

RECORDATION NO. 26666 FILED

NOV 29 '06

1-24 PM

SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

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

VIA UPS 2nd DAY AIR

November 27, 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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated July 11, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. 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: Abrasives Incorporated
4090 Hwy 49
Glen Ullin, ND 58631

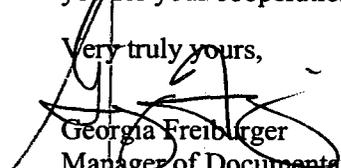
A description of the railroad equipment covered by the enclosed document is nine (9) 52'6" gondola cars, with NDYX marks (see Exhibit A for car numbers).

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 regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures
(ABIN001)

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ASSGN. NO.: ABIN001

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 11th day of July, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Abrasives Incorporated ("Lessee"), a North Dakota corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 11th, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of July 11th, 2006, 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 27th day of July, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

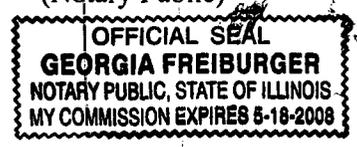
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of July, 2006.

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

ABRASIVES INCORPATED

By: Tim Morman

Name: Tim Morman

Title: General Manager

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this 11th day of July, 2006.

[CORPORATE SEAL]

STATE OF North Dakota

COUNTY OF Morton

I, JoAnn M. Schatz, a Notary Public of the County and State aforesaid, certify that Tim Morman 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 11th day of July, 2006.

JoAnn M. Schatz
Notary Public

Commission Expires:

JOANN M. SCHATZ
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES JAN 12, 2008

(Notary Public)

