

**MONTREAL TRUST COMPANY OF CANADA,
as trustee of CANADIAN TIRE RECEIVABLES TRUST**

FIRST SUPPLEMENTAL DECLARATION OF TRUST

Dated as of November 19, 2002

to the

**AMENDED AND RESTATED DECLARATION OF
TRUST**

Dated as of November 29, 1995

THIS FIRST SUPPLEMENTAL DECLARATION OF TRUST dated as of November 19, 2002 by Montreal Trust Company of Canada, a trust company governed by the laws of Canada.

WHEREAS Montreal Trust Company established a trust known as Canadian Tire Receivables Trust by declaration of trust dated March 31, 1995 (the “**Original Declaration of Trust**”);

AND WHEREAS the Original Declaration of Trust was amended and restated on November 29, 1995 (the “**Declaration**”);

AND WHEREAS Montreal Trust Company amalgamated with Montreal Trust Company of Canada to form the successor Montreal Trust Company of Canada;

AND WHEREAS pursuant to Section 7.1(d) of the Declaration, the Issuer Trustee may, from time to time, amend or alter the provisions of the Declaration as deemed necessary, proper or desirable by the Issuer Trustee, provided that the Issuer Trustee is of the opinion in good faith that the amendment does not alter the fiduciary duty of the Issuer Trustee under the Declaration;

AND WHEREAS the Issuer Trustee is of the opinion in good faith that the amendment set forth herein does not alter the fiduciary duty of the Issuer Trustee under the Declaration;

AND WHEREAS pursuant to Section 7.3 of the Declaration, the Issuer Trustee is authorized to execute any supplemental Declaration of Trust to give effect to amendments to the Declaration made pursuant to Article 7 thereof;

NOW THEREFORE the Issuer Trustee hereby declares that the Declaration is amended as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions. All capitalized terms used herein that are defined in the Declaration shall have the meanings ascribed to them in the Declaration, except to the extent that such terms are defined or modified herein or hereby, or the context otherwise requires.

ARTICLE 2 - AMENDMENTS TO DECLARATION

2.1 Amendment to Section 4.8 of the Declaration. The Declaration is hereby amended by deleting paragraph (c) of Section 4.8 in its entirety and adding the following in replacement thereof:

“(c) (i) the long term unsecured debt obligations of which have a rating from each Rating Agency in one of such Rating Agency’s generic rating categories that signifies investment grade, or (ii) whose duties, responsibilities and obligations as Issuer Trustee are guaranteed, pursuant to a guarantee substantially in the form of Exhibit A, by a

Person the long term unsecured debt obligations of which have a rating from each Rating Agency in one of such Rating Agency's generic rating categories that signifies investment grade."

2.2 Addition of Exhibit A to the Declaration. The Declaration is hereby amended by including the form of guarantee, set forth herein as Schedule 1, as Exhibit A to the Declaration.

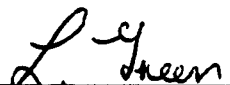
**ARTICLE 3 -
MISCELLANEOUS PROVISIONS**


3.1 Ratification of Agreements. As amended by this First Supplemental Declaration of Trust, the Declaration is in all respects ratified and confirmed and the Declaration, as amended by this First Supplemental Declaration of Trust, shall be read, taken and construed as one and the same document.

3.2 Governing Law. This First Supplemental Declaration of Trust shall be construed in accordance with and shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF Montreal Trust Company of Canada has executed this First Supplemental Declaration of Trust as of the day and year first above written by its duly authorized signatories.

**MONTREAL TRUST COMPANY OF
CANADA**

By: 
Name: LARRY GREEN
Title: Authorized Signatory

By: 
Name: Mark Lynch
Title: Authorized Signatory

SCHEDULE 1

"Exhibit A to the Declaration"

FORM OF GUARANTEE

THIS GUARANTEE dated as of • is made by *[insert name of guarantor]* (the "Guarantor"), in favour of (i) each Person to whom *[insert name of successor Issuer Trustee]* (the "Successor Issuer Trustee") in its capacity as Issuer Trustee (a) now or at any time hereafter is obligated or (b) now or at any time hereafter owes a duty or responsibility; (ii) *[insert name of beneficiary representative]* in its capacity as a trustee for the Persons referred to in (i), above, for the purposes of holding their respective rights, benefits and entitlements hereunder (the "Beneficiary Representative"); and (iii) the successors and assigns of the foregoing Persons (the Persons referred to in clauses (i), (ii) and (iii) being hereinafter referred to as the "Guarantee Beneficiaries").

