

AT THE GOVERNMENT HOUSE AT OTTAWA  
THURSDAY, the 10th day of DECEMBER, 1931.

PRESENT

HIS EXCELLENCY  
THE GOVERNOR GENERAL IN COUNCIL --

WHEREAS the Board of Railway Commissioners for Canada, by an Order Numbered 47750 and dated 27th November, 1931, have recommended for sanction of the Governor in Council, under section 151 of the Railway Act, the annexed agreement, dated 15th September, 1931, entered into between the Canadian Pacific Railway Company and The Montreal and Atlantic Railway Company, whereby the former company leases the railway and undertaking of the latter company for a term of 999 years, from the 1st October, 1931;

AND WHEREAS the Minister of Railways and Canals, on the advice of the Deputy Minister of Railways and Canals, recommends that the said agreement be sanctioned;

THEREFORE His Excellency the Governor General in Council is pleased to sanction the said agreement, a copy of which is hereto attached, and it is hereby sanctioned accordingly.

*George H. Perley*

*Approved*

*Beckwith*  
10.12.31

*1. Minister of Railways and Canals  
2. Bd. Ry. Commr. - annex (Ct. Dept. R.C.C.)*

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ORDER NO. 47750

THE BOARD OF RAILWAY COMMISSIONERS FOR CANADA

FRIDAY, THE 27TH DAY OF  
NOVEMBER, A.D. 1931

HON. C. P. FULLERTON, K.C.,  
Chief Commissioner.  
S. J. MCLEAN,  
Asst. Chief Commissioner.

IN THE MATTER OF the  
application of the Canadian  
Pacific Railway Company and  
The Montreal and Atlantic  
Railway Company, hereinafter  
called the "Applicant  
Companies," under Section  
151 of the Railway Act, for  
a recommendation by the  
Board to the Governor in  
Council for the sanction of  
an agreement between them,  
leasing to the Canadian  
Pacific Railway Company  
the railway and undertaking  
of The Montreal and Atlantic  
Railway Company for the  
term of 999 years, from  
October 1st, 1931:  
File No. 38154

UPON its appearing that the Applicant Companies  
have statutory authority to enter into the said agreement and  
that the requirements of the Railway Act and the Special Act  
as to publication of notice of the proposed application, and  
the necessary consent of the shareholders of the Company have  
been complied with--

THE BOARD ORDERS that the said agreement, a dup-  
licate copy of which is attached hereto, marked "A", be, and  
it is hereby, recommended to the Governor in Council for  
sanction.

(SGD) C. P. FULLERTON,

Chief Commissioner,

Board of Railway Commissioners for Canada.

BOARD OF RAILWAY COMMISSIONERS  
FOR CANADA.

Examined and certified as a true copy  
under Section 83 of "The Railway  
Act."

*ad bannum*  
Attest: NOV 28 1931  
ATTORNEY GENERAL

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*Dated 15th September, 1931*

The  
Montreal and Atlantic  
Railway Company

AND

Canadian Pacific  
Railway Company

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LEASE



**This Indenture** made this Fifteenth day of September, One thousand nine hundred and thirty-one,

BETWEEN

THE MONTREAL AND ATLANTIC RAILWAY COMPANY,  
hereinafter called the "Lessor",

*Of the First Part,*

—AND—

CANADIAN PACIFIC RAILWAY COMPANY,  
hereinafter called the "Lessee",

*Of the Second Part.*

WHEREAS the Lessor has under and by virtue of the Act of the Parliament of Canada, 54-55 Victoria, Chapter 68, power to lease to the Lessee the railway hereinafter demised;

AND WHEREAS an Act of the Parliament of Canada, 53 Victoria, Chapter 47, enacts in effect that the Lessee may enter into a lease of the line of any other Company in Canada, which has been empowered by the Parliament of Canada to make or grant the same to the Lessee, and upon such terms and conditions and for such period as are from time to time agreed upon by the Boards of Directors of the respective Companies; subject to the approval of two-thirds of the votes of the Shareholders of the Lessee present or represented, at an annual general meeting, or a special general meeting, duly called for the purpose;

