

EQUIPMENT LEASE AGREEMENT

(Non-Maintenance)

THIS LEASE dated as of the First day  
of January , 1973 .

BETWEEN: CANPAC CAR INC., the "Lessor"

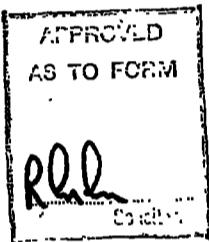
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- and -

CANADIAN PACIFIC LIMITED, the "Lessee"

WITNESSES:

RECORDATION NO. \_\_\_\_\_ Filed & Recorded  
JUN 21 1973 - 1 55 PM  
INTERSTATE COMMERCE COMMISSION



1. Lessor shall lease to Lessee the railway cars (the "Cars") at rental rates and for rental periods which shall be mutually agreed between the parties and shall be shown on schedules to be added from time to time in this Agreement.
2. The Lessor warrants that it is the true and lawful owner of the Cars free and clear of all encumbrances and liens.
3. Lessee will pay Lessor for the use of the Cars such rental charges from the date each car is delivered to Lessee at a point or points mutually agreed on until the date such Car is returned to Lessor at a point or points mutually agreed on. Bills for rental charges will be rendered monthly in advance and are payable within ten (10) days after commencement of the rental period covered thereby.
4. So long as this Lease shall remain in effect with respect to any Car, Lessee shall be entitled to receive and retain any mileage or per diem allowance paid or due with respect to the use of such Car, in accordance with the Interstate Commerce Commission rules pertaining to per diem and car service rules and subject to the obligations imposed upon Lessee by any Orders issued in Ex Parte 252(1).
5. The Lessee is responsible for maintaining and repairing the Cars furnished hereunder in accordance with the requirements of the Lessee and with the Code of Rules of the Association of American Railroads and the rules and regulations of any governmental authority having jurisdiction. Any mandatory equipment changes to Cars which shall be required by these authorities during the term of this Lease shall be applied by and at the expense of the Lessee.

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*[Handwritten initials]*

10. The Lessee shall, during the continuance of this lease, in addition to the rentals and other payments herein provided, promptly pay all taxes, assessments and other governmental charges levied or assessed upon the Cars or any thereof or the interest of the Lessee therein or in respect of the use or operation thereof or the earnings arising therefrom, and will promptly pay or reimburse the Lessor for

to protect the title of Lessor to such Car and its rights under this lease, such appropriate words as may be designated by Lessor and as are necessary marked on each side of such Car not to exceed two (2) inches in height will keep and maintain plainly, distinctly, permanently and conspicuously identifying number as set forth in the schedules attached hereto and Lessee will cause each Car to be kept numbered with its

9. Lessee will cause each Car to be kept numbered with its identifying number as set forth in the schedules attached hereto and will keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of such Car not to exceed two (2) inches in height such appropriate words as may be designated by Lessor and as are necessary to protect the title of Lessor to such Car and its rights under this lease, may be charged against Lessor hereunder.

8. Lessor agrees to indemnify, protect and hold Lessee harmless from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against Lessee or any user of the Cars because of the use in or about the construction or operation of the Cars of any design, article or material infringing or claimed to infringe on any Canadian or United States patent or other right. Lessee shall give notice to Lessor of any claim known to Lessee from which liability may be charged against Lessor hereunder.

7. The Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney in fact, for and in its name and behalf, but for the account of the Lessee, to make and to enforce in its discretion, from time to time, at the Lessee's sole cost and expense whatever claim or claims the Lessor may have against the manufacturer of any of the Cars under the terms of the manufacturer's warranty thereof. The Lessor shall deliver to Lessee copies of all manufacturer's warranties, agreements and the like relating to the Cars.

6. Lessee shall be liable for all loss of or damage to any Car or parts thereof whether or not such loss or damage is due to the negligence of Lessee or its consignee or consignee; provided, however, Lessor will be responsible for all latent defects in the Car and will indemnify and save harmless Lessee and its servants, agents and employees from all claims and losses arising from such defects.

all taxes, assessments and other governmental charges levied or assessed against the Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof or the earnings arising therefrom (exclusive, however, of any United States, Canadian, provincial or state income taxes on the rentals herein provided;) but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless by reason of such delay in or failure to make payment, in the judgment of the Lessor, the rights or interests of the Lessor would be materially endangered, and provided that the Lessee shall pay, and shall indemnify and save harmless the Lessor against, all costs and charges resulting from any such proceeding or from the failure of the Lessee to make any such payments. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee shall either make such reports in such manner as to show the ownership of such Cars by the Lessor or shall notify the Lessor of such requirements and shall make such reports in such manner as shall be satisfactory to the Lessor.

