

RECORDATION NO. 24727-1 FILED

DEC 10 '03

12-43 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 July 1, 2002, 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 seventy-eight (78) 12' plug door, 50'6" long, Plate C boxcars, with NOKL car marks (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,

Susan Grokulska
Manager of Documentation

Enclosures

(BCR019)

RECORDATION NO. 24727-D FILED

DEC 10 2002 12:43 PM

ASSGN. NO. BCR019

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of July 2002, 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.11 the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of July 1, 2002, 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 6th day of December, 2002.

[CORPORATE SEAL]

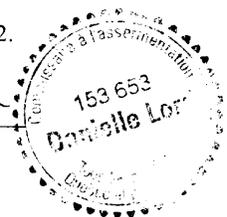
PROVINCE OF Quebec

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 his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 6th day of Dec, 2002.

Danielle Lord
Commissioner of Oaths



My Commission Expires:

May 28, 2004

LESSEE:

BC RAIL LTD.

By: [Signature]

Name: ROBERT PHILLIPS

Title: GROUP PRESIDENT & CEO

Executed on this 5th day of NOVEMBER, 2002.

[CORPORATE SEAL]

PROVINCE OF British Columbia

DISTRICT OF _____

I, Robert Pirooz, a Commissioner of Oaths of the Province and District aforesaid, certify that R. 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 5 day of NOVEMBER, 2002.

[Signature]
Commissioner of Oaths

My Commission Expires:

ROBERT P. PIROOZ
Notary Public in and for the
Province of British Columbia, Canada.
My commission is unlimited as to time.

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Seventy-eight (78).

DESCRIPTION OF CARS: 12' plug door, 50'6" long, 222,000 GRL, 1978 build Plate C box cars.

CAR NUMBERS:

NOKL 88150	NOKL 88172	NOKL 88193	NOKL 88215
NOKL 88151	NOKL 88173	NOKL 88194	NOKL 88216
NOKL 88152	NOKL 88174	NOKL 88195	NOKL 88217
NOKL 88153	NOKL 88175	NOKL 88196	NOKL 88218
NOKL 88154	NOKL 88176	NOKL 88197	NOKL 88219
NOKL 88155	NOKL 88177	NOKL 88198	NOKL 88232
NOKL 88156	NOKL 88178	NOKL 88199	NOKL 88240
NOKL 88157	NOKL 88179	NOKL 88200	NOKL 88261
NOKL 88158	NOKL 88180	NOKL 88201	NOKL 88272
NOKL 88159	NOKL 88181	NOKL 88202	NOKL 88273
NOKL 88160	NOKL 88182	NOKL 88203	NOKL 88288
NOKL 88161	NOKL 88183	NOKL 88204	NOKL 88292
NOKL 88162	NOKL 88184	NOKL 88205	NOKL 88298
NOKL 88163	NOKL 88185	NOKL 88206	NOKL 88303
NOKL 88164	NOKL 88186	NOKL 88207	NOKL 88307
NOKL 88165	NOKL 88187	NOKL 88208	Count: 78
NOKL 88166	NOKL 88188	NOKL 88209	
NOKL 88167	NOKL 88189	NOKL 88210	
NOKL 88168	NOKL 88190	NOKL 88212	
NOKL 88169	NOKL 88191	NOKL 88213	
NOKL 88170	NOKL 88192	NOKL 88214	