

13560

REGISTRATION NO. _____ Form 1425

FFB 22 1982 -2 10 PM

INTERSTATE COMMERCE COMMISSION

DAVID M. FRANKFORD

DIRECT LINE (202)

872-6093

WILMER, CUTLER & PICKERING

1666 K STREET, N. W.

WASHINGTON, D. C. 20006

CABLE ADDRESS: WICRING WASH., D. C.

INTERNATIONAL TELEX: 440-239

TELEX: 89-2402

TELEPHONE 202 872-6000

EUROPEAN OFFICE

1 COLLEGE HILL

LONDON, EC4R 2RA, ENGLAND

TELEPHONE 01-236-2401

TELEX: 851 883242

CABLE ADDRESS: WICRING LONDON

February 22, 1982

2-0031403

Dear Madam Secretary:

I enclose for recording under Section 11303 of Title 49 of the U.S. Code and the regulations promulgated thereunder an executed original and four executed counterparts of a Lease dated as of February 15, 1982.

No. FEB 22 1982
Date.....
Fee \$50.00
ICC Washington, D. C.

The instant Lease is a primary document, and is a new filing. The names and addresses of the parties are as follows:

Lessor: GATX Leasing Services Ltd.
Commercial Union Tower
Suite 2814
Toronto-Dominion Center
Toronto, Ontario P1B 2H3

Lessee: Ontario Northland Transportation
Commission
195 Regina Street
North Bay, Ontario P1B 8L3

Chamberlain
John Chamberlain

A description of the equipment covered by the Lease is as follows:

NSL Boxcars Nos.:

102381	102396	150807
102382	102397	150809
102383	150558	150811
102390	150775	150813
102391	150789	150819
102392	150791	150820
102393	150801	151000
102394	150803	151001
	150804	
	150806	
	150560	
	150784	
	150010	
	150574	

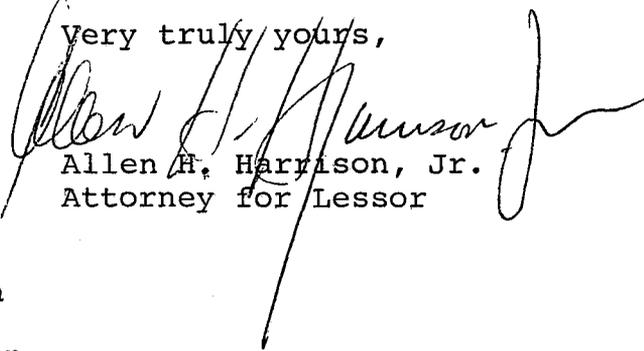
Further enclosed is our check for \$50.00 in payment of the recordation fee.

Please keep one of the executed counterparts for your file and return to bearer the original together with the remaining counterparts, all stamped to show the filing.

A short summary of the document to appear in the index is as follows:

Lease dated as of February 15, 1982 between the above named Lessor and Lessee involving a lease of thirty (30) NSL Boxcars.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for Lessor

Honorable Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20243

Enclosures

AHH/iw

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

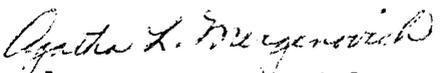
Allen H. Harrison, Jr.
Wilmer, Cutler & Pickering
1666 K Street, N. W.
Washington, D. C. 20006

February 22, 1982

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/22/82 at 2:10PM , and assigned re-
recording number(s) 13560

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

LEASE OF RAILROAD EQUIPMENT, dated as of February 15, 1982 between ONTARIO NORTHLAND TRANSPORTATION COMMISSION (the "Lessee"), and GATX LEASING SERVICES LTD. (the "Lessor").

REGISTRATION NO. 13560
FFB 22 1982 -2 10 PM
INTERSTATE COMMERCE COMMISSION

WHEREAS, the Lessor owns the thirty (30) railroad boxcars described in Schedule I hereto (the "Units"); and

WHEREAS, the Lessee will lease from the Lessor all the Units or such lesser number of Units as are delivered and accepted hereunder at the rentals, for the lease terms and on the conditions hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants herein to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions.

