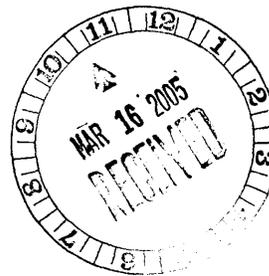


RECORDATION NO. 25500 FILED

MAR 16 '05

3-25 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

March 14, 2005

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 two (2) copies of a Memorandum of Lease Agreement, dated January 27, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

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

Lessee: Southern Railway of British Columbia Ltd
2102 River Drive
New Westminster, BC V3M 6S3
Canada

A description of the railroad equipment covered by the enclosed document is two-hundred (200) 73' new riserless centerbeam flatcars (F483), 110-ton, 286,000 GRL, cars marked SRY (see Exhibit A for car 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 \$32.00 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 regarding the above-referenced matter, please contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,

Theresa Catapano
Manager of Documentation

Enclosures

(SRY003)

RECORDATION NO. 25500 FILED

MAR 16 '05

3-25 PM

ASSGN. NO.: SRY003

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this 27th day of January, 2005, by and between FIRST UNION RAIL CORPORATION ("Lessor"), a North Carolina corporation, and SOUTHERN RAILWAY OF BRITISH COLUMBIA LIMITED ("Lessee"), a British Columbia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 5, 2000, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to this Rider No. 3 (the "Rider"), as described in more particulars on Exhibit A attached hereto, effective as December 10, 2004, 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

ATTEST:

By: [Signature]
Name: THERESA CATAFANO
Title: MGR. OF DOCUMENTATION

By: [Signature]
Name: Richard F. Seymour
Title: Vice President, Sales & Marketing

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, GEORGIA FREIBURGER a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 27th day of January, 2005

[Signature]
Notary Public

My Commission Expires:
5-2008



LESSEE:

SOUTHERN RAIL OF B.C. LTD.

ATTEST:

By: _____
Name: _____
Title: _____

By: [Signature]
Name: J. F. VAN DER BURCH
Title: President

[CORPORATE SEAL]

PROVINCE OF B.C.

DISTRICT OF New Westminster

I, B. Martin Kastelein, a Commissioner of Oaths of the Province and District aforesaid, certify that John Franklin Van der Burch personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 14 day of JUNY, ²⁰⁰⁵~~2004~~.

[Signature]
Commissioner of Oaths

My Commission Expires:

N/A.

B. MARTIN KASTELEIN
Notary Public
A Notary Public in and for
the Province of British Columbia
450 Sixth Street
New Westminster, B.C. V3L 3B3
Tel. 526-7884
Commissioned for Life

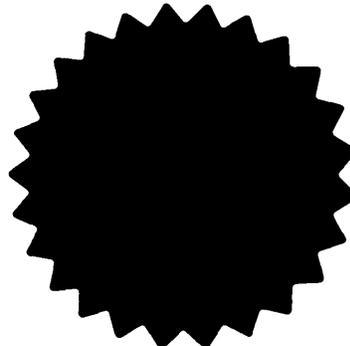


EXHIBIT A

To

MEMORANDUM OF LEASE

NUMBER OF CARS: Two hundred (200).

DESCRIPTION OF CARS: 73' New riserless Centerbeam Flat Cars (F483), 110-ton, 286,000 GRL, to be built by National Steel Car in 2004.

CAR NUMBERS: SRY 286190 to SRY 286390, inclusive.

K
Jan