occurred.

ARTICLE 5

EFFECTIVE PERIOD, TERMINATION AND AMENDMENT

Section 5.1 Effective Period. This Agreement shall continue in force until terminated as hereinafter provided.

Section 5.2 Resignation. The Administrator shall not resign from the obligations and duties hereby imposed on it except (a) where it is required to do so by the Issuer Trustee in accordance with Section 5.3, or (b) upon a determination by the Issuer Trustee that (i) the performance by the Administrator of its duties hereunder is no longer permissible under applicable law, and (ii) there is no action which the Administrator could reasonably take to make the performance of such duties permissible under applicable law. Any such determination permitting the resignation of the Administrator shall be evidenced as to clause (i) above by an opinion of counsel to such effect delivered to, and from counsel reasonably acceptable to, the Issuer Trustee, and as to clause (ii) above, by an officer's certificate of the Administrator to such effect. No such resignation shall become effective until a successor Administrator shall have assumed the responsibilities and obligations of the Administrator hereunder.

Section 5.3 Replacement of the Administrator.

(1) The Issuer Trustee shall (in the case of paragraphs (a), (b), (c) and (e) below), and may (in the case of paragraph (d) below), replace the Administrator and terminate this Agreement without any liability on its part or the part of the Issuer Trustee to the Administrator, forthwith upon the delivery of written notice by the Issuer Trustee to the Administrator, if:

- (a) the Administrator resigns in accordance with Section 5.2;
- (b) CTAL is the Administrator and CTAL is replaced as Servicer in accordance with the Pooling and Servicing Agreement;
- (c) an Event of Default (as defined in the Trust Indenture) occurs and is continuing;
- (d) the Administrator fails to perform its duties and obligations contained in this Agreement or any representation or warranty of the Administrator contained herein is found to have been incorrect, and such failure or incorrect representation or warranty has a material adverse effect on the ability of the Issuer Trustee to satisfy its obligations to noteholders or other Persons secured by the charge created under the Trust Indenture and continues unremedied or to be incorrect, and continues to have such a material adverse effect, for a period of 30 Business Days after the delivery by the Issuer Trustee of written notice thereof to the Administrator, provided; that the provisions of this paragraph (d) shall not apply and the provisions of paragraph (c) shall apply if such failure or incorrect representation or warranty gives rise to an Event of Default; or
- (e) the Issuer Trustee is directed by the Indenture Trustee, as and when required in accordance with the Trust Indenture, to do so, provided that the effective date of the replacement of the Administrator and the termination of this Agreement pursuant to this Section 5.3(e) shall, subject to earlier replacement and termination pursuant to paragraphs (a), (b), (c) and (d) above, be one year from the delivery of such written notice.

(2) The Administrator hereby confirms and acknowledges in favour of the Indenture Trustee that the Indenture Trustee may replace the Administrator and terminate this Agreement at any time when the Issuer Trustee has the right to do so under Section 5.3(1), subject, in the case of Section 5.3(1)(e), to the proviso set out therein.

Section 5.4 Termination. This Agreement shall terminate upon (a) the termination of the Trust pursuant to the Declaration of Trust, or (b) upon the resignation or replacement of the Administrator in accordance with this Agreement.

Section 5.5 Transition. Immediately prior to termination of this Agreement, the Administrator shall, promptly upon the request of the Issuer Trustee or, on the direction of the Issuer Trustee, the successor Administrator (a) update, reconcile and deliver to the Issuer Trustee or its duly authorized representatives or, on the direction of the Issuer Trustee, deliver to the successor Administrator, all books and records in the possession or under the control of the Administrator relating to the performance by the Administrator of its duties hereunder and reasonably necessary to ensure that a successor Administrator could continue to perform the Services and the duties and obligations carried out by the Administrator under this Agreement, and (b) deliver to the Issuer Trustee or its duly authorized representatives or, on the direction of the Issuer Trustee, the successor Administrator, all property of the Trust in the possession, or under the control, of CTAL in its capacity as the Administrator.

