

RECORDATION NO. 23438 FILED

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SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

March 30, 2001

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease, Lease Supplement and Security Interest, dated as of March 30, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor: First Union Commercial Corporation  
201 South College Street, 7<sup>th</sup> Floor  
Charlotte, North Carolina 28288

Lessee: Desticon Transportation, Inc.  
Suite 500  
8111 Anderson Road  
Richmond, British Columbia  
V6Y 3Z8  
Canada

A description of the railroad equipment covered by the enclosed document is:

Fifty (50) lumber cars: CBRY 1550 – CBRY 1599 inclusive.

Mr. Vernon A. Williams  
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A short summary of the document to appear in the index is:

Memorandum of Lease, Lease Supplement and Security Interest, dated as of March 30, 2001, between First Union Commercial Corporation, Lessor, and Desticon Transportation, Inc., Lessee, covering fifty (50) lumber cars: CBRY 1550 – CBRY 1599 inclusive.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bjg  
Enclosures

**MEMORANDUM OF LEASE, LEASE SUPPLEMENT AND SECURITY  
INTEREST**

THIS MEMORANDUM OF LEASE dated as of March 30, 2001, is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation, as lessor ("Lessor"), and DESTICON TRANSPORTATION, INC., a Washington corporation, as lessee (the "Lessee").

WHEREAS, the Lessor and the Lessee have entered into that certain Equipment Lease Agreement dated as of March 30, 2001 (the "Lease Agreement") as supplemented by that certain Lease Supplement No. 1 dated as of March 30, 2001 (the "Lease Supplement;" the Lease Agreement as supplemented by the Lease Supplement, being referred to herein as the "Lease") between the Lessor and the Lessee, and placing under lease railcars bearing the car numbers as set forth on Schedule 1 attached hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor;

WHEREAS, the Lessee under the Lease grants to Lessor a security interest in all items of Equipment set forth on Schedule 1 attached hereto, all replacements and substitutions therefor and all proceeds thereof;

NOW, THEREFORE, to secure the payment when and as due, and the performance when required, of the obligations of the Lessee under the Lease, the Lessee does hereby grant to the Lessor a security interest in the railcars bearing the car numbers as set forth on Schedule 1 hereto, all replacements and substitutions therefor and all proceeds thereof.

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SURFACE TRANSPORTATION BOARD





**SCHEDULE 1**

(Equipment Description)

50 73' long, 286,000 lb. gross rail load centerbeam lumber railcars manufactured by National Steel in 1995 and marked and numbered as follows:

CBRY 1550-1599