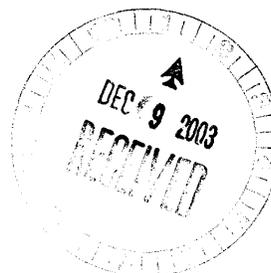


RECORDATION NO. 24727-A FILED

DEC 10 '03

11-26 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

VIA UPS 2nd DAY AIR

December 5, 2003

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 one (1) original and three (3) copies of a Memorandum of Lease Agreement, dated September 11, 2003, 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 _____.

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

Lessee: BC Rail
221 West Esplanade, Floor 6
North Vancouver, BC V7M 3J1

A description of the railroad equipment covered by the enclosed document is forty (40) 73' - 100 ton, centerbeam flatcars, with car marks BCOL (see Exhibit A for 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 \$30.00 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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulsky".

Susan Grokulsky
Manager of Documentation

Enclosures

(BCR010)

RECORDATION NO: 24727-A FILED

DEC 10 '03

11-26 PM

ASSGN. NO. BCR010

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this 11th day of Sept, 2003, by and between the Montreal branch of FIRST UNION RAIL CORPORATION ("Lessor"), a North Carolina corporation, and BC RAIL LTD. ("Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 21, 1999, 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 May 1, 1999, 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: Susan A. Barrie
NAME: Susan A. Barrie
TITLE: Regional Vice President, Sales

Executed on this 11th day of Sept, 2003

[CORPORATE SEAL]

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, Danielle Lord, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 11th day of Sept, 2003.

Danielle Lord
Commissioner of Oaths

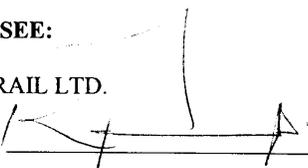


My Commission Expires:

May 28, 2004

LESSEE:

BC RAIL LTD.

BY: 

NAME: R. L. Phillips

TITLE: President & CEO

Executed on this 18th day of August, 2007

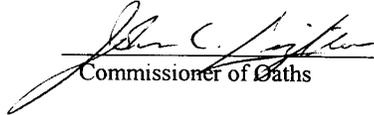
[CORPORATE SEAL]

PROVINCE OF British Columbia

^{City}
~~DISTRICT~~ OF North Vancouver

I, John C. Leighton, a Commissioner of Oaths of the Province and District aforesaid, certify that Robert L. Phillips 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 18th day of August, 2007.


Commissioner of Oaths

My Commission Expires:

Jun. 31, 2006

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Forty (40).
DESCRIPTION OF CARS: 73' - 100 ton, centerbeam flatcars.
CAR NUMBERS: See below:

| | |
|-------------|-------------|
| BCOL 873650 | BCOL 873671 |
| BCOL 873651 | BCOL 873672 |
| BCOL 873652 | BCOL 873673 |
| BCOL 873653 | BCOL 873674 |
| BCOL 873654 | BCOL 873675 |
| BCOL 873655 | BCOL 873676 |
| BCOL 873656 | BCOL 873677 |
| BCOL 873657 | BCOL 873678 |
| BCOL 873658 | BCOL 873679 |
| BCOL 873659 | BCOL 873680 |
| BCOL 873660 | BCOL 873681 |
| BCOL 873661 | BCOL 873682 |
| BCOL 873662 | BCOL 873683 |
| BCOL 873663 | BCOL 873684 |
| BCOL 873664 | BCOL 873685 |
| BCOL 873665 | BCOL 873686 |
| BCOL 873666 | BCOL 873687 |
| BCOL 873667 | BCOL 873688 |
| BCOL 873668 | BCOL 873689 |
| BCOL 873669 | Count: 40 |
| BCOL 873670 | |