

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214

RECORDATION NO. 26231 FILED

MAR 01 '06 2-38 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

February 27, 2006

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 three (3) originals of a Memorandum of Lease Agreement, dated March 3, 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:	Performance Minerals Corp. 13535 South Torrence Avenue Chicago, IL 60633
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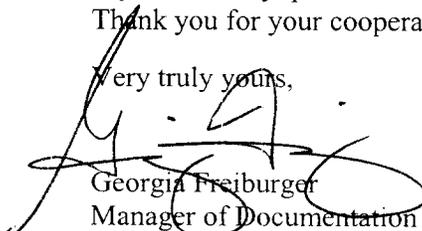
A description of the railroad equipment covered by the enclosed document is forty-eight (48) 3560 cu. ft. hopper cars, with FURX marks (see Exhibit A for car numbers).

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

Also enclosed is a check in the amount of \$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.

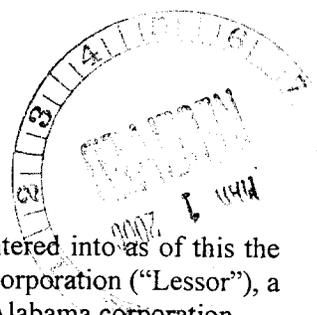
If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures

(PEMI001)



MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 3rd day of March, 2005, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Performance Minerals Corporation ("Lessee"), an Alabama corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 4, 2004, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 9, 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

By:

Richard F. Seymour

Name:

RICHARD F. SEYMOUR

Vice President Sales & Marketing

Title:

ATTEST:

By:

Theresa Catapano

Name:

THERESA CATAPANO

Title:

MGR. OF DOCUMENTATION Executed on this 3rd day of March, 2005.

[CORPORATE SEAL]

RECORDATION NO. 26231 FILE

STATE OF

ILLINOIS

MAR 01 '06

2-38 P

COUNTY OF

COOK

SURFACE TRANSPORTATION BOARD

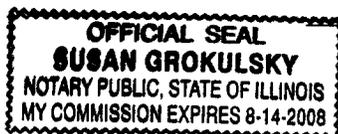
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of March, 2005.

Commission Expires:

8-14-2008

(Notary Public)



Susan Grokulska

Notary Public

LESSEE:

PERFORMANCE MINERALS CORPORATION

By: _____

Name: _____

Title: _____

[Handwritten signature of Stephen Gleason]

STEPHEN GLEASON

PRESIDENT

ATTEST:

By: _____

Name: _____

Title: _____

[Handwritten signature of S.T. Coates]

S.T. COATES

DIRECTOR FINANCE

Executed on this 15th day of February, 2005.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF Lake

I, Nancy P. Wolf, a Notary Public of the County and State aforesaid, certify that STEPHEN GLEASON 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 15th day of February, 2005.

[Handwritten signature of Nancy P. Wolf]

Notary Public

Commission Expires:

8-26-07

(Notary Public)

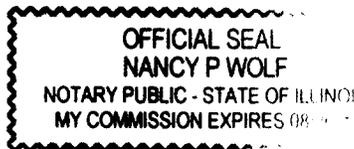


EXHIBIT A
To
MEMORANDUM OF LEASE

NUMBER OF CARS: Forty-eight(48)

DESCRIPTION OF CARS: 3560 cubic foot capacity, steel open top hoppers with gravity gates
and a total weight on rail of 263,000 lbs.

CAR NUMBERS:

FURX	922801	FURX	922858
FURX	922802	FURX	922859
FURX	922803	FURX	922860
FURX	922805	FURX	922862
FURX	922809	FURX	922865
FURX	922813	FURX	922866
FURX	922817	FURX	922868
FURX	922824	FURX	922871
FURX	922825	FURX	922872
FURX	922830	FURX	922874
FURX	922834	FURX	922876
FURX	922835	FURX	922877
FURX	922837	FURX	922878
FURX	922838	FURX	922880
FURX	922839	FURX	922882
FURX	922840	FURX	922885
FURX	922841	FURX	922887
FURX	922844	FURX	922889
FURX	922848	FURX	922890
FURX	922849	FURX	922893
FURX	922850	FURX	922894
FURX	922851	FURX	922896
FURX	922852	FURX	922900
FURX	922857	FURX	922906