



CORPORATION SERVICE COMPANY

RECORDATION NO. 25279 FILED

NOV 03 '04 12-13 PM

SURFACE TRANSPORTATION BOARD



November 1, 2004

Barbara Saddler
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 70
Washington D.C. 20423

RE: ~~136364-1~~ 136364-1

Dear Barbara,

Enclosed are two (2) originals of the **Memorandum of Railcar Lease** dated as of September 20, 2004 between the following parties:

Names and address of the following parties:

Lessor: **THE CIT GROUP/EQUIPMENT FINANCING, INC.**
1211 Avenue of the Americas, 20th Floor New York, NY 10036

Lessee: **CANADIAN PACIFIC RAILWAY COMPANY**
Suite 500, Gulf Canada Square Calgary, Alberta T2P4Z4

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

Memorandum of Railcar Lease between Lessor: **THE CIT GROUP/EQUIPMENT FINANCING, INC.** and Lessee: **CANADIAN PACIFIC RAILWAY COMPANY**, covering 75 lumber flat cars with reporting marks and numbers: CP 38500- CP 325074- INCLUSIVE.

Please file this memorandum as a PRIMARY document and return one (1) stamped original to my attention. A check covering the filing fee of thirty dollars (\$30.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-995-5071 ext. 3813.

Thank you for your prompt assistance.

Sincerely,

April O'Shea
Motor Vehicle Specialist
Enclosure

MEMORANDUM OF USE AGREEMENT

THIS MEMORANDUM OF USE AGREEMENT dated as of this 20TH day of September, 2004, is made by THE CIT GROUP/EQUIPMENT FINANCING, INC., a Delaware corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor"), and CANADIAN PACIFIC RAILWAY COMPANY, a Canadian corporation, with an address at Suite 500, Gulf Canada Square, Calgary, Alberta T2P4Z4 (the "Lessee" and, together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Net Use Agreement (the "Lease") dated as of September 20, 2004 covering the equipment listed on Schedule A hereto (the "Equipment").

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessor by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessor. I further declare under penalty of perjury that the foregoing is true and correct.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Joseph Mankowski
Name: Joseph Mankowski
Title: Senior Vice President

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessee by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessee. I further declare under penalty of perjury that the foregoing is true and correct.

CANADIAN PACIFIC RAILWAY COMPANY

By: John A. Walsh
Name: John A. Walsh
Title: Vice President, Real Estate and Property Services
Canadian Pacific Railway
Gulf Canada Square
401 - 9th Avenue SW
Calgary, AB T2P 4Z4

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return of any Car. The Cars shall be returned to Lessor at a point designated by Lessor.

Settlement Value:

If any Car is lost, stolen or destroyed, Lessee shall pay Lessor the amount payable to the owner of a Car under Interchange Rule 107.

Master Lease:

The parties intend this Agreement to be the operative lease document until such time as a mutually acceptable Master Net Lease ("Master Lease") is negotiated and executed by the parties. Such Master Lease will include, but not be limited to, provisions such as disclaimers of warranties, indemnification provisions, default provisions and similar terms that are generally acceptable in the railcar leasing industry.

The parties also intend to replace this Agreement with a Schedule to the Master Lease.

THE CIT GROUP/EQUIPMENT FINANCING, INC. CANADIAN PACIFIC RAILWAY COMPANY

LESSOR:

By: Joseph F. Marlowe
Title: Sr. Vice President
Date: 09-24-04

LESSEE:

By: John R. Welsh
Title: Vice President, Real Estate and Supply Services
Canadian Pacific Railway
Date: Sept. 20 / 04
Gulf Canada Square
401 - 9th Avenue SW
Calgary, AB T2P 4Z4

Schedule A

Number of Cars			Equipment Description		
75	73' centerbeam lumber flat car				
1	CP	325000	53	CP	325052
2	CP	325001	54	CP	325053
3	CP	325002	55	CP	325054
4	CP	325003	56	CP	325055
5	CP	325004	57	CP	325056
6	CP	325005	58	CP	325057
7	CP	325006	59	CP	325058
8	CP	325007	60	CP	325059
9	CP	325008	61	CP	325060
10	CP	325009	62	CP	325061
11	CP	325010	63	CP	325062
12	CP	325011	64	CP	325063
13	CP	325012	65	CP	325064
14	CP	325013	66	CP	325065
15	CP	325014	67	CP	325066
16	CP	325015	68	CP	325067
17	CP	325016	69	CP	325068
18	CP	325017	70	CP	325069
19	CP	325018	71	CP	325070
20	CP	325019	72	CP	325071
21	CP	325020	73	CP	325072
22	CP	325021	74	CP	325073
23	CP	325022	75	CP	325074
24	CP	325023			
25	CP	325024			
26	CP	325025			
27	CP	325026			
28	CP	325027			
29	CP	325028			
30	CP	325029			
31	CP	325030			
32	CP	325031			
33	CP	325032			
34	CP	325033			
35	CP	325034			
36	CP	325035			
37	CP	325036			
38	CP	325037			
39	CP	325038			
40	CP	325039			
41	CP	325040			
42	CP	325041			
43	CP	325042			
44	CP	325043			
45	CP	325044			
46	CP	325045			
47	CP	325046			
48	CP	325047			
49	CP	325048			
50	CP	325049			
51	CP	325050			
52	CP	325051			