

APR 01 '08

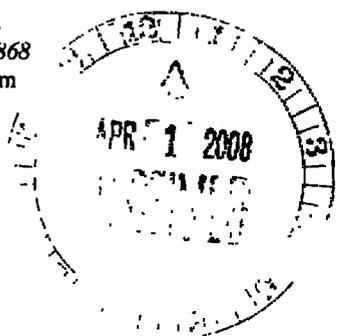
2-25 PM



**SURFACE TRANSPORTATION BOARD**

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**VIA OVERNIGHT DELIVERY**

March 31, 2008

Ms. Anne Quinlan  
Secretary  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20024

Dear Ms. Quinlan:

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, dated as of April 1, 2008, 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 documents are:

Lessor: Celite Corporation  
130 Castilian Drive  
Santa Barbara, CA 93117

Lessee: Coast Belle Rail Corp.  
628 S. McClelland Street  
Santa Maria, CA 93454

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

GM Electro-Motive Division, Model SW-1500 locomotive, Serial #7139-25.

A short summary of the document to appear in the index follows: Memorandum of Lease.

Oregon  
Washington  
California  
Texas  
Illinois  
Michigan  
Colorado  
Alabama



Ms. Anne Quinlan  
March 31, 2008  
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Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Please return one (1) stamped copy of the enclosed document to the undersigned along with the additional copies.

Very truly yours,

Jason W. Davis

JWD:jwd  
Enclosures

**MEMORANDUM OF LEASE**

This MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of April 1, 2008, by and between CELITE CORPORATION, a Delaware corporation ("Lessor"), and COAST BELLE RAIL CORP., a California corporation doing business as Santa Maria Valley Railroad ("Lessee").

WHEREAS, Lessor and Lessee have entered into that certain Equipment Lease and Agreement for Operation and Maintenance of Railcars, dated of even date herewith ("Lease"), covering the GM Electro-Motive Division, Model SW-1500 locomotive, Serial #7139-25 (the "Locomotive").

NOW THEREFORE, the parties hereto wish to show for the public record the leasing of the Locomotive by Lessor to Lessee, the ownership of the Locomotive by Lessor, and the leasehold interest therein of Lessee, and accordingly have caused this Memorandum to be executed through their duly authorized representatives, as of the first date above written.

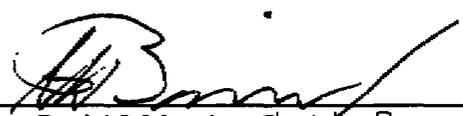
Lessor and Lessee further acknowledge and affirm that this Memorandum is not a summary of the Lease nor a complete recitation of the terms and provision thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between the Memorandum and the provisions of the Lease, the provisions of the Lease shall control.

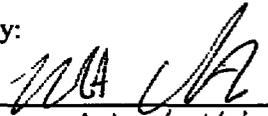
This Memorandum may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum through their duly authorized representatives effective as of the date first written above.

**CELITE CORPORATION, a Delaware corporation**

**COAST BELLE RAIL CORP., a California corporation d/b/a Santa Maria Valley Railroad**

By:   
Name: ~~Daniel J. Moncino~~ Stephen Barmel  
Title: ~~Vice President and General Manager~~  
General Manager Diatomite Americas

By:   
Name: Robert H. Hinds  
Title: President

State of California  
County of San Luis Obispo

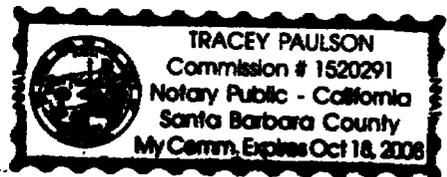
On 3-21-08 before me, Tracey Paulson, Notary, personally  
appeared Robert K Himoto

who proved to me on the basis of satisfactory evidence to be the person  whose name  is/~~are~~  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same  
in his/~~her/their~~ authorized capacity , and that by his/~~her/their~~ signature  on the instrument  
the person  or the entity upon behalf of which the person  acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Tracey Paulson (Seal)



State of California

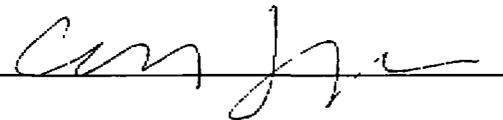
County of Santa Barbara

On March 27, 2008 before me, Emily Logsdon, Notary Public, personally  
appeared Stephen Barne

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

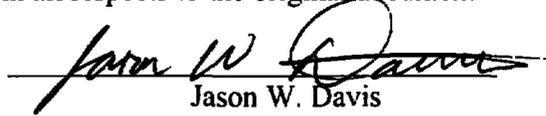
Signature  (Seal)



**CERTIFICATION**

I, Jason W. Davis, an attorney licensed to practice in Oregon, 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: March 31, 2008

  
Jason W. Davis