AND WHEREAS the Boards of Directors of the Lessor and Lessee have agreed that the Lessor shall lease to the Lessee the railways of the Lessor, hereinafter described, whether now constructed or hereafter to be constructed, for the period and on the terms and conditions hereinafter specified;

AND WHEREAS at a special meeting of the Shareholders of the Lessor, duly called for the purpose and held at its head office on the Fifteenth day of September, 1931, at which meeting there were present

or represented more than two-thirds in value of the capital stock of the Lessor, and by more than two-thirds of the votes of the Shareholders then present in person or represented by proxy, it was resolved that the Lessor should lease to the Lessee the railway of the Lessor as hereby demised upon the terms and conditions in this Indenture contained;

AND WHEREAS at the annual general meeting of the Shareholders of the Lessee, duly called and held at the head office of the Company in the City of Montreal, on the Sixth day of May, 1931, the Shareholders, by a unanimous vote, resolved that the Lessee should lease from the Lessor the railway of the Lessor as herein demised upon the terms and conditions in this Indenture contained;

NOW THEREFORE THIS INDENTURE WITNESSETH, that in consideration of the rents hereby reserved and the covenants on the part of the Lessee and conditions hereinafter contained, the Lessor doth hereby grant, let and demise to the Lessee, its successors and assigns, the whole of the railways and branches which it has been by law authorized to construct or acquire, whether constructed or to be constructed, including the railway 43.3 miles in length between the Town of Farnham, in the Province of Quebec, and the province line at Richford, in the State of Vermont, and between the province line at East Richford and the province line near North Troy, in the State of Vermont, and the railway 59.2 miles in length between Drummondville and Enlaugra, in the Province of Quebec and all such extensions, branches and additions to the railways above described as the Lessor may be hereafter authorized to construct by the Parliament of Canada, or by the Board of Railway Commissioners, under the provisions of the Railway Act and amendments, together with the appurtenances of them and of each of them, including, amongst other things, all lands, stations, station grounds, freight houses, shops, engine houses, water tanks, equipment, cars, engines, rolling stock and implements of every kind and all other personal property of the Lessor relating to the railways so demised as aforesaid, and all tracks, sidings, turntables, water and water rights, and all buildings, erections and structures of every kind which may have been or may be acquired for use in connection therewith, and all powers, privileges and franchises in respect of the said railways, extensions and branches and other properties or any of them, and the rights and interest of the Lessor as Lessee of the Lake Champlain and St. Lawrence Junction

Railway from St.  
60.5 miles in leng  
between the pro  
Richford and bet  
of Newport 22  
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properties are f  
railways.

Railway from Stanbridge to St. Guillaume in the Province of Quebec 60.5 miles in length and as Lessee of the Newport and Richford Railway between the province line at Richford and the province line at East Richford and between the province line near North Troy and the Village of Newport 22 miles in length; all which railways, branches and appurtenances, powers, privileges, franchises, rights, interest and other properties are hereinafter referred to in the aggregate as "the said demised railways." TO HAVE AND TO HOLD the same and every part thereof unto the Lessee, its successors and assigns, for and during the term of nine hundred and ninety-nine years, to be computed from the First day of October, 1931, and from thenceforth next ensuing and fully to be complete and ended, yielding and paying therefor to the Lessor, its successors and assigns, yearly and every year during the said term, the annual rent which the Lessee hereinafter covenants to pay, such rent to be paid at the respective days and times, and in the manner and upon the terms and conditions hereinafter specified.

The Lessor for itself and its successors doth hereby covenant with the Lessee, its successors and assigns, as follows, that is to say:—

The Lessor will not at any time hereafter without the consent of the Lessee given in writing, under its corporate seal, issue any bond or debenture stock or preference stock, or create any other financial obligation, which would at any time be an incumbrance on the said demised railways or any part thereof.