Section 1. Lease of Equipment. The Lessor will tender each Unit to the Lessee at North Bay, Ontario. Upon such tender, the Lessee will cause an authorized representative of the Lessee to inspect the same and (a) accept such Unit if it is found to be in good order, or (b) if such Unit requires minor repairs, the Lessee will accept delivery of such Unit identifying such repairs or (c) if such a Unit requires major repairs, the Lessee may reject such Unit identifying the repairs that will make the Unit acceptable to the Lessee. Acceptance of a Unit will be evidenced by a certificate of acceptance (a "Certificate of Acceptance") and delivery substantially in the form of Exhibit A hereto. On execution and delivery of a Certificate of Acceptance covering a Unit, such Unit shall be subject thereafter to the terms and conditions of this Lease. If the Lessee accepts a Unit requiring minor repairs, it will perform such repairs and the Lessor will pay the Lessee's invoice for such repairs at the rates specified by the American Association of Railroads. If the Lessee rejects a Unit requiring major repairs, the Lessor may, at its option, and at its own cost and expense, either (i) make, or cause to be made, such repairs and tender such Unit to the Lessee at North Bay, Ontario, in which case the Lessee will accept such Unit upon such tender or (ii) notify the Lessee that such Unit will not be included as a Unit under this Lease. The risk of transportation of the Units shall be for the account of the Lessor, except the Lessee shall pay the expenses of moving the Units from the current locations listed in Schedule I hereto to North Bay, Ontario.

Section 2. Term of Lease. The Units will be delivered in up to two (2) groups. The Units will initially be delivered in one group of thirty (30) Units (the "First Group"). If the Lessee rejects any Unit pursuant to Section 1(c) hereof, the Lessor shall deliver a second group (the "Second Group") of Units, if any, which the Lessor has elected to repair and tender to the Lessee. This Lease shall commence (the "Commencement Date") (a) with respect to the First Group (other than any rejected Unit), on the date of delivery and acceptance by the Lessee of the last Unit in such First Group and (b) with respect to the Second Group,

if any, on the earlier of the date of delivery and acceptance by the Lessee of the last Unit in such Second Group or March 31, 1982.

Section 3. Rentals. The Lessee agrees to pay the Lessor as rental for each Unit subject to this Lease monthly on the same day of the month as the Commencement Date at the office of Lessor in Toronto, Ontario, such rental payments to be in arrears as follows:

<u>Months from the Commencement Date</u>	<u>Monthly rent per Unit in U.S. Dollars</u>
1-6	--
7-12	\$100
13-18	\$200
19-24	\$300

If any of the monthly rental payment dates referred to above is not a Business Day, the rental payment otherwise payable on such date shall be payable on the next succeeding Business Day. The term "Business Day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in North Bay, Ontario or Toronto, Ontario are authorized or obligated to remain closed. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds in the city where such payment is to be made.

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set off against rent for any reason whatsoever. Except as otherwise expressly provided herein, this Lease shall not terminate and the respective obligations of the Lessor or the Lessee shall not be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units (other than liens or encumbrances granted by the Lessor), the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, or for any other cause whether similar or dissimilar to the foregoing. Any present or future law to the contrary notwithstanding, it is the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee

shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

Section 4. Identification Marks. The Lessee will cause each Unit to be kept numbered with the road number set forth in Schedule I hereto, or in the case of any Unit not there listed, such road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to such Unit and the rights of the Lessor under this Lease. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same under this Lease until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

