

RECORDATION NO. 26312 FILED

APR 27 '06 12:33 PM

SURFACE TRANSPORTATION BOARD

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

April 27, 2006

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 April 10, 2006, 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: NARCAT LLC
Suite R
480 West Dussel Drive
Maumee, OH 43537

Lessee: Strategic Materials, Inc.
1505 Hwy 6 South, Suite 100
Houston TX 77077

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A description of the railroad equipment covered by the enclosed document
is:

7 open top hopper cars with ANGX reporting marks and road numbers:
002222, 002223, 002224, 002226, 002230, 002237 and 002259

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

Memorandum of Lease.

Also enclosed is a check in the amount of \$34.00 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,



Edward M. Luria

EML/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

WITNESSETH

This Memorandum of Lease is entered into as of the 10th day of April, 2006, by and between NARCAT LLC, a Delaware limited liability company, having its principal place of business at Suite R, 480 W. Dussel Drive, Maumee, OH 43537 (hereinafter "Lessor") and Strategic Materials, Inc., a Delaware corporation, having its principal place of business at 1505 Hwy 6 South, Suite 100, Houston, Texas 77077 (hereinafter "Lessee").

1. Lessor and Lessee are parties to that certain Full Service Lease Agreement dated effective as of March 1, 2006 (the "Master Lease"), and Rider Deal #C00907 dated effective as of March 1, 2006 (the "Schedule"), whereby Lessor leases to Lessee seven (7) railcars bearing railroad reporting marks as noted on attached Exhibit "A."
2. The parties desire to execute this Memorandum for purposes of memorializing of record the Master Lease and Schedule contemplated hereby.
3. This Memorandum of Lease may be executed in any number of counterparts, each executed counterpart constituting an original but altogether only one and the same Memorandum of Lease.

[Signature Pages to Follow]

Each party, pursuant to due corporate authority, has caused this Lease to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Lease was the free act of the corporation, the foregoing is true and correct and that this Lease was executed on the date indicated below.

LESSEE:

STRATEGIC MATERIALS, INC.
By: Robin Arnold
Title: Logistics Administrator
Date: 3/24/06

STATE OF Texas)
COUNTY OF Harris) SS:

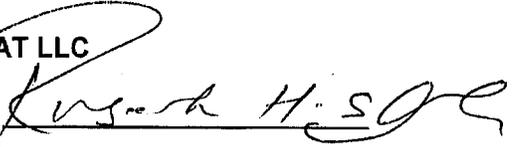
The foregoing instrument was acknowledged before me this 28 day of March, 2006, by Robin Arnold, the Logistics Administrator of Strategic Materials, Inc., a Delaware corporation, on behalf of the corporation.

Teresa Cardenas
Notary Public



Lessor:

NARCAT LLC

By: 

Printed

Name: Rasesh H. Shah

Title: Manager

Date: April 10, 2006

STATE OF OHIO)

COUNTY OF LUCAS) SS:

The foregoing instrument was acknowledged before me this 10th day of April, 2006, by Rasesh H. Shah, the Manager of NARCAT LLC, on behalf of the company.





Julie Ann Dibble

Notary Public, State of Ohio

My Commission Expires 08-20-2010

EXHIBIT A	
Seven (7) Open Top Hoppers	
1	ANGX002222
2	ANGX002223
3	ANGX002224
4	ANGX002226
5	ANGX002230
6	ANGX002237
7	ANGX002259

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: April 27, 2006


Edward M. Luria