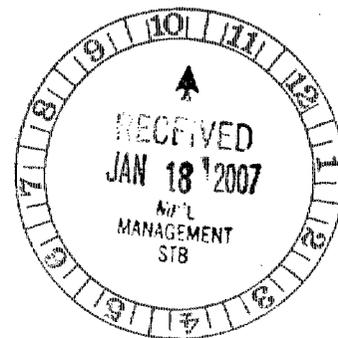


RECORDATION NO. 26773 FILED

JAN 18 '07

10-45 AM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

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

VIA UPS 2nd DAY AIR

January 16, 2007

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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated December 12, 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: Verso Quinnesec LLC
6775 Lenox Center Court
Memphis, TN 38115

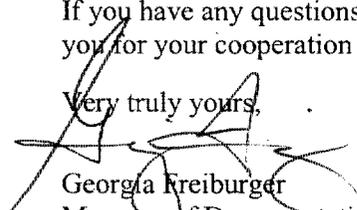
A description of the railroad equipment covered by the enclosed document is fourteen (14) 56' 8" flat cars, with GROX marks (see Exhibit A for car numbers).

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) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Kreiburger
Manager of Documentation

Enclosures
(CMPH001)

ASSGN. NO.: CMPH001

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 12th day of December, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Verso Quinnesec LLC ("Lessee"), a Delaware limited liability company.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of December 12, 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 July 28, 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

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

ATTEST:

By: Susan Grokulska

Name: SUSAN GROKULSKY

Title: MGR. OF DOCUMENTATION

Executed on this 12th day of December, 2006

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

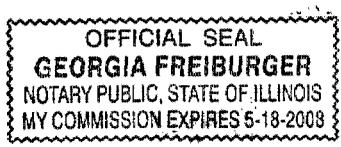
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

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

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

VERSO QUINNESEC LLC

ATTEST:

By: *RM*

Name: Robert Mundy

Title: Senior Vice President, Chief Financial Officer and Secretary

By: _____

Name: _____

Title: _____

Executed on this 4th day of Dec, 2006.

[CORPORATE SEAL]

STATE OF TN

COUNTY OF Shelby

I, Kim B Walker, a Notary Public of the County and State aforesaid, certify that Robert Mundy 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 4th day of Dec, 2006.

Kim B Walker

Commission Expires:

My Commission Expires July 28, 2009

(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fourteen (14)

DESCRIPTION OF CARS: 56' Bulkhead flat cars equipped with side stakes, with 263 GWR

CAR NUMBERS: GROX 50000-50013