The Lessor will from time to time at the request of the Lessee, under its corporate seal, issue bonds to such amount or amounts as the Lessee may desire, carrying interest at a rate not exceeding five per cent per annum, payable half-yearly, provided, however, that the aggregate of all such bonds of the Lessor from time to time issued and outstanding, and constituting a charge on the said demised railways or any part thereof, shall not at any time exceed the limit of bonds which the Lessor is by law authorized to issue in respect of the said demised railways, and the Lessor will apply the proceeds of all bonds which the Lessor shall at any time have issued towards the construction of permanent improvement and equipment of the said demised railways or of any portion or portions thereof in such proportions, in such manner, at such places and at such times as the Lessee may in writing direct, or at the option of the Lessee



the Lessor will from time to time pay over the whole or any part of such proceeds to the Lessee in order that the Lessee may itself, according to its own discretion, apply the same as aforesaid.

The Lessee may at all times hereafter within the term of demise above mentioned exercise all the franchises and powers of the Lessor, in respect of the operating of the said demised railways and of each part thereof, and also in respect of the building of branches under the provision of the Railway Act and amendments, and the acquisition of increased areas of land for station grounds, right of way, protection against snow, sidings and other purposes, and may take such legal proceedings as are deemed to be necessary or expedient in the exercise of the said franchises and powers or any of them, and, for that purpose, may use the name of the Lessor and of the Officers thereof, which officers are hereby authorized and required upon the demand of the Lessee, to append their signatures and affix the seal of the Lessor to any document which may be useful in the exercise of any such franchises.

The Lessor will, at the request of the Lessee, affix the name and seal of the Lessor and do all acts, matters and things as and when the same may be necessary for the convenient, efficient and effectual working of the said demised railways and for carrying out and giving effect to this lease, and the Lessee may during the said term, make and enforce such lawful rules, regulations, and by-laws, touching or concerning the running and operation of the said demised railway, as shall be required for the efficient and advantageous administration, management and operation thereof and for the preservation of order thereon, and may fix and regulate from time to time and amend and alter the tariff of rates and tolls to be exacted for the carriage of freight and passengers over such railways, and if the Lessee shall deem it expedient that such by-laws, rules and regulations, or tariff, or any of them, should be made by the Lessor, then the Lessor will make the same and do all such matters and things to complete and perfect the same, as shall be reasonably required of it, but such by-laws, rules, and regulations, and such tariff, by whomsoever made and passed, shall be subject to the provisions of any Act or Acts of the Dominion Parliament applicable to the said demised railways, and the Lessor will allow the Lessee to use the name of the Lessor in any suit or proceedings in which it may be necessary to use the same in connection with the workings of the said demised railways, but all

costs, damages and expenses which may arise from such use of the name of the Lessor shall be borne and paid by the Lessee.

The Lessee paying the rent, and observing the provisions hereof and all covenants herein on its part to be fulfilled, shall at all times hereafter have peaceable and undisturbed possession of the said demised railways within the term of demise above mentioned without any lawful interruption by the Lessor or any person or persons whomsoever.

The Lessee doth hereby for itself and its successors covenant to and with the Lessor, its successors and assigns, as follows, that is to say:—

So long as it shall have possession of the said demised railways under these presents, the Lessee will pay therefor an annual rental of a sum equal to the interest payable upon the outstanding Five Per Cent First Mortgage Bonds issued by the Lessor under the provisions of a Mortgage made by the Lessor to The Royal Trust Company on the First day of October, 1900, aggregating in principal amount One Million and Sixty-five thousand dollars, and the interest on any other bonds which the Lessor may at any time or times hereafter issue at the request or with the consent of the Lessee expressed in writing under its corporate seal, the total of all such bonds unpaid or unredeemed not exceeding at any time the amount which the Lessor is or may be duly authorized to issue. Such interest to be paid direct to the respective holders of such bonds in satisfaction of the interest thereon as and when such interest may mature.