WHEREAS the Amended and Restated Declaration of Trust dated as of November 29, 1995 and executed by Montreal Trust Company (as the same has been and may hereafter be amended and supplemented from time to time, the "Declaration") created Canadian Tire Receivables Trust (the trustee of which is referred to herein as the "Issuer Trustee");

AND WHEREAS pursuant to an instrument in writing, the Successor Issuer Trustee will become the Issuer Trustee in place and stead of, and as successor to, *[insert name of Predecessor Issuer Trustee]* (the "Predecessor Issuer Trustee");

AND WHEREAS the Declaration provides, *inter alia*, that an Issuer Trustee must have an investment grade rating from each Rating Agency or have its duties, responsibilities and obligations as Issuer Trustee guaranteed, pursuant to a guarantee substantially in the form of Exhibit A to the Declaration, by a Person that has an investment grade rating from each Rating Agency;

NOW THEREFORE for valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Guarantor, the Guarantor hereby agrees in favour of the Guarantee Beneficiaries as follows:

SECTION 1 Definitions.

Unless otherwise defined in this Guarantee, capitalized terms used herein shall have the meanings attributed to them in the Declaration or, if such term is not defined in the Declaration, such term shall have the meaning attributed thereto in the Amended and Restated Pooling and Servicing Agreement dated as of November 29, 1995 between Canadian Tire Acceptance Limited (the name of which has been changed to Canadian Tire Financial Services Limited) and Montreal Trust Company of Canada (as amended and supplemented from time to time) (the "PSA").

SECTION 2 Guarantee and Undertaking.

(a) The Guarantor hereby fully, unconditionally and irrevocably guarantees, and undertakes and agrees to cause, to and for the benefit of the Guarantee Beneficiaries, the due and punctual performance and observance by the Successor Issuer Trustee of all of its obligations, duties and responsibilities in its capacity as Issuer Trustee created, incurred, assumed, imposed or otherwise arising by or under any agreement, document or instrument or by operation of law, in equity or otherwise howsoever, in each case commencing at, and relating to the obligations, duties and responsibilities assumed at the time of or arising from and after, the time that the Successor Issuer Trustee's appointment as Issuer Trustee becomes effective (collectively, the "Issuer Trustee Obligations").

(b) The Guarantor agrees to pay any and all reasonable expenses (including counsel fees and expenses) incurred by any of the Guarantee Beneficiaries in enforcing their respective rights under this Guarantee.

(c) If the Issuer Trustee fails to perform or observe any Issuer Trustee Obligation when the same shall be required to be performed or observed, then the Guarantor shall duly and punctually perform or observe, or cause to be duly and punctually performed or observed, such Issuer Trustee Obligation. It shall not be a condition to the requirement of the Guarantor to comply with its obligations under this Guarantee that any Guarantee Beneficiary shall have first made any request of, demand upon, or given any notice to, the Guarantor, the Issuer Trustee or any other Person or have instituted any action or proceeding against the Guarantor, the Issuer Trustee or any other person.

SECTION 3 Obligation Absolute.

The Guarantor undertakes that the Issuer Trustee Obligations will be performed strictly in accordance with their terms. Any action or actions may be brought and prosecuted by any Guarantee Beneficiary against the Guarantor to enforce this Guarantee irrespective of whether any action is brought against the Successor Issuer Trustee (in its capacity as the Issuer Trustee or otherwise) or any other Person or whether the Successor Issuer Trustee (in any capacity) or any other Person is joined in any such action or actions, or whether any Guarantee Beneficiary has otherwise exhausted its recourse against any Person or under any security. Any Guarantee Beneficiary may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Successor Issuer Trustee (in any capacity), any other Persons and any securities as such Guarantee Beneficiary sees fit, without the consent of, or notice to, the Guarantor and without prejudice to, or in any way limiting, lessening or discharging (in whole or in part) the liability of the Guarantor hereunder. The liability of the Guarantor under this Guarantee shall be absolute and unconditional, and shall not be limited, lessened, discharged in whole or in part, released or otherwise adversely affected by:

- (i) any lack of validity or enforceability of any agreement, document or instrument with, in favour of, or for the benefit of any Guarantee Beneficiary or any other Person;

