

RECORDATION NO. 26627A FILED

VIA UPS 2<sup>ND</sup> DAY AIR

OCT 17 '06

2-16 PM

SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 500  
Rosemont, IL 60018-4214

October 12, 2006

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement dated September 25, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Commission on this date as Recordation Number \_\_\_\_\_.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Catalyst Paper (USA) Inc.  
1101 Western Ave., Suite 700  
Seattle, WA 98104

A description of the railroad equipment covered by the enclosed document is fifty (50) 286,000 lb. gross rail loading box cars with NOKL marks (see Exhibit A for car numbers).

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

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Marcia Dunne".

Marcia Dunne  
Rail Documentation Specialist

Enclosures

(NOSK001)

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ASSGN. NO.: NOSK001

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 25 day of SEPTEMBER, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Catalyst Paper (USA) Inc. ("Lessee"), a California corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 25, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of December 1, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR  
Vice President Sales & Marketing

Title: \_\_\_\_\_

ATTEST:

By: Susan Grokulska

Name: SUSAN GROKULSKY

Title: MGR. OF DOCUMENTATION

Executed on this 3rd day of October, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of October, 2006.

Georgia Freiburger  
Notary Public

My Commission Expires:

5-2008  
(Notary Public)



**LESSEE:**

CATALYST PAPER (USA) INC.

ATTEST:

By: [Signature]  
Name: RAJAT LEVERTON  
Title: VP FINANCE, CFO

By: [Signature]  
Name: GREG ROUFS  
Title: DIRECTOR, ORDER FULFILLMENT & LOGISTICS

Executed on this 25<sup>th</sup> day of SEPT, 2006.

[CORPORATE SEAL]

PROVINCE  
STATE OF BRITISH COLUMBIA  
CITY  
COUNTY OF VANCOUVER

I, VALERIE SEAGER, a Notary Public of the PROVINCE CITY County and State aforesaid, certify that RALPH LEVERTON personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 25<sup>th</sup> day of September, 2006.

[Signature]  
Notary Public

Commission Expires: unlimited

(Notary Public)  
**VALERIE SEAGER**  
Barrister & Solicitor  
16th Floor, 250 Howe Street  
Vancouver, BC V6C 3R8

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Fifty (50).

DESCRIPTION OF CARS: 50'6" interior length, Plate F, 286,000 lb. gross rail loading box cars equipped with 10' plug doors (AAR Car Type A405).

CAR NUMBERS:

NOKL 560802	NOKL 560921
NOKL 560808	NOKL 560927
NOKL 560811	NOKL 560931
NOKL 560813	NOKL 560933
NOKL 560816	NOKL 560934
NOKL 560823	NOKL 560939
NOKL 560826	NOKL 560941
NOKL 560830	NOKL 560945
NOKL 560832	NOKL 560948
NOKL 560833	NOKL 560950
NOKL 560837	NOKL 560951
NOKL 560855	NOKL 560960
NOKL 560858	NOKL 560965
NOKL 560861	NOKL 560969
NOKL 560864	NOKL 560971
NOKL 560865	NOKL 560972
NOKL 560867	NOKL 560973
NOKL 560870	NOKL 560976
NOKL 560872	NOKL 560981
NOKL 560878	NOKL 560989
NOKL 560885	NOKL 560993
NOKL 560893	NOKL 560994
NOKL 560896	NOKL 560995
NOKL 560912	NOKL 560997
NOKL 560915	NOKL 560999