Section 5.6 Amendment. Any of the provisions of this Agreement may be amended by the Administrator at any time or times without the consent or agreement of the Issuer Trustee, if such amendment is made for the purpose of:

- (a) ensuring that this Agreement and any of the acts or things contemplated hereunder will comply with any applicable law or requirement of any governmental or regulatory agency or authority of any jurisdiction;
- (b) making any change or correction in this Agreement which is a typographical change or correction or which the Administrator has been advised by legal counsel is required for the purposes of curing any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained herein; or
- (c) making any change or correction in this Agreement which is required in order to conform this Agreement to the terms contained in any prospectus, offering memorandum, information circular or similar document relating to the issuance or incurrence of Indebtedness.

No such amendment shall be effective unless the Rating Agency Condition shall have been satisfied with respect thereto.

Section 5.7 Trust Documents. The Issuer Trustee will promptly provide the Administrator with copies of all Trust Documents in effect from time to time, together with, and to the extent in the possession of the Issuer Trustee, any other agreements,

instruments and documents to which the Issuer Trustee is a party or by which it is bound or which otherwise relate to the Trust Business or the Trust Property.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Attorney-in-Fact. In addition to the powers bestowed on the Administrator in this Agreement, the Issuer Trustee hereby irrevocably appoints the Administrator as its attorney-in-fact, with full authority in the place and stead of and in the name of the Issuer Trustee or otherwise, from time to time in the Administrator's discretion or as required by this Agreement to take such actions on behalf of the Trust and the Issuer Trustee as the Administrator may deem necessary or advisable to comply with or effect the purposes of this Agreement, including to execute any documents, instruments or certificates in connection therewith, whether or not under seal and including the power to affix such seal; to amend or supplement any document as necessary in connection with the Trust Business or the Trust Property; to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for monies due and to become due in connection with the Trust Business or the Trust Property or otherwise owed to the Trust; to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection therewith; and to file any claims or take any action or institute any proceedings which the Administrator may deem to be necessary, proper or desirable for the collection thereof.

Section 6.2 Further Assurances. Each party shall, from time to time, do and perform any and all acts and execute any and all further instruments which may be required or which may be reasonably requested by the other party hereto more fully to effect the purpose of this Agreement.

Section 6.3 No Waiver, Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the parties hereto, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 6.4 Successors and Assigns; Assignment.

(1) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for the assignment of this Agreement to a duly appointed successor of the Issuer Trustee or the permitted

successors of the Administrator, this Agreement shall not be transferred or assigned by either party without the prior written consent of the other party which consent shall not be unreasonably withheld, except that:

- (a) without limiting any of the rights of the Indenture Trustee under Section 5.3(2), pursuant to the terms of the Trust Indenture and the Related Security Documents, the Issuer Trustee shall be entitled to grant to the Indenture Trustee a Lien in all of the Issuer Trustee's rights and benefits hereunder (including the right to exercise all discretions, make all elections and give all notices that may be exercised, made or given by the Issuer Trustee hereunder and the right to compel performance of the Administrator's obligations hereunder); and
 - (b) in the event that CTAL ceases to be the Administrator under this Agreement, the Issuer Trustee shall cause the rights and obligations of CTAL hereunder to be assigned to the Person who is appointed successor Administrator in accordance with the terms of this Agreement; provided, however, that in the event of such assignment, CTAL shall not be released and shall remain liable in respect of all obligations and liabilities incurred or imposed on it hereunder up to the date of such assignment,
- (2) For the purposes of this Section, a successor of the Administrator is a permitted successor if and to the extent that such successor would be a permitted successor of CTAL, as Servicer, under the Pooling and Servicing Agreement.
- (3) Any acknowledgements, confirmations, agreements, authorizations, directions, consents and other obligations set forth in this Agreement of the Administrator in favour of the Indenture Trustee are held by the Issuer Trustee in trust for the Indenture Trustee.

Section 6.5 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 6.6 Entire Agreement. This Agreement contains the entire agreement between the parties related to the subject matter hereof and supersedes all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

Section 6.7 Notice. Any notice, document or other communication required or permitted to be given to the parties hereunder shall be in writing and shall be valid and

effective if delivered or sent by facsimile transmission (with receipt confirmed), original to follow by mail, to the following addresses:

- (a) if to the Trust or the Issuer Trustee at:

Canadian Tire Receivables Trust
c/o Montreal Trust Company
151 Front Street West, Suite 605
Toronto, Ontario
M5J 2N1

Attention: Manager, Corporate Trust Services
Facsimile No.: (416) 981-9777

- (b) if to the Administrator:

Canadian Tire Acceptance Limited
2180 Yonge Street
Toronto, Ontario
M4P 2V8

Attention: Treasurer
Facsimile No.: (416) 480-3058

and such communication shall be deemed to have been received, where given by delivery, on the day of delivery and, where sent by facsimile transmission, on the day of transmittal thereof if transmitted during normal business hours of the recipient and on the next succeeding Business Day if not transmitted during such business hours. Each of the parties may from time to time notify the other party of a change in address or facsimile number by notice given as provided in this Section.