If at any time or times hereafter it shall happen that the bonds in respect of which the Lessee has hereinbefore covenanted to pay interest by way of rental as aforesaid or any portion thereof shall (by reason of being satisfied or for any other reason) cease to carry interest so that the Lessee is thenceforth absolutely exonerated from payment of such interest to any party other than the Lessor, then to the extent to which the Lessee is so exonerated, the amount of the interest which the Lessee has hereinbefore covenanted to pay thereon by way of rental shall thenceforth be paid by the Lessee by way of rental to the Lessor, its successors or assigns, unless the Lessor and the Lessee shall, in writing under their respective Corporate Seals, and in pursuance of resolutions passed by their respective boards of directors, agree that it, or some portion or portions of it, shall thereafter be paid to some party or parties



or some class of persons other than the Lessor, in which event it shall be paid as they so agree.

If the Lessor shall at any time or times, in writing, request the Lessee to evidence its liability to pay any of the interest which it has hereinbefore covenanted to pay by way of rental as aforesaid by stating such liability in writing (in the form of a guaranty or some other form), and either separately or by endorsement or in any other way on any of the bonds in respect of which such interest may be payable, then and as often as such request shall be made the Lessee will comply therewith and indicate such liability in such form as may be reasonably devised for the purpose, or it may do so without any such request.

The Lessee will at all times during the continuance of the said term keep each portion of the said demised railways in good repair and condition and will pay and satisfy all taxes, rates, duties and assessments whatsoever, whether municipal, parliamentary or otherwise, which may at any time during the said term be charged upon the said demised railway or any part thereof, or upon the Lessor on account thereof.

The Lessee will not, during the said term, assign, transfer or set over, or otherwise by any act or deed procure the said demised railways or any part thereof or this lease or any interest therein to be assigned, transferred, set over or sublet unto any party whomsoever without the consent in writing of the Lessor, its successors or assigns, first had and obtained.

The Lessee will, at the expiration or other sooner determination of the said term, peaceably surrender and yield up unto the Lessor the said demised railways with the appurtenances, together with all buildings, erections and fixtures thereon, in good and substantial repair and condition.

The Lessee will during the said term do all acts, matters and things which may be necessary for the preservation of the property, rights and franchises of the Lessor, and for keeping alive its incorporation for all the purposes mentioned in its Acts of Incorporation, and other Acts relating to the Lessor, and will, from time to time and at all times, fulfil all duties, obligations and agreements of the Lessor in respect of the operation of the said demised railways, including those respecting right-of-way and crossings and all requisite returns and statistics.

If the rent hereby reserved, or any part thereof, shall be unpaid for ninety days after any day on which the same ought to have been paid, and although no formal demand shall have been made therefor, or in case of the breach or non-performance of any of the covenants or agreements herein contained on the part of the Lessee, or its successors or assigns, continuing for the period of ninety days, then, and in either of such cases at the option of the Lessor, and on its giving notice in writing that it exercises such option, it shall be lawful for the Lessor at any time hereafter, into and upon the said demised railways and other property, so demised as aforesaid, or any part thereof, in the name of the whole to re-enter, and the same to have again, repossess and enjoy, as of its former estate, anything herein contained to the contrary notwithstanding.

WITNESS the Corporate Seal of each of the parties hereto and the signatures of its officials below named.

THE MONTREAL AND ATLANTIC COMPANY,

*E. W. Beatty*  
President.

(Seal)

*H. B. Oswald*  
Secretary.

CANADIAN PACIFIC RAILWAY COMPANY,

*Grant Hall*  
Vice-President.

(Seal)

*H. B. Oswald*  
Asst. Secretary.

*Certified a true copy.*

*H. B. Oswald*  
Secretary.