



CORPORATION SERVICE COMPANY

RECORDATION NO. 26506 FILED

AUG 15 '06

3-26 PM

SURFACE TRANSPORTATION BOARD



CSC - SPRINGFIELD
801 Adlai Stevenson Drive
Springfield Il 62703

1-800-927-9801 Ext 3813
217-492-2727 FAX

To: SURFACE TRANSPORTATION BOARD **ATTENTION BARB SADLER**

From: April Oshea Ext 3813

Date: August 14, 2006

Order#: 309491/005

Re: CEFX35683-CEFX35722 BLACK DIAMOND GRANULES INC.

Please process the enclosed documents for the service indicated below.

STB FILING

RECEIPT SHOULD BE IN OUR OFFICE: 08/28/2006
PLEASE NOTIFY OUR OFFICE IF COMMIT DATE CANNOT BE MET.

XX Check is enclosed.

Mailing Instructions:

XX Return the filing acknowledgement to my attention.
XX Appropriate FedEx envelopes have been provided for your convenience. Please DO NOT use first class mail.

Special Instructions/Notes:

Primary STB Filing

Please call immediately if there are any problems or questions with this paperwork. Thank you for your assistance in this matter.

Enclosures:

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 26th day of April, 2006, is made by THE CIT GROUP/EQUIPMENT FINANCING, INC., a Delaware corporation, with an address at 1211 Avenue of the Americas, New York, New York, 10036 (the "Lessor"), and BLACK DIAMOND GRANULES, INC., a Minnesota corporation, with an address at 499 Cottage Grove Drive, Woodbury, MN 55129 (the "Lessee" and, together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of April 27, 2006 covering the equipment listed on Schedule A hereto (the "Equipment").

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessor by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessor. I further declare under penalty of perjury that the foregoing is true and correct.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Catherine Shogren
Name: Catherine Shogren
Title: Vice President

RECORDATION NO. 26506 FILED

AUG 15 '06

3-26 PM

SURFACE TRANSPORTATION BOARD

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessee by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessee. I further declare under penalty of perjury that the foregoing is true and correct.

BLACK DIAMOND GRANULES, INC.

By: Bruce Hasleund
Name: Bruce HASLEUND
Title: CFO

Schedule A

Number of Cars

Equipment Description

40 52'-5'6" sided mill gondola

1	CEFX	35683
2	CEFX	35684
3	CEFX	35685
4	CEFX	35686
5	CEFX	35687
6	CEFX	35688
7	CEFX	35689
8	CEFX	35690
9	CEFX	35691
10	CEFX	35692
11	CEFX	35693
12	CEFX	35694
13	CEFX	35695
14	CEFX	35696
15	CEFX	35697
16	CEFX	35698
17	CEFX	35699
18	CEFX	35700
19	CEFX	35701
20	CEFX	35702
21	CEFX	35703
22	CEFX	35704
23	CEFX	35705
24	CEFX	35706
25	CEFX	35707
26	CEFX	35708
27	CEFX	35709
28	CEFX	35710
29	CEFX	35711
30	CEFX	35712
31	CEFX	35713
32	CEFX	35714
33	CEFX	35715
34	CEFX	35716
35	CEFX	35717
36	CEFX	35718
37	CEFX	35719
38	CEFX	35720
39	CEFX	35721
40	CEFX	35722