11. It is the expectation of the parties that the railway cars which are the subject matter of this Agreement will be operated by Lessee solely in conjunction with the movement of freight between points in the United States or between points in the United States and points in Canada. Lessor will not be responsible for the payment of any tariff, duty, customs, switching, demurrage or other charges made by any governmental, railroad or other agency in respect of any of the Cars except as specifically provided herein, and Lessee agrees to reimburse Lessor for any such charges that Lessor is hereafter required to pay.

12. Lessee shall redeliver each Car and each part thereof to Lessor on the date on which the terms of this Lease terminate with respect to such Car in accordance with such point or points as may be mutually agreed upon by Lessor and Lessee in good order and running condition less reasonable wear and tear unless such Car shall have been theretofore lost, destroyed or irreparably damaged. Free storage track at Lessor's risk will be provided by Lessee to Lessor for a period not exceeding ten (10) days per Car after termination of this Lease in respect of such Car. Except as otherwise provided in this

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paragraph, in the event that any Car is not redelivered to Lessor on or before the date on which the term of this Lease with respect to such Car terminates, all of the obligations of Lessee under this Lease with respect to such Car shall remain in full force and effect until such Car is redelivered to Lessor, provided, however, that the daily rental rate as specified in schedules to be added from time to time in this Agreement shall be observed with respect to such Car unless Lessor and Lessee shall otherwise agree in writing prior to the date on which the term of this Lease with respect to such Car terminates.

13. Lessee shall have the right, without cost or expense to Lessor, to make any replacement, change, substitution or addition of any equipment or appliance on any Cars, provided such replacement, change, substitution or addition does not alter the status of any car so affected as an un-equipped box car for general service, but all parts installed or replacements made by the Lessee upon any of the Cars shall be considered accessions to such Car, and title thereto shall be immediately vested in the Lessor, unless otherwise agreed between the parties in writing.

14. Lessee will, so long as it complies with its obligations under this Lease, have peaceful and uninterrupted use of the Cars and in no event shall the Lessee be required to duplicate any of its obligations under the Lease save for those expressly agreed upon by Lessee. All payments by Lessee to any Assignee of the Lessor of this Lease shall constitute a discharge of Lessee's obligations to Lessor under the Lease to the extent of such payments.

15. Lessor may forthwith upon execution and delivery of this Lease cause the same to be duly signed and deposited in conformity with Section 20(c) of the Inter-State Commerce Act and Section 86 of the Canadian Railway Act. The Lessor shall pay all costs, charges and expenses incidental to the taking of any such action.

16. Lessee will not assign, transfer, encumber, or otherwise dispose of this Lease, the Cars or any part thereof or sub-let or underlet the Cars hereby leased, or change or permit to be changed or altered the present lettering and/or numbering on said Cars or any of them without the consent of Lessor in writing first being obtained. Lessee

will not permit or suffer any encumbrances or liens to be entered or levied upon the Cars, or any of them. Lessee, however, may part with possession of any Car from time to time in the course of normal interchange practices with other railroad companies.

17. It is agreed that the time of payment of rentals is of the essence of this Lease, and that if Lessee shall make default in the timely payment of rentals or shall fail to perform any of its other obligations hereunder, Lessor at its election may either:-

- (A) terminate this Lease immediately, or
- (B) withdraw the Cars from the service of Lessee and deliver the same, or any thereof, to others upon such terms as Lessor may see fit.

If Lessor shall elect to proceed in accordance with clause (B) above and if Lessor during the balance of the term of this Lease shall fail to collect for the use of the Cars a sum at least equal to all unpaid rentals hereunder to the stated date of termination hereof plus an amount equal to all expenses of withdrawing the Cars from the service of Lessee and collecting the earnings thereof, Lessee agrees to pay from time to time upon demand by Lessor the amount of any such deficiency. The obligation to pay such deficiency shall survive such termination of this Lease and/or such re-taking of the Cars. Lessee shall, without expense to Lessor, assist it in repossessing itself of the Cars and shall, for a reasonable time, if required, furnish suitable trackage space at Lessor's risk for the storage of the Cars. It is expressly understood that Lessor at its option may terminate this agreement in the event that a petition in bankruptcy or a petition for a trustee or receiver be filed by or against Lessee or in the event that Lessee shall make an assignment for creditors.

18. In the event that any of the Cars shall be lost, destroyed, stolen, or irreparably damaged from any cause whatsoever during the term of this Lease, Lessee shall promptly and fully inform Lessor thereof. Rental for any of the Cars that are so lost, stolen, destroyed or irreparably damaged shall cease to accrue on the date that such loss, damage or destruction occurs.



