

RECORDATION NO. 25664-B FILED

OCT 17 '06

2-33 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

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

VIA UPS 2nd DAY AIR

October 13, 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 October 5, 2006, 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 25664.

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: TOLKO INDUSTRIES LTD.
3203-30th Avenue
Vernon, B.C. V3T 6M1
CANADA

A description of the railroad equipment covered by the enclosed document is forty-nine (49) 73' centerbeam flat cars equipped with risers, having CBRY and NOKL 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 \$34.00 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) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Marcia Dunne".

Marcia Dunne
Rail Documentation Specialist

Enclosures
(TOLK011)

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ASSGN. NO.: TOLK011

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 5th day of October, 2006, by and between FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and TOLKO INDUSTRIES LTD, (the "Lessee") a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 27, 2005, 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 December 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

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

ATTEST:

By: Susan Gorkulsky

Name: SUSAN GORKULSKY

Title: MGR. OF DOCUMENTATION

Executed on this 12th day of October, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

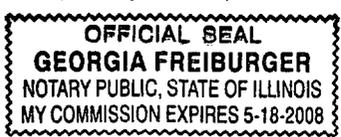
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 12th day of October, 2006.

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)

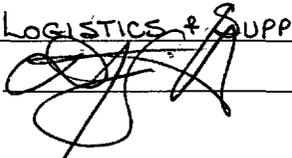


LESSEE:

TOLKO INDUSTRIES LTD.

NAME: DON SMITH

TITLE: GM-LOGISTICS & SUPPLY CHAIN

SIGNATURE: 

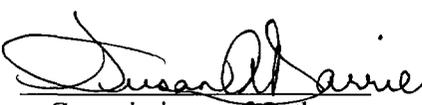
Executed on this 5th day of October, 2006.

PROVINCE OF Québec
DISTRICT OF ALL DISTRICTS.

I, Susan Barrie, a Commissioner of Oaths of the Province and District aforesaid, certify that Don Smith personally appeared before me this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand of official stamp of seal this 5th day of October, 2006.




Commissioner of Oaths

My commission expires:

22 June 2007
(Commissioner of Oaths)

EXHIBIT A – MEMORANDUM OF LEASE

NUMBER OF CARS: Forty-Nine (49).

DESCRIPTION OF CARS: 73' centerbeam flatcars equipped with risers, capable of a gross rail load of 286,000 lbs.

CAR NUMBERS:

CBRY 001500	CBRY 001527
CBRY 001501	CBRY 001528
CBRY 001502	CBRY 001529
CBRY 001503	CBRY 001530
CBRY 001504	CBRY 001532
CBRY 001505	CBRY 001533
CBRY 001507	CBRY 001534
CBRY 001508	CBRY 001535
CBRY 001509	CBRY 001536
CBRY 001510	CBRY 001537
CBRY 001511	CBRY 001539
CBRY 001512	CBRY 001540
CBRY 001513	CBRY 001541
CBRY 001514	CBRY 001542
CBRY 001515	CBRY 001543
CBRY 001516	CBRY 001544
CBRY 001517	CBRY 001545
CBRY 001518	CBRY 001546
CBRY 001519	CBRY 001547
CBRY 001521	CBRY 001548
CBRY 001522	CBRY 001549
CBRY 001523	NOKL 732534
CBRY 001524	NOKL 732563
CBRY 001525	NOKL 734181
CBRY 001526	