- (ii) any change, waiver, modification, subordination, discharge, release, termination or repudiation of, or addition or supplement to, any of the Issuer Trustee Obligations or any agreement, document or instrument with, in favour of, or for the benefit of any Guarantee Beneficiary or any other Person, including any increase in the duties, responsibilities or obligations thereunder, any loss of any security held by any Guarantee Beneficiary (whether occasioned by the fault of such Guarantee Beneficiary, any other Person or otherwise), or any release, failure to perfect or maintain the perfection of, or invalidity of any direct or indirect security for any Issuer Trustee Obligation; provided that to the extent that any Issuer Trustee Obligation is changed, waived, modified, discharged, released or terminated by the express agreement of each of the Guarantee Beneficiaries to whom such Issuer Trustee Obligation is owed, the liability of the Guarantor hereunder with respect to such Issuer Trustee Obligation shall be changed, waived, modified, discharged, released and terminated to the same extent;
- (iii) any change in the corporate existence, structure or ownership of the Successor Issuer Trustee, or any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, liquidation, dissolution or other similar proceeding affecting the Successor Issuer Trustee, any other Person or any of their respective assets (including any discharge of, or bar against enforcing, any of the Issuer Trustee Obligations); or
- (iv) any other event or circumstance, whether similar or dissimilar to the foregoing, that might otherwise constitute a legal or equitable defence available to, or a discharge of, a guarantor or surety,

provided, however, that, despite the foregoing, if for any reason the Successor Issuer Trustee would not have been liable for an Issuer Trustee Obligation, then the Guarantor shall similarly not be liable in respect of such Issuer Trustee Obligation, except if the absence of the Successor Issuer Trustee's liability results from any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, liquidation, dissolution or other similar proceeding affecting the Successor Issuer Trustee or its assets (including any discharge of, or bar against enforcing, such Issuer Trustee Obligations).

SECTION 4 Representations and Warranties.

The Guarantor represents and warrants as follows:

- (a) The Guarantor is a *[insert type of entity and jurisdiction]*.
- (b) The Guarantor currently has an investment grade rating from each of the Rating Agencies.
- (c) The execution, delivery and performance by the Guarantor of this Guarantee is within the Guarantor's corporate powers and capacity, has been duly authorized by all necessary corporate action and does not contravene (i) any constating document of the Guarantor, (ii) any

law, rule or regulation applicable to the Guarantor, or (iii) any contractual restriction binding on or affecting the Guarantor that, in any case, would have a material adverse affect on the Guarantor or on the enforceability and performance of this Guarantee.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Guarantor of this Guarantee.

(e) This Guarantee is the legal, valid and binding responsibility of the Guarantor enforceable by each Guarantee Beneficiary against the Guarantor in accordance with its terms, subject to bankruptcy, insolvency or other similar laws affecting creditors' rights generally.

(f) There is no pending or, to the Guarantor's knowledge, threatened action or proceeding affecting the Guarantor before any court, governmental agency or arbitrator which may materially adversely affect the ability of the Guarantor to perform its obligations under this Guarantee or which purports to affect the legality, validity or enforceability of this Guarantee.

(g) There are no conditions precedent to the effectiveness of this Guarantee that have not been satisfied or waived.

(h) The obligations of the Guarantor under this Guarantee do rank and will rank at least *pari passu* with all other unsecured obligations of the Guarantor.

SECTION 5 Additional Covenant.

The Guarantor covenants and agrees to promptly notify the Servicer, the Co-Owners (or their Agent on their behalf), the Sellers (in each case at the addresses and in accordance with the notification procedures set forth in the PSA) and the Beneficiary Representative if any Rating Agency reduces or withdraws any rating that it has issued in respect of the senior unsecured obligations of the Guarantor below "investment grade".

SECTION 6 Amendments.

(a) The provisions of this Guarantee relating to the Issuer Trustee Obligations may be amended, replaced, waived or departed from without obtaining the consent of the Beneficiary Representative or any Guarantee Beneficiary by:

- (i) the Guarantor if the Servicer and each Seller consents thereto and provided that such action shall not, as evidenced by an Opinion of Counsel (meeting the requirements for an Opinion of Counsel set out in Section 12.6 of the PSA) addressed and delivered to the Beneficiary Representative, the Issuer Trustee, each Agent, the Servicer and each Seller (in each case at the addresses and in accordance with the notification procedures set forth in the PSA), adversely affect in any material respect the interests of any then existing Co-Owner or Entitled Party; and
- (ii) the Servicer or any Seller if the Guarantor and each other Servicer and Seller consents thereto and provided that such action shall not, as

evidenced by an Opinion of Counsel (meeting the requirements for an Opinion of Counsel set out in Section 12.6 of the PSA) addressed and delivered to the Beneficiary Representative, the Issuer Trustee, each Agent, the Servicer and each Seller (in each case at the addresses and in accordance with the notification procedures set forth in the PSA), adversely affect in any material respect the interests of any then existing Co-Owner or Entitled Party.

