

FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588

RECORDATION NO. 25177-B FILED

SEP 13 '05

2-38 PM

SURFACE TRANSPORTATION BOARD



VIA UPS NEXT DAY AIR

September 9, 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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated June 29, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 25177.

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: Degussa Engineered Carbons, LP
379 Interpace Parkway
Parsippany, NJ 07054-0677

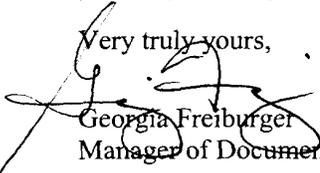
A description of the railroad equipment covered by the enclosed document is sixty-six (66) 4727 cu. ft. covered hopper cars, with FURX and GROX marks (see Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 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) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures
(DEGU007)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 29th day of June, 2005, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Degussa Engineered Carbons, LP ("Lessee"), a Delaware Limited Partnership.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of _____, _____, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 1, 2005, 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: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

By: Theresa Catapano

Name: THERESA CATAPANO

Title: MGR. OF DOCUMENTATION Executed on this 29TH day of JUNE, 2005

[CORPORATE SEAL]

RECORDATION NO. 27177-B

STATE OF ILLINOIS

SEP 13 '05 2-38 PM

COUNTY OF COOK

SURFACE TRANSPORTATION BOARD

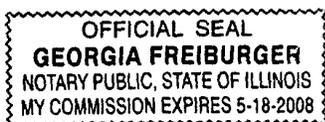
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 29th day of June, 2005.

Georgia Freiburger
Notary Public

Commission Expires:

5-2008
(Notary Public)



LESSEE:

DEGUSSA ENGINEERED CARBONS, LP

ATTEST:

By: Linda Nadolski

Name: LINDA NADOLSKI

Title: Logistics Manager

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Texas

COUNTY OF Harris

I, Tammie Adams, a Notary Public of the County and State aforesaid, certify that Linda Nadolski 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 20th day of June 2005.

Tammie Adams
Notary Public

Commission Expires:

5-8-08
(Notary Public)

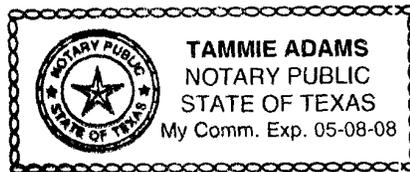


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Sixty-six (66)

DESCRIPTION OF CARS: 4727 cu. ft., 220 GRL, 100-ton covered hoppers

CAR NUMBERS:

FURX 004700	FURX 004740
FURX 004701	FURX 004741
FURX 004702	FURX 004742
FURX 004703	FURX 004743
FURX 004704	FURX 004744
FURX 004705	FURX 004745
FURX 004706	FURX 004746
FURX 004707	FURX 004747
FURX 004708	FURX 004748
FURX 004710	FURX 004749
FURX 004711	FURX 004750
FURX 004713	FURX 004751
FURX 004714	FURX 004752
FURX 004715	FURX 004753
FURX 004716	FURX 004754
FURX 004717	FURX 004755
FURX 004718	FURX 004756
FURX 004719	FURX 004757
FURX 004720	FURX 004758
FURX 004722	FURX 004759
FURX 004723	FURX 004760
FURX 004724	FURX 004761
FURX 004725	FURX 004762
FURX 004726	FURX 004763
FURX 004727	FURX 004764
FURX 004728	FURX 004765
FURX 004729	FURX 004766
FURX 004730	FURX 004767
FURX 004732	FURX 004768
FURX 004733	FURX 004769
FURX 004734	FURX 004771
FURX 004735	FURX 004773
FURX 004738	GROX 004712