

RECORDATION NO. 26294 FILED

APR 11 '06

3-39 PM

FIRST UNION RAIL

SURFACE TRANSPORTATION BOARD

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

April 7, 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 one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated January 20, 2006, 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: Federal Gypsum Company
221 Henry Paint Street
Point Tupper, Nova Scotia
B9A 1Y8

A description of the railroad equipment covered by the enclosed document is thirty (30) 73' riserless centerbeam Class FBC flatcars, marked NOKL (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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulsky
Manager of Documentation

Enclosures

(FEGY001)

ASSGN. NO.: FEGY001

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 20th day of January, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Federal Gypsum Company ("Lessee"), a Nova Scotia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of January 20, 2006, 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 January 20, 2006, 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: Susan Grokulsky

Title: _____

Name: SUSAN GROKULSKY

Title: MGR. OF DOCUMENTATION Executed on this 16th day of February, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

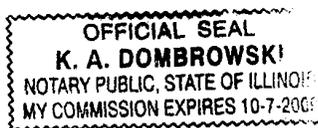
I, K.A. Dombrowski, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of February, 2006.

K.A. Dombrowski
Notary Public

My Commission Expires:

10-7-2009
(Notary Public)



LESSEE:

FEDERAL GYPSUM COMPANY

ATTEST:

By: Rhync Simpson
Name: Rhync Simpson
Title: President

By: Michael R. Simpson
Name: MICHAEL R. SIMPSON
Title: E. U. P.

Executed on this _____ day of _____, 2006.

[CORPORATE SEAL]

PROVINCE OF _____

DISTRICT OF _____

I, _____, a Commissioner of Oaths for the Province and District aforesaid, certify that _____ 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 _____ day of _____, 2006.

Commissioner of Oaths

Commission Expires:

(Commissioner of Oaths)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty (30).

DESCRIPTION OF CARS: 73' riserless centerbeam A.A.R. Class FBC flatcars,
286 GRL, built by National Steel Car.

CAR NUMBERS: NOKL 738300 to 738329 inclusive.