

RECORDATION NO. 25215 FILED

SEP 28 '04 1-18 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

September 28, 2004

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 May 30, 2004, 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
One Wachovia Center
Charlotte, North Carolina 28288

Lessee: Labrador West Quartzite Limited
14 - 1st Avenue
Wabush, Labrador NF A0R 1B0

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

25 open top hopper cars within the series NOKL 912000 - NOKL 912132 as more particularly set forth in the equipment schedule attached to the document.

A short summary of the document to appear in the index is:

Memorandum of Lease, Lease Supplement and Security Interest.

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 stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 25215 FILED

**MEMORANDUM OF LEASE, LEASE SUPPLEMENT
AND SECURITY INTEREST**
(Surface Transportation Board)

SEP 28 '04 1-18 PM
SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE, LEASE SUPPLEMENT AND SECURITY INTEREST dated as of May 30, 2004, is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation, as lessor ("Lessor"), and LABRADOR WEST QUARTZITE LIMITED, a Newfoundland and Labrador corporation, as lessee (the "Lessee").

WHEREAS, the Lessor and the Lessee have entered into that certain Equipment Lease Agreement dated as of May 30, 2004, (the "Lease Agreement") as supplemented by that Lease Supplement No. 1 dated as of May 30, 2004, (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.

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease and grant of 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 and accordingly have caused this Memorandum of Lease, Lease Supplement and Security Interest to be executed by their officers thereunto duly authorized, as of the date first above written. This memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

LABRADOR WEST QUARTZITE LIMITED, as
Lessee

By: [Signature]
Name: ROY HUNT
Title: PRESIDENT

PROVINCE
STATE OF NEWFOUNDLAND-LABRADOR
TOWN) ss:
COUNTY OF LABRADOR CITY

The foregoing Memorandum of Lease Agreement and Lease Supplement No. 1 was acknowledged before me, the undersigned Notary Public, in the County of LABRADOR CITY this 1ST day of SEPTEMBER, 2004 by ROY HUNT, as PRESIDENT of LABRADOR WEST QUARTZITE LIMITED, a NEWFOUNDLAND corporation, on behalf of the corporation.
+ LABRADOR

My commission expires: LIFETIME

[Signature]
Notary Public

[Notarial Seal]

SCHEDULE 1

Schedule of Equipment

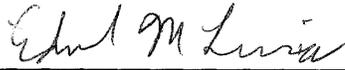
Twenty (20) 2,900 cubic feet capacity, 100 ton capacity open top hoppers equipped with gravity gates and marked and numbered as follows:

NOKL 912000, 912004, 912019, 912027, 912028, 912032, 912035, 912038, 912046, 912051, 912078, 912096, 912099, 912106, 912108, 912109, 912110, 912113, 912128, 912132

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: September 28, 2004



Edward M. Luria