As promptly as practicable thereafter, the Lessee shall surrender such Car, or the remains thereof, if any, as is, where is, to the Lessor or, if so directed by the Lessor, at the Lessor's option, pay to the Lessor the depreciated value of the Car as determined by the Association of American Railroads Rules of Interchange, in which event Lessor, by bill of sale or other appropriate instrument, will convey to Lessee title to such Car. Rent for the Lease Month in which any such event occurs shall be prorated as of the day on which Lessee shall have surrendered such Car or the remains thereof or made payment of the depreciated value for such Car, as the case may be.

If a Car covered by this Lease is lost, stolen or destroyed as recited above Lessor shall have the right but shall not be obligated to substitute therefor another Car of the same type and capacity; provided, however, Lessor's right of substitution must be exercised within ninety (90) days from the date of such destruction.

19. In the event that the use of any Car shall be requisitioned or taken during the term by any governmental authority under the power of eminent domain or otherwise on any basis not involving the taking of title to such Car, such requisition or taking shall not terminate this Lease, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as the Lessee shall not be in default under this Lease, the Lessor shall pay to the Lessee all sums received by the Lessor from such governmental authority as compensation for such requisition or taking in respect of any period during the Term.

In the event that any Car shall be otherwise requisitioned or taken during the term by any governmental authority under the power of eminent domain or otherwise, the Lessee shall pay forthwith to the Lessor the depreciated value of the Car as determined by the A.A.R. Rules of Interchange. When such payment is made, the Lessor shall pay to the Lessee the entire amount received as compensation for such requisition or taking or, if such compensation has not been paid, the Lessor shall assign to the Lessee all of the Lessor's right



to receive the same. Upon such payment by the Lessee to the Lessor, this Lease shall terminate with respect to such Car.

20. This Lease shall be effective as dated and will expire upon completion of the leasing arrangement shown on each of the attached schedules of the leased Car or Cars covered thereunder.

21. This Lease shall be subject to and construed in accordance with the laws of the State of Delaware.

22. The obligations of either party to this Lease shall be suspended to the extent that any such party is hindered or prevented from complying therewith because of labour disturbances (including strikes and lockouts), wars, Acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatever beyond its control.

23. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the mails, first class postage prepaid, addressed as follows:

If to the Lessor:

CanPac Car Inc.,  
100 West Tenth Street,  
Wilmington, New Castle County, Delaware,

ATTENTION: President

If to the Lessee:

Canadian Pacific Limited,  
Windsor Station,  
Montreal 101, Quebec.

ATTENTION: Vice-President,  
Purchases & Stores

or to such other address as either party may hereafter designate in writing to the other.

24. This Lease shall be binding upon the parties hereto and their respective successors and assigns.

25. Notwithstanding any other provisions of this Agreement, Lessor may not be required to expend any funds received from Lessee pursuant to Orders issued in Ex Parte 252(1), to specify any obligations or to meet liabilities imposed by this Agreement.

26. In the event that the Interstate Commerce Commission shall enter any final Order holding that this Lease or any portion thereof is not in conformity with the provisions of any final Orders entered in Ex Parte 252(1), then this Agreement may be terminated by either party and all rights and obligations hereunder other than rights or obligations arising prior to such termination shall cease forthwith.

IN WITNESS WHEREOF the parties hereto have caused these as of presents to be executed on the day and year first above written.

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SJA*

SIGNED AND SEALED  
in the City of Montreal,  
Province of Quebec, this  
6<sup>th</sup> day of April A.D.  
1978.

LESSOR : CANPAC CAR INC.

*[Signature]*  
\_\_\_\_\_  
President

*[Signature]*  
\_\_\_\_\_  
Secretary

LESSEE: CANADIAN PACIFIC LIMITED

*[Signature]*  
\_\_\_\_\_  
Vice-President, ~~Finance~~

*[Signature]*  
\_\_\_\_\_  
Secretary

SCHEDULE A

Attached to and constituting a part of the lease of railway cars between CanPac Car Inc., Lessor, and Canadian Pacific Limited, Lessee, dated as of January 1st, 1973.

Description of Cars

125 only 70-ton, 50' - 6-1/8" long box cars with outside posts.

Reporting Marks and Numbers

CPAA 207000 to 207124 inclusive.

Manufacturer

Pullman-Standard Division of Pullman Incorporated

Point of Delivery

Bessemer, Alabama

Term of Lease

Duration : 15 years

Date of commencement: January 1, 1973

Date of termination : December 31, 1987

Monthly Rental Rate

\$155.00 per car, U.S. funds

Net Equipment Cost

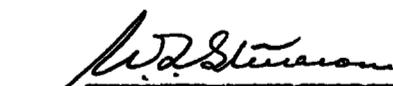
\$15,176.36 per car, U.S. funds

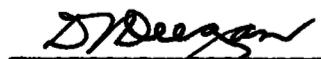
SIGNED AND SEALED in the City of Montreal, Province of Quebec, this  
6<sup>th</sup> day of April 1973.