Otherwise, no amendment, replacement or waiver of any provision of this Guarantee relating to the Issuer Trustee Obligations, and no consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Guarantor and the Beneficiary Representative, as trustee for and on behalf of the Guarantee Beneficiaries. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

(b) The Beneficiary Representative shall execute and deliver such agreements, instruments and documents as may be necessary or appropriate to evidence any amendment, replacement, waiver or departure made in accordance with (a) or (b) without any requirement for notice to, or the consent of, any Guarantee Beneficiary.

(c) If, as a result of any amendment to or replacement of the PSA, the eligibility requirements in respect of a successor Issuer Trustee thereunder, as described in clauses (i) and (ii) of the fifth recital hereof, no longer apply, with the result that the Successor Issuer Trustee would be eligible to act as the Issuer Trustee without any need to rely on the existence of this Guarantee, then the provisions of this Guarantee as they relate to the Issuer Trustee Obligations shall, from and after the date of such amendment or replacement, cease to have any further force or effect.

SECTION 7 Protection of Beneficiary Representative.

The Beneficiary Representative, in its capacity as trustee for and on behalf of the other Guarantee Beneficiaries, shall be entitled to receive and rely upon the following protections, indemnities and exculpatory provisions: *[insert language that substantively tracks the types of protections typically provided to an intermediary assuming the types of obligations assumed by the Beneficiary Representative hereunder]*.

SECTION 8 Addresses for Notices.

All notices and other communications hereunder shall be in writing (which shall include facsimile communication), shall be personally delivered, express couriered, electronically transmitted (in which case a hard copy shall also be sent by regular mail) or mailed by registered or certified mail:

(a) If to the Guarantor, at its address as follows:

•

(b) If to the Beneficiary Representative, at its address as follows:

•

or to such other address as any such Person from time to time may designate by notice to the other such Person. Notices and communications by facsimile shall be effective when sent, and notices and communications sent by other means shall be effective when received.

SECTION 9 No Waiver, Remedies.

No failure on the part of any of the Guarantee Beneficiaries to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10 Continuity of Agreement.

(a) This Guarantee shall, with respect to the guarantee, agreement and undertakings made by the Guarantor hereunder in respect of the Issuer Trustee Obligations, commence and be effective without any further action, confirmation or consent upon the appointment of the Successor Issuer Trustee as Issuer Trustee becoming effective in accordance with the Declaration.

(b) This Guarantee is a continuing guarantee and shall:

- (i) remain in full force and effect until the full and prompt performance and observance of the Issuer Trustee Obligations;
- (ii) be binding upon the Guarantor, its successors and assigns; and
- (iii) inure to the benefit of, and be enforceable by, each of the Guarantee Beneficiaries and their respective heirs, administrators, successors, transferees and assigns.

SECTION 11 Permitted Assignment and Assumption.

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and the Guarantee Beneficiaries and their respective successors and permitted assigns. The obligations, duties and responsibilities of the Guarantor hereunder may be transferred to and assumed by a Person that, at the time of assumption, can properly make and has made the representations and warranties set forth in Section 4 hereof and provided that the successor guarantor, prior to or contemporaneously with the completion of such transaction, shall have executed such instruments as, in the Opinion of Counsel, are necessary or advisable to evidence the assumption by it of all present and future obligations of the Guarantor hereunder and such transaction is on terms which, in the Opinion of Counsel, are not materially adverse to the interests of the Guarantee Beneficiaries.

SECTION 12 General.

(a) This Guarantee shall be governed by, and construed in accordance with, the laws of the Province of Ontario.

(b) The invalidity or unenforceability of any one or more provisions of this Guarantee shall not affect the validity or enforceability of the remaining provisions hereof.

(c) The Guarantor waives notice from the Guarantee Beneficiaries of their acceptance and reliance on this Guarantee.

(d) The Guarantor acknowledges and agrees that the Beneficiary Representative shall hold in trust for all Guarantee Beneficiaries all rights, entitlements and benefits under this Guarantee that are expressed by the terms hereof to be held by or to extend to such Persons.

(e) In this Guarantee, the term "including" means including without limitation, the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof, words importing the singular include the plural and vice versa and words importing gender include all genders.

(f) This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form.

IN WITNESS WHEREOF the Guarantor and the Beneficiary Representative have executed this Guarantee at •, as of the • day of •, 200•.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

By: _____
Name:
Title:

**[NAME OF BENEFICIARY
REPRESENTATIVE]**

By: _____
Name:
Title:

By: _____
Name:
Title: