

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Vitran Corporation Inc.		07/31/2007	corporation incorporated under the laws of the Province of Ontario:
RECEIVING PARTY DATA			
Name:	JPMorgan Chase Bank, N.A.		
Street Address:	South Tower, Royal Bank Plaza, 200 Bay Street		
City:	Toronto, Ontario		
State/Country:	CANADA		
Postal Code:	M5J 2J2		
Entity Type:	national banking association:		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2896810	VITRAN EXPRESS	
Registration Number:	2896809	VITRAN LOGISTICS	
Registration Number:	2907806	VITRAN EXPRESS	
Registration Number:	2915674	VITRAN LOGISTICS	
CORRESPONDENCE DATA			
Fax Number:	(212)318-3400		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212 318 3183		
Email:	Mrosenfeld@fulbright.com		
Correspondent Name:	Mark N. Mutterperl		
Address Line 1:	Fulbright & Jaworski LLP, 666 Fifth Ave.		
Address Line 4:	New York, NEW YORK 10103-3198		
ATTORNEY DOCKET NUMBER:	10712927		

CH \$115.00 2896810

DOMESTIC REPRESENTATIVE

Name:
Address Line 1:
Address Line 2:
Address Line 3:
Address Line 4:

NAME OF SUBMITTER:	Mark N. Mutterperl
Signature:	/mark n. mutterperl/
Date:	08/24/2007

Total Attachments: 20

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GENERAL SECURITY AGREEMENT

THIS AGREEMENT executed as of the 31st day of July, 2007.

BY:

VITRAN CORPORATION INC.,
a corporation incorporated under the laws of the Province of Ontario

(herein called the "Borrower")

IN FAVOUR OF:

JPMORGAN CHASE BANK, N.A.,
a national banking association

(herein, in its capacity as agent of the Lenders under the Credit Agreement called the "Agent")

THIS AGREEMENT WITNESSES that, for good and valuable consideration, the Borrower agrees with the Agent as follows:

**ARTICLE 1
INTERPRETATION**

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement. In this agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" means all personal property, assets and undertaking of the Borrower, now owned or hereafter acquired and any proceeds from the sale or other disposition thereof, all of which is further described, without limitation, in Section 2.02.

"**Credit Agreement**" means the credit agreement made as of July 31, 2007 between the Agent, the Lenders, the Borrower, Vitran Express Canada Inc. and Vitran Corporation, as the same may be further amended, modified, supplemented or replaced from time to time.

"**PPSA**" means the *Personal Property Security Act* (Ontario), as amended from time to time, and any regulations thereto.

"**Secured Obligations**" means all indebtedness, liabilities and obligations of the Borrower to the Agent and the Lenders, present or future, direct or indirect, absolute or contingent, joint or several, matured or not, at any time owing by the Borrower to the Agent and the Lenders or remaining unpaid by the Borrower to the Agent and the Lenders, including, without limitation, under or in connection with the Credit Agreement and any other Loan Documents to which the Borrower is a party.

"**STA**" means the *Securities Transfer Act, 2006* (Ontario), as amended from time to time and any legislation substituted therefor and any amendments thereto.

"**Security Interest**" means the pledges, assignments, mortgages, charges and hypothecations of and the security interest in the Collateral created in favour of the Agent for the benefit of the Lenders hereunder.

1.02 Other Usages. References to "this agreement", "hereof", "herein", "hereto" and like references refer to this General Security Agreement and the schedules hereto and not to any particular article, section or other subdivision of this agreement.

1.03 Number and Gender. Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings. The insertion of headings in this agreement is for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of Canada.

1.06 Applicable Law. This agreement and all documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.07 Prohibited Provisions. In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence. Time shall in all respects be of the essence of this agreement, and no extension or variation of this agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Paramountcy. In the event of any conflict between the terms and conditions of this agreement and the Credit Agreement, the terms of the Credit Agreement shall govern and be paramount.

ARTICLE 2 SECURITY INTEREST

2.01 Grant of Security Interest. As general, continuing and collateral security for the payment and performance of the Secured Obligations, the Borrower hereby pledges, assigns, mortgages, charges and hypothecates to the Agent, for the benefit of the Lenders, and grants to the Agent, for the benefit of the Lenders, a security interest in the Collateral.

2.02 Description of Collateral. The following undertaking, property and assets of the Borrower shall be subject to the Security Interest in favour of the Agent created by this agreement:

(a) Accounts

all intangibles, debts, accounts, amounts receivable, book debts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Borrower, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Borrower to its affiliates; all Investment Collateral (as defined below), mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held

or owned, by or on behalf of the Borrower, in respect of the said debts, accounts, amounts receivable, book debts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) Inventory

all goods or chattels now or hereafter forming the inventory of the Borrower including, without limitation, all goods, merchandise, raw materials, materials used or consumed in its business, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging and all accessions attached to any of the foregoing including all spare parts and accessories installed in or affixed or attached to any of the foregoing, all of which are herein called the "**Inventory**";

(c) Equipment

all equipment now owned or hereafter acquired by the Borrower, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, and all accessions attached to any of the foregoing including all spare parts and accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the "**Equipment**";

(d) Intangibles

all intangible property now owned or hereafter acquired by the Borrower and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Borrower including without limitation any patents and trademarks listed in Schedule D attached hereto, and all other choses in action of the Borrower of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the "**Intangibles**";

(e) Documents of Title

any writing now or hereafter owned by the Borrower that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the "**Documents of Title**";

(f) Money

all money now or hereafter owned by the Borrower, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the "**Money**";

(g) Chattel Paper

all present and future agreements made between the Borrower as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the "**Chattel Paper**";

(h) Instruments

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Borrower, and all other writings of the Borrower that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Borrower provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder, all of which are herein called the "**Instruments**";

(i) Investment Collateral

all present and future Investment Property (as that term is defined in the PPSA) including without limitation those shares listed in Schedule B attached hereto and Financial Assets (as that term is defined in the STA) of the Borrower, including options and warrants of the Borrower and all other rights and entitlements arising therefrom or related thereto, and the Borrower's interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith, all of which are herein called the "**Investment Collateral**";

(j) Documents

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the "**Documents**";

(k) Proceeds

all property in any form derived or arising directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property, insurance proceeds and any other payment that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the "**Proceeds**";

(l) Leaseholds

all leases, now owned or hereafter acquired by the Borrower as tenant (whether oral or written) or any agreement therefor, all of which are herein called the "**Leaseholds**"; and

(m) Undertaking

all present and future personal property, business, and undertaking of the Borrower not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Collateral, Documents, Proceeds or Leaseholds, all of which are herein called the "**Undertaking**".

2.03 Further Description of Collateral. Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Borrower located on or about or in transit to or from the location(s) set out in Schedule A hereto.

2.04 Attachment of Security Interest. The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Borrower has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the Security Interest created by this agreement such that the Security Interest shall attach to existing Collateral upon the execution of this agreement and shall attach to the Collateral in which the Borrower hereafter acquires rights at the time that the Borrower acquires right in such Collateral.

2.05 Exception re: Leaseholds and Contractual Rights. The last day of the term of any lease or sublease of real property, oral or written, or agreement therefor now held or hereafter acquired is specifically excepted from the Security Interest, but the Borrower agrees to stand possessed of such last day in trust for such person as the Agent may direct and the Borrower shall assign and dispose thereof in accordance with such direction. To the extent that the Security Interest in any contractual rights would constitute a breach or cause the acceleration of such contract, said Security Interest shall not be granted hereunder but the Borrower shall hold its interest therein in trust for the Agent, shall use its best efforts to obtain the appropriate consents to the attachment of said Security Interest and shall grant a Security Interest in such contractual rights to the Agent forthwith upon obtaining the appropriate consents to the attachment of said Security Interest.

2.06 Control of Investment Collateral. Regarding any and all Investment Collateral that is a certificated security, an uncertificated security or a security entitlement, the Borrower shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Agent on terms and conditions satisfactory to the Agent.

2.07 Registration of Investment Collateral. Until further notice by the Agent, all certificates representing Investment Collateral may remain registered in the name of the Borrower, provided that the Borrower shall, upon the security hereby constituted becoming enforceable under this agreement, either duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof;

in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Agent. Upon the request of the Agent, (a) the Borrower shall cause any or all of the Investment Collateral to be registered in the name of the Agent or its nominee, and the Agent is hereby appointed the irrevocable attorney (coupled with an interest) of the Borrower with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Agent or its nominee, (b) the Borrower shall cause such securities intermediary that holds any Investment Collateral that is a security entitlement to record the Agent as the entitlement holder of such Investment Collateral, and/or (c) the Borrower shall (i) cause a security certificate to be issued for any Investment Collateral that is in the form of an uncertificated security or a security entitlement, (ii) endorse such security certificate in blank, (iii) deliver such security certificate to the Agent, and (iv) take all other steps necessary to give exclusive control over such certificated security to the Agent.

2.08 Voting Rights of Investment Collateral. Prior to the security hereby constituted becoming enforceable under this agreement, the Borrower shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof and receive dividends and distributions in respect of all Investment Collateral; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Agent or which would have the effect of reducing the value of the Investment Collateral, as security for the Secured Obligations or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Borrower to vote and give consents, waivers and ratifications and receive dividends and other distributions shall cease immediately upon the occurrence and continuance of an Event of Default.

2.09 Dividends, Distributions and other Income from Investment Collateral. All dividends, distributions, interest and other income in respect of Collateral and all proceeds received by the Borrower in respect of Collateral may be received by the Borrower in the ordinary course and distributed in the ordinary course to the Borrower's shareholders until the security hereby constituted becomes enforceable under this agreement. Upon the security hereby constituted becoming enforceable under this agreement, the Borrower shall not be entitled to retain or distribute to its shareholders any such dividends, distributions, interest or other income or proceeds and if received shall be held in trust and as trustee for the Agent and shall forthwith be paid over to the Agent, to be applied against the Secured Obligations or, at the option of the Agent, to be held as additional security for the Secured Obligations.

2.10 Degree of Care re: Investment Collateral. The responsibility of the Agent in respect of the Investment Collateral held by the Agent shall be limited to exercising the same degree of care which it gives valuable property of the Agent at the Agent's office where any of the Investment Collateral is held. The Agent shall not be bound under any circumstances to realize upon any of the Investment Collateral or allow any of the Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of the Investment Collateral or by the retention or other refusal to sell the same; nor shall the Agent be obliged to collect or see to the payment of interest or dividends thereon, but all such interest and dividends, if and when received by the Borrower, shall be held in trust for the Agent and shall be forthwith paid to the Agent.

ARTICLE 3 WARRANTIES AND COVENANTS OF THE BORROWER

3.01 Warranties and Covenants. The Borrower hereby represents, warrants, covenants and agrees with the Agent, for the benefit of the Lenders, as follows:

- (a) The Collateral is now and will be located at the addresses set out in Schedule A attached hereto. In the event the Collateral becomes located at any address not set out in Schedule A attached hereto, the Borrower shall promptly notify the Agent in writing of the details thereof.
- (b) The chief executive office and principal place of business of the Borrower is located at 185 The West Mall, Suite 701, Toronto, Ontario M9C 5L5.
- (c) The Borrower shall prevent the Collateral from becoming an accession to any personal property not subject to this agreement, or becoming affixed to any real property.
- (d) The Borrower shall perform all covenants required of it under any contract relating to or affecting intellectual property including promptly paying all required fees, royalties and taxes to maintain each and every item of intellectual property in full force and effect and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Borrower in, all intellectual property, by way of prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the intellectual property.
- (e) The Borrower shall make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trademarks, copyrights and industrial designs included in the intellectual property.
- (f) As of the date hereof, the Borrower is the owner of each of the serial numbered goods described in Schedule C attached hereto and owns directly or is entitled to use by contractual right or otherwise the intellectual property described in Schedule D attached hereto.
- (g) The Borrower shall deliver to the Agent upon the request of the Agent from time to time duly endorsed and/or accompanied by such assignments, transfers, powers or attorneys or other documents as Agent may request all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (h) The Borrower shall pay all costs and expenses of the Agent, its agents, officers and employees (including, without limitation, legal fees and disbursements on a solicitor and his own client basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this agreement and the filing of financing statement(s) and financing change statement(s) with respect to this agreement;
 - (ii) dealing with other creditors of the Borrower in connection with the establishment and confirmation of the priority of the security interest created by this agreement;

- (iii) the exercising of any or all of the rights, remedies and powers of the Agent and the Lenders under this agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (i) The Borrower shall indemnify the Agent for all costs and expenses as set out in Sections 3.01(h) and 3.02 and agrees that all such costs and expenses shall be payable by the Borrower to the Agent, for the benefit of the Lenders, on demand and shall bear interest at the Prime Rate plus three percent (3%), which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Agent. The Agent may, in its sole discretion and upon notice to the Borrower, perform any covenant of the Borrower under this agreement that the Borrower fails to perform and that the Agent is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Agent will not be obligated to perform any such covenant on behalf of the Borrower and no such performance by the Agent will require the Agent further to perform the Borrower's covenants nor operate as a derogation of the rights and remedies of the Agent or any Lender under this agreement.

ARTICLE 4 RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions. Except as herein provided, the Borrower shall not, without the prior written consent of the Agent:

- (a) sell, transfer, assign, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location.

4.02 Permitted Sales. The Borrower may, at any time, without the consent of the Agent or the Lenders:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and

- (c) continue to collect, at its own expense, all amounts due or to become due to the Borrower under the Accounts; and in connection with such collections, take (and, at the Agent's direction, shall take) such action as the Borrower or the Agent may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Agent shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Borrower thereunder directly to the Agent and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Borrower, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Borrower might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Borrower in respect of the Accounts shall be received in trust for the Agent and the Lenders hereunder, shall be segregated from other funds of the Borrower and shall be forthwith paid over to the Agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Borrower shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

4.03 Release by the Agent. The Agent may, at its discretion, at any time release from the security interest created by this agreement any part or parts of the Collateral or any other security or any surety for the Secured Obligations either with or without sufficient consideration therefore without thereby releasing any other part of the Collateral or any person from this agreement.

4.04 Proceeds Held in Trust. All Proceeds that are moneys collected or received by the Borrower and that either arise from a disposition of Collateral which is not permitted hereunder or arise after the security hereby constituted has become and continues to be enforceable will be received by the Borrower in trust for the Agent, and will be forthwith paid to the Agent.

ARTICLE 5 DEFAULT AND ENFORCEMENT

5.01 Security Becomes Enforceable. The security hereby constituted shall immediately become enforceable without further notice of any kind, which notice is expressly waived by the Borrower, upon the Security becoming enforceable in accordance with the Credit Agreement.

5.02 Remedies. At any time while the security hereby constituted is enforceable, the Agent, as agent for and on behalf of the Lenders, shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Agent so desires;

it being agreed that any Receiver appointed pursuant to the provisions of this agreement shall have all of the powers of the Agent hereunder;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lenders may hold charges or encumbrances;
- (c) to enter upon the Collateral and onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Borrower, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Agent shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this agreement including, without limitation, the power to purchase on credit, the power to borrow in the Borrower's name or in the name of the Receiver and to advance its own money to the Borrower at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Agent, and to grant security interests in the Collateral in priority to the security interest created by this agreement, as security for the money so borrowed;
- (g) to sell, lease, license or otherwise dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable; provided that
 - (i) the Agent or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Borrower or any other person or persons whomsoever for such period of time as is commercially reasonable subject to the Applicable Laws;
 - (ii) the Agent or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Borrower will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Agent or the Receiver in cash or such other form of compensation as may be acceptable to the Agent, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;
- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;

- (j) subject to the Applicable Laws, to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Agent or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Borrower's business;
- (k) to exercise all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Agent or its nominee) and to give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the absolute owner thereof;
- (l) to exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
- (m) to comply with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Borrower agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Agent shall not be liable or accountable to the Borrower for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
- (n) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Agent, the Lenders, the Receiver or the Borrower

for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and

- (o) at the sole option of the Agent, provided notice is given in the manner required by the PPSA to the Borrower and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations.

5.03 Receiver as Agent. The Receiver shall be deemed to be the agent of the Borrower for the purpose of establishing liability for the acts or omissions of the Receiver and the Agent and the Lenders shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Borrower hereby irrevocably authorizes the Agent to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement. The Borrower shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, legal fees and disbursements on a solicitor and his own client basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Agent, the Lenders and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by any of them pursuant to the powers set out herein, and the obligations of the Borrower to the Agent, the Lenders and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at an annual rate equal to the Prime Rate plus three percent (3%), which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases. Either the Agent or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Borrower, debtors of the Borrower, sureties and others and with the Collateral and other security as the Agent or the Receiver may see fit without prejudice to the Secured Obligations or the right of the Agent and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies. The Agent, the Lenders and the Receiver shall not be liable or accountable to the Borrower or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Agent, the Lenders, the Receiver, the Borrower or any other party in respect of the same.

5.07 Proceeds of Disposition. Subject to the claims, if any, of other secured creditors of the Borrower, all moneys received by the Agent or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all reasonable costs and expenses incurred by the Agent in the exercise of all or any of the powers granted to it under this agreement and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Agent or the Receiver pursuant to the powers set out in this agreement and any interest thereon;

- (c) third, to the payment or prepayment of the Secured Obligations (including holding as cash collateral to be applied against Secured Obligations which have not then matured) in such manner as the Agent may see fit; and
- (d) the balance, if any, in accordance with Applicable Law.

5.08 Borrower Liable for Deficiency. If the moneys received by the Agent or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Borrower shall immediately pay the Agent the amount of such deficiency.

5.09 Restriction on Borrower. Upon the Agent taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Borrower or any officer, director, servant or agent of the Borrower with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Agent; however, all other powers, functions, rights and privileges of the Borrower or any officer, director, servant or agent of the Borrower shall be unaffected by such events.

5.10 Rights Cumulative. All rights and remedies of the Agent and the Lenders set out in this agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Secured Obligations shall not operate as a merger of any of the covenants contained in this agreement.

5.11 Care by the Agent. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in the Agent's possession if it takes such action for that purpose as the Borrower requests in writing, but failure of the Agent to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Agent to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale. Without prejudice to the ability of the Agent to dispose of the Collateral in any manner which is commercially reasonable, the Borrower acknowledges that a disposition of Collateral by the Agent which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Agent of two *bona fide* written offers from arm's length parties;
- (d) the purchaser or lessee of such Collateral may be a customer of the Agent or any Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and

- (f) the Agent may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 GENERAL

6.01 Waiver. Any breach by the Borrower of any of the provisions contained in this agreement or any default by the Borrower in the observance or performance of any covenant or condition required to be observed or performed by the Borrower hereunder, may only be waived by the Agent in writing, provided that no such waiver by the Agent shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Agent as Attorney. The Borrower hereby irrevocably appoints the Agent and any person further designated by the Agent to be the attorney of the Borrower for and in the name of the Borrower, after the happening of any event by which the security hereby constituted becomes enforceable and during the continuation thereof, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Borrower is obliged to sign, execute or do hereunder, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Borrower in the exercise of all or any of the powers hereby conferred on the Agent.

6.03 Further Assurances. The Borrower shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, hypothecates, transfers and assurances as the Agent shall reasonably require for the better assuring, charging, hypothecating, assigning and conferring unto the Agent, for the benefit of the Lenders, a security interest in the Collateral or property intended to be charged hereunder, or which the Borrower may hereafter become bound to charge in favour of the Agent, for the benefit of the Lenders, for the purpose of accomplishing and effecting the intention of this agreement.

6.04 Continuing Security. The security interest constituted hereby shall be deemed to be a continuing security for the Secured Obligations until all of the Secured Obligations from time to time are paid and performed in full and this agreement is terminated.

6.05 No Obligation to Advance. Neither the execution nor delivery of this agreement shall obligate the Agent or the Lenders to advance any moneys to the Borrower.

6.06 Consumer Goods. Notwithstanding any other clause in this agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes from part of the Collateral.

6.07 Notices. Any demand, notice or other communication in connection with this agreement shall be in writing and shall be personally delivered to an officer of the addressee or sent by telefacsimile, charges prepaid, at or to the address or telefacsimile number of the party set opposite its name below or to such other address or addresses, telefacsimile number or numbers as either party may from time to time designate to the other party in such manner. Any demand or notice which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Banking Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of delivery. Any demand or notice which is transmitted by telefacsimile shall be deemed to have been validly and effectively given on the date of transmission if such date is a Banking

Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of transmission.

In the case of the Borrower:

Vitran Corporation Inc.
185 The West Mall
Suite 701
Toronto, Ontario M9C 5L5

Attention: President and CEO
Telefax: (416) 596-8039

In the case of the Agent:

JPMorgan Chase Bank, N.A.
Suite 1800, South Tower
Royal Bank Plaza
200 Bay Street
Toronto, Ontario M5J 2J2

Attention: Christopher Jamroz
Telefax: (416) 981-2375

6.08 Successors and Assigns. This agreement shall enure to the benefit of the Agent and the Lenders and their successors and assigns and shall be binding upon the Borrower and its successors and assigns.

6.09 Entire Agreement. Except for the Credit Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.10 Receipt of Financing Statement, etc. The receipt by the Borrower's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Borrower.

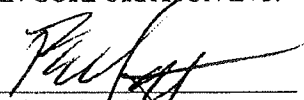
6.11 Receipt of Executed Copy of Agreement. The Borrower hereby acknowledges receipt of an executed copy of this agreement.

6.12 Authority of Agent. The rights, powers, authority, duties and responsibilities of the Agent as agent for the Lenders for the purposes of this agreement shall be as provided in the Credit Agreement.

[Remainder of page intentionally left blank; signatures to follow]

IN WITNESS WHEREOF the Borrower has executed this agreement as of the date first above written.

VITRAN CORPORATION INC.

Per: 
Name: Richard E. Gaetz
Title: President and Chief Executive Officer

SCHEDULE A

Location(s) of Collateral

185 The West Mall, Suite 701, Toronto, Ontario M9C 5L5

SCHEDULE B

Initial Pledged Securities

<u>Issuer</u>	<u>No. and Classes of Shares</u>
Vitran Express Canada Inc.	2,132,365 common shares
Rout-Way Express Lines Ltd./Les Services Routier Express Rout Ltée	10 common shares 10,000 special shares
Southern Express Lines of Ontario Limited	10 common shares
Vitran Environmental Systems Inc.	100 common shares

SCHEDULE C

Initial Serial Numbered Goods

None

SCHEDULE D

Intellectual Property

Patents

None.

Canadian Trademarks

Trade-mark Owner	Trade-mark	Serial/Reg. Number	Status
Vitran Corporation Inc.	VITRAN & DESIGN	1,001,361 TMA532,817	Registered
Vitran Corporation Inc.	VITRAN	1,001,317 TMA532,819	Registered

U.S. Trademarks

Trade-mark Owner	Trade-mark	Serial/Reg. Number	Status
Vitran Corporation Inc.	VITRAN EXPRESS	76/527,668 2,896,810	Registered
Vitran Corporation Inc.	VITRAN LOGISTICS	76/527,660 2,896,809	Registered
Vitran Corporation Inc.	VITRAN EXPRESS and Design	76/527,658 2,907,806	Registered
Vitran Corporation Inc.	VITRAN LOGISTICS and Design	76/527,392 2,915,674	Registered