LESSOR: CANPAC CAR INC.

LESSEE: CANADIAN PACIFIC LIMITED

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Vice-President, Finance

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Secretary



THE BOARD OF NOTARIES  
OF THE PROVINCE OF QUEBEC

CANADA  
PROVINCE OF QUEBEC

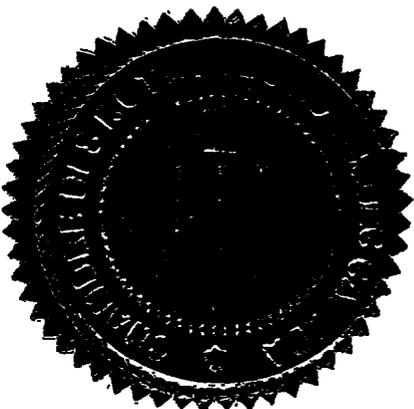
I, JEAN BERNARD COUPAL, Secretary of the Board of Notaries of the Province of Quebec, Canada, said Board having its Seat, in the City of Montreal, organized under the laws of said Province of Quebec, and being the sole and only Board of Record for all the Notaries in said Province, said Board having a seal, the whole as enacted by the law 17-18 Elizabeth II, 1968, ch. 70.

DO HEREBY CERTIFY that **ANDRE GROULX, NOTARY** - - - - -  
residing at **Montreal** - - - - - in the Judicial District of **Montreal** - - - - -  
of said Province, who signed the certificate of proof of acknowledgment on the hereunto attached instrument, was at the time of taking such proof of acknowledgment a practising Notary and Public Officer, having been duly commissioned and sworn as such and his name is entered on the Roll of the Order of Notaries of said Province of Quebec, that his jurisdiction extends over the whole of said Province of Quebec and his terme of office is for life; that therefore he is at the date hereon a person authorized to take and certify affidavits and solemn declarations and to take proof and acknowledgment of all deeds and other instruments, and to certify as such Notary both originals and copies thereof or either of them to be recorded in said Province, the whole in accordance with and as required by the said Notarial Act and the laws of said Province of Quebec.

AND moreover I have compared the signature: "**Andre Groulx, notary** - - - - -" affixed to said instrument, with that deposited in the "Register of official signatures of Notaries" (said Register being kept only by me and remaining of record only in my office), and, as required by said Notarial Act and laws, such signature is the Official signature of said person and the impression of his official seal on said certificate is also genuine.

THAT further in my said capacity of Secretary of the said Board of Notaries, I am the only authority under the laws of said Province to issue the present certificate.

WITNESS my hand and the official seal of said Board of Notaries at Montreal, this **thirtieth** - - - - day of **June** - - - one thousand nine hundred and **seventy-three**.



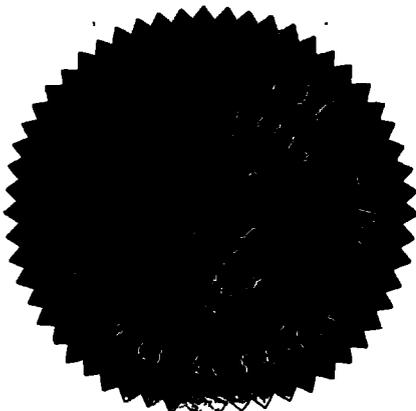
*Jean Bernard Coupal*  
JEAN BERNARD COUPAL  
Secretary

**C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL**

On this 12th day of June 1973, before me  
personally appeared:

a) Mr. Keith Campbell, to me personally known,  
who being duly sworn said that he is the President of  
CANPAC CAR INC., that one of the seals affixed to the  
foregoing Agreement is the corporate seal of said corporation,  
that the said Agreement was signed and sealed on behalf of  
said corporation by authority of its Board of Directors,  
and he acknowledged that the execution of the foregoing  
instrument was the free act and deed of said corporation.

b) Mr. W. J. Stenason, to me personally known,  
who being duly sworn said that he is one of the Vice-Presidents  
of CANADIAN PACIFIC LIMITED, that one of the seals affixed to  
the foregoing Agreement is the corporate seal of said corporation,  
that the said Agreement was signed and sealed on behalf of said  
corporation by authority of its Board of Directors, and he  
acknowledged that the execution of the foregoing instrument  
was the free act and deed of said corporation.



*André Groulx*  
\_\_\_\_\_  
André Groulx, Notary.