Section 5. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, United States and Canadian federal taxes or certification, registration or license fees, customs duties, assessments, charges, fines or penalties hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms of this Lease (all such expenses, taxes, certification, registration and license fees, customs duties, assessments, charges, fines and penalties being hereinafter called "Impositions"), all of which Impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein and from and against which the Lessee agrees to indemnify, protect, defend, save and keep harmless on an after tax basis the Lessor; provided, however, that unless otherwise specifically provided herein, the Lessee's obligation to pay the Impositions shall not include (a) any United States or Canadian federal income tax payable by the Lessor in consequence of the receipt of payments provided for herein and (b) all income taxes or franchise taxes measured by net income based

on such receipts imposed on the Lessor by the state and city in which the Lessor has its principal place of business, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee will also pay promptly all Impositions that may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor by reason of its ownership thereof and will keep at all times all and every part of the Units free and clear of all Impositions that might in any way affect the title of the Lessor in and to any Unit or its interests or rights under this Lease; provided, however, that the Lessee shall be under no obligation to pay any Imposition of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the opinion of the Lessor, adversely affect the title, interest or rights of the Lessor hereunder.

If any reports with respect to Impositions are required to be made, the Lessee will either make such reports in such manner as to show the interest of the Lessor in the Units or notify the Lessor of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor.

If during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any Imposition, pursuant to this Section 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee. The obligations of the Lessee under this Section 5 constitute a rental obligation.

Section 6. Payment for Casualty Occurrences. In the event that any Unit shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences"), prior to the return of such Unit in the manner set forth in Section 12 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto. On the rental payment date next succeeding such notice the Lessee shall pay to the Lessor an amount equal to the amount payable with respect to such Unit under Rule 107 of the Interchange Rules of the American Association of Railroads. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue. Lessor shall transfer to Lessee, without any representation or warranty of any kind, express or implied, whatever title to such unit it may have and the term of this Lease as to such Unit shall thereupon terminate.

Section 7. Reports. On or before March 31 in each year, commencing with the calendar year 1982, the Lessee will furnish to the Lessor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers

of all Units then leased hereunder, the amount, description, location and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition, location and state of repair of the Units as the Lessor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statements, the numbers and markings required by Section 4 hereof have been preserved or replaced.

The Lessee will furnish the Lessor as soon as publicly available after the close of each fiscal year of the Lessee, the balance sheets of the Lessee as of the close of its fiscal year, together with the statements of income and retained earnings for such fiscal years, all prepared in reasonable detail in accordance with generally accepted accounting principles and certified by the Provincial Auditor of the Province of Ontario, including accompanying notes.

Section 8. Disclaimer of Warranties; Compliance with Laws and Rules; Use; Maintenance; Indemnification. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (a) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (b) the use, operation or performance of any Units or any risk relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit.

The Lessee agrees, for the benefit of the Lessor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all rules of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that prior to the expiration of this Lease or any renewal hereof, such laws or rules require any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith at its own

expense and title to any additions or improvements so made shall thereupon vest in the Lessor; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property of the Lessor under this Lease.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition and at all times suitable for interchange.

Any and all additions to any Unit and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Lessor. The Lessee shall not permit any special device or assembly to be attached or affixed to any Unit which may not be readily removed from such Unit without materially impairing such Unit or the value thereof unless such special device or assembly is to be considered an accession to such Unit and the Lessee has secured the prior written consent of the Lessor thereto.

The Lessee agrees to indemnify, protect and hold harmless the Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into, or the performance of, or the occurrence of a default or an Event of Default under this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in Section 13 of this Lease. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the expiration or termination of the term of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, filed on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee.

Section 9. Default. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an "Event of Default") shall occur:

A. default shall be made in payment of any amount provided for hereunder and such default shall continue for seven (7) business days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee set forth herein and such default shall continue for twenty-five (25) days after written notice from the Lessor to the Lessee, as the case may be, specifying the default and demanding that the same be remedied;

D. any proceeding shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder) and, unless the same shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier;

Then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units

may be and take possession of all or any of such Units and thence forth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rental which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 5-1/2% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies.

Section 10. Possession and Use. Without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease, in the Units or any of them. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or resulting from claims against the Lessor not related to the ownership of the Units) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor or the Lessee therein, and will promptly discharge any such lien, claim,

security interest or other encumbrance which arises.

So long as no Event of Default hereunder occurs, the Lessee shall be entitled to the possession of the Units and any car hire earnings thereof and shall also be entitled (a) to the use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract and (b) to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements.

