

RECORDATION NO. 25453 FILED

FEB 11 '05 12-02 PM

SURFACE TRANSPORTATION BOARD

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

February 11, 2005

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, dated as of December 31, 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:	Tolko Industries Ltd. 3203 30 th Avenue Vernon, British Columbia V1T 2C6 Canada

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

60 flatcars: NOKL 736700 - NOKL 736759.

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

Memorandum of Lease.

Also enclosed is a check in the amount of \$32.00 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,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

FEB 11 '05 12-02 PM

**MEMORANDUM OF LEASE
(Surface Transportation Board)**

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE dated as of December 31, 2004 is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation (the "Lessor") and TOLKO INDUSTRIES LTD., a British Columbia corporation (the "Lessee").

The parties to this Memorandum hereby acknowledge and confirm the following:

A. Lessee has leased from Lessor certain railcars identified on Schedule 1 attached hereto (the "Equipment") under Lease Supplement No. 1. to that certain Equipment Lease Agreement dated as of October 7, 2004 (hereinafter together as amended, modified, supplemented and or replaced from time to time as the "Lease").

B. The parties hereto wish to show for public record this Memorandum and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

C. 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.

[The remainder of this page has been intentionally left blank]



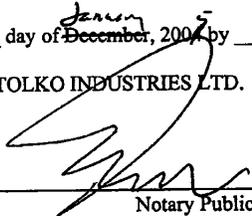
IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the first date herein above written.

TOLKO INDUSTRIES LTD., as Lessee

By: 
Name: FRED H. STEHLE
Title: SEC/TREAS

Province BC
STATE OF BC)
COUNTY OF YALE) ss:

The foregoing Memorandum of Lease was acknowledged before me, the undersigned Notary Public, in the County of Yale this 10 day of January, 2007 by FRED H. STEHLE as SEC/TREAS of TOLKO INDUSTRIES LTD.


Notary Public

My commission expires: ending

[Notarial Seal]

SCHEDULE 1

EQUIPMENT

DESCRIPTION
73' LONG, 286,000 lbs. gross rail load, riserless center beam flatcars, manufactured by National Steel Car

	CARNIT	CARNUM	DELIVERY DATE
1	NOKL	736700	7-Oct-04
2	NOKL	736701	12-Oct-04
3	NOKL	736702	13-Oct-04
4	NOKL	736703	9-Oct-04
5	NOKL	736704	13-Oct-04
6	NOKL	736705	13-Oct-04
7	NOKL	736706	13-Oct-04
8	NOKL	736707	18-Oct-04
9	NOKL	736708	14-Oct-04
10	NOKL	736709	13-Oct-04
11	NOKL	736710	14-Oct-04
12	NOKL	736711	14-Oct-04
13	NOKL	736712	15-Oct-04
14	NOKL	736713	15-Oct-04
15	NOKL	736714	15-Oct-04
16	NOKL	736715	19-Oct-04
17	NOKL	736716	16-Oct-04
18	NOKL	736717	22-Oct-04
19	NOKL	736718	18-Oct-04
20	NOKL	736719	18-Oct-04
21	NOKL	736720	19-Oct-04
22	NOKL	736721	20-Oct-04
23	NOKL	736722	21-Oct-04
24	NOKL	736723	26-Oct-04
25	NOKL	736724	19-Oct-04
26	NOKL	736725	19-Oct-04
27	NOKL	736726	20-Oct-04
28	NOKL	736727	19-Oct-04
29	NOKL	736728	21-Oct-04
30	NOKL	736730	27-Oct-04
31	NOKL	736731	21-Oct-04
32	NOKL	736732	27-Oct-04
33	NOKL	736733	22-Oct-04
34	NOKL	736734	22-Oct-04
35	NOKL	736735	22-Oct-04
36	NOKL	736737	25-Oct-04
37	NOKL	736739	23-Oct-04
38	NOKL	736740	23-Oct-04
39	NOKL	736741	26-Oct-04

40	NOKL	736742	23-Oct-04
41	NOKL	736743	22-Oct-04
42	NOKL	736744	23-Oct-04
43	NOKL	736745	28-Oct-04
44	NOKL	736748	27-Oct-04
45	NOKL	736749	27-Oct-04
46	NOKL	736751	26-Oct-04
47	NOKL	736752	26-Oct-04
48	NOKL	736753	29-Oct-04
49	NOKL	736755	28-Oct-04
50	NOKL	736756	28-Oct-04
51	NOKL	736736	10-Nov-04
52	NOKL	736738	30-Oct-04
53	NOKL	736746	30-Nov-04
54	NOKL	736747	30-Oct-04
55	NOKL	736750	31-Oct-04
56	NOKL	736754	31-Oct-04
57	NOKL	736757	28-Oct-04
58	NOKL	736758	4-Nov-04
59	NOKL	736759	8-Nov-04
60	NOKL	736729	31-Dec-04

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: February 11, 2005



Edward M. Luria