Section 6.8 Limitation of Liability of Issuer Trustee. The Issuer Trustee has entered into this Agreement solely in its capacity as trustee of the Trust. The Issuer Trustee will not be subject to any liability whatsoever, in tort, in contract or otherwise, in connection with the Trust Property, the Trust Business, or to any beneficiary of the Trust or any other Person, for any action taken or permitted by it to be taken, or its failure to compel in any way any former or acting Issuer Trustee to redress any breach of trust in respect of the execution of the duties of its office or in respect of the Trust Property or the Trust Business, provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee, in doing anything or permitting anything to be done in respect of the execution

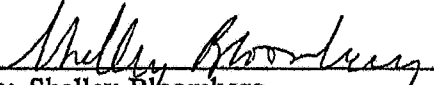
of the duties of its office or in respect of the Trust Property or the Trust Business is, and will be conclusively deemed to be, acting as Issuer Trustee and not in any other capacity. Except to the extent provided in this Section, the Issuer Trustee will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust or the Issuer Trustee, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the Trust Property or the Trust Business and resort will be had solely to the Trust Property for the payment or performance thereof. Except to the extent provided in this Section, no property or assets of the Issuer Trustee owned beneficially in its personal capacity will be subject to levy, execution or other enforcement procedure with regard to any obligation of the Trust.

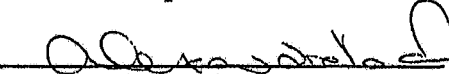
Section 6.9 Power of Attorney re Quebec Security. The Administrator hereby accepts and confirms the appointment of the Indenture Trustee as the *fondé de pouvoir* as provided for in Section 5.7 of the Trust Indenture.

Section 6.10 Amendment and Restatement. This Agreement amends, restates in full and supersedes the Original Administration Agreement, and it is hereby confirmed by the parties hereto that all prior actions of the parties made pursuant to the Original Administration Agreement are effective as if made under this Agreement.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written by their duly authorized signatories.

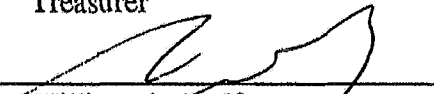
**MONTREAL TRUST COMPANY, in its capacity
as trustee of CANADIAN TIRE RECEIVABLES
TRUST**

By: 
Name: Shelley Bloomberg
Title: Senior Corporate Trust Officer

By: 
Name: Alexandra Vasil
Title: Corporate Trust Officer

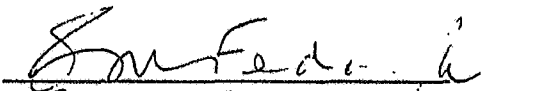
CANADIAN TIRE ACCEPTANCE LIMITED

By: 
Name: Stanley W. Pasternak
Title: Treasurer

By: 
Name: William de Wolf
Title: Controller

THE UNDERSIGNED, on this 29th day of November, 1995, hereby acknowledges and agrees that the payment obligations of the Issuer Trustee pursuant to Sections 3.2(1) and 3.4 constitute "Obligations" for the purposes of, and as defined under, the Trust Indenture, and it is further acknowledged and agreed by the undersigned that the Lien granted by the Issuer Trustee in the Collateral pursuant to the Trust Indenture is held for the benefit of, among others, the Administrator, in support of the Issuer Trustee's payment obligations in Sections 3.2(1) and 3.4, subject to and in accordance with Section 3.2(2).

**THE TRUST COMPANY OF BANK OF
MONTREAL, as Indenture Trustee**

By: 
Name: Barbara M. Fedoryk
Title: Vice-President, Trust Product Development
and Administration

By: 
Name: Michelle Catrway
Title: Senior Manager, Indenture Trust