Section 11. Renewal Option, Right of First Refusal. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than ninety (90) days prior to the end of the original term of the Units, elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for an additional five-(5) year period commencing on the scheduled expiration of the original term of this Lease at a monthly rental of \$375 (U.S.) payable in arrears and thereafter, also on ninety (90) days written notice, for a mutually agreeable term at a "fair market rental" payable in monthly payments in arrears. Fair market rental shall be determined by agreement between the Lessor and the Lessee.

Unless an Event of Default shall have occurred and be continuing at the end of the original term of this Lease or any renewal term, or any event or condition which, upon lapse of time or giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing at such time, Lessor shall not, at or within one (1) year following the end of the original term of this Lease, sell any Unit (including any sale prior to the end of such term for delivery of such Unit at or following the end of such term) unless:

(a) the Lessor shall have received from a responsible purchaser a bona fide offer in writing to purchase such Unit;

(b) the Lessor shall have given the Lessee notice (i) setting forth in detail the identity of such purchaser, the proposed purchase price, the proposed date of purchase and all other material terms and conditions of such purchase, and (ii) offering to sell such Unit to the Lessee upon the same terms and conditions as those set forth in such notice; and

(c) the Lessee shall not have notified the Lessor, within twenty (20) days following receipt of such notice, of its election to purchase such Unit upon such terms and conditions.

If the Lessee shall not have so elected to purchase such Unit, Lessor may at any time sell such Unit to any party at a price and upon

other terms and conditions no less favorable to Lessor than those specified in such notice.

Section 12. Return of Units. On the expiration of this Lease or its earlier termination pursuant to Section 9 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall (a) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted and (b) meet the standards (including maintenance and operation provisions) then in effect under the interchange rules of the Association of American Railroads and the applicable rules of any governmental agency or other organization with jurisdiction. For the purpose of delivering possession of any Unit or Units to the Lessor, as above required, the Lessee shall, at its option and own cost, expense and risk in the usual manner and at the usual speed, place such Units upon either storage tracks of the Lessee or tracks under the control of General American Transportation Corporation at Sharon, Pennsylvania; East Chicago, Illinois; Hearn, Texas or West Colton, California, provided that such storage will not interfere with the railroad operations of the Lessee.

If such Units are placed on tracks of the Lessee, the Lessee will permit the Lessor to store such Units on such tracks at the risk of the Lessee without charge for insurance, rent or storage for a period of one hundred twenty (120) days or until such Units have been sold, leased or otherwise disposed of by the Lessor, whichever shall occur first, provided that such storage will not interfere with the railroad operations of the Lessee or any of its affiliates. The Lessee will transport the same to North Bay, Ontario for delivery to the Lessor. On delivery to the Lessor at North Bay pursuant to this paragraph, the Lessor will be responsible for all the Units. The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, the Lessee shall, in addition, pay to the Lessor for each day after the date of termination, an amount equal to the amount, if any, by which \$15.00 for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

Section 13. Representations and Warranties. The Lessee represents and warrants to the Lessor that the Lessee has the full power, authority and legal right to enter into and perform its obligations under this Lease and the execution, delivery and performance of this Lease has been duly authorized by all necessary action of the Ontario Northland Transportation Commission.

Section 14. Recording. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or any assignee of Lessor for the purpose of proper protection, to its satisfaction, of the Lessor's or such assignee's interest in the Units or this Lease, or for the purpose of carrying out the intention of this Lease; and the Lessee will promptly furnish to the Lessor evidence of all such filing, registration, depositing and recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor.

Section 15. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to three percent (3%) over the best commercial loan rate on ninety (90) day loans to responsible and substantial borrowers as in effect from time to time at Wells Fargo Bank, National Association, San Francisco, California, on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

Section 16. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessor, Commercial Union Tower, Suite 2814, Toronto Dominion Center, Toronto, Ontario and

(b) if to the Lessee, at 195 Regina Street, North Bay, Ontario PIB 8L3.

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

Section 17. Severability; Effect and Modification of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

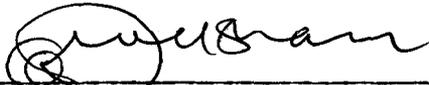
This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

Section 18. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Lessor shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

Section 19. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

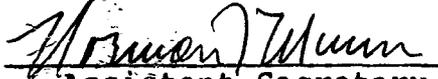
GATX LEASING SERVICES LTD.

By 

Title Vice-President

(Corporate Seal)

Attest:


Assistant Secretary

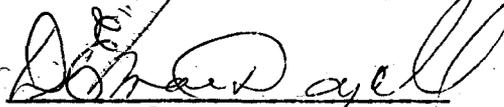
ONTARIO NORTHLAND TRANSPORTATION
COMMISSION

By 

Title General Manager

(Commission Seal)

Attest:


Secretary

By 

Title LEGAL OFFICER

(Commission Seal)

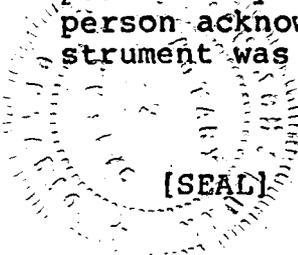
Attest:


Secretary

APPROVED 
APPROVED 
APPROVED
EXAMINED
COUNSEL
RECORDED

PROVINCE OF ONTARIO)
) ss.
JUDICIAL DISTRICT OF YORK)

On the 19th day of February, 1982, before me personally appeared William Frodsham, to me personally known, who being by me duly sworn says that such person is the Vice President of GATX Leasing Services Ltd., that the seal affixed to the foregoing Lease is the seal of said corporation, that the foregoing Lease was signed and sealed on behalf of said corporation by authority of its Board of Directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Norman John Mann
Notary Public

My Commission has no expiration date.

PROVINCE OF ONTARIO)
) ss.
DISTRICT OF NIPISSING)

On the 10th day of February, 1982, before me personally appeared Robert O. Beatty, to me personally known, who being by me duly sworn says that such person is the General Manager of Ontario Northland Transportation Commission, that the seal affixed to the foregoing Lease is the seal of said commission, that the foregoing Lease was signed and sealed on behalf of said commission by authority of the Ontario Northland Transportation Commission, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said commission.



[Signature]
Notary Public

My Commission has no expiration date.

EXHIBIT A

Acceptance Certificate

Delivery Date:

THIS ACCEPTANCE CERTIFICATE is executed pursuant to that certain Lease of Railroad Equipment dated as of February 15, 1982 (the "Lease") between Ontario Northland Transportation Commission and GATX Leasing Services Ltd.

The terms used herein shall have the meaning given to such terms in the Lease.

Lessee confirms (i) that all the Units described in Annex I attached hereto (the "Units") have been delivered and accepted as of the above delivery date; (ii) that the Units have been fully inspected and (iii) that the Lease and Lessee's obligation to pay rent thereunder with respect to said Units shall commence as of the Commencement Date.

EXECUTED as of the delivery date first above written.

ONTARIO NORTHLAND TRANSPORTATION
COMMISSION

By _____

Title _____

ANNEX I
to
ACCEPTANCE CERTIFICATE

The Units may be described as follows:

NSL Boxcar Nos:

Schedule I to Lease of Railroad Equipment
dated as of February 15, 1982

Storage Location:	<u>Berwind Railway Supply Marion, Ohio</u>	<u>St. Lawrence Railway Norwood, NY</u>	<u>Ontario Northland Railway North Bay, Ontario</u>	<u>Ontario Midland Railway Sodus, NY</u>
NSL Boxcar Nos.	102381	150560	150010	150574
	102382	150784		
	102383			
	102390			
	102391			
	102392			
	102393			
	102394			
	102396			
	102397			
	150558			
	150775			
	150789			
	150791			
	150801			
	150803			
	150804			
	150806			
	150807			
	150809			
	150811			
	150813			
	150819			
	150820			
	151000			
	<u>151001</u>			
Total No. of Boxcars In Storage:	26	2	1	1
	30			