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SURFACE TRANSPORTATION BOARD

# FIRST UNION RAIL

One O'hare Centre  
6250 River Rd, Suite 5000  
Rosemont, IL 60018

Tel 847.318.7575  
Fax 847.318.7588  
www.firstunionrail.com

VIA UPS NEXT DAY AIR

February 29, 2012

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W., Suite 100  
Washington, D. C. 20423-0001

**Re: Memorandum of Lease Agreement**

Dear Section Chief:

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 December 30, 2011, 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 Surface Transportation Board under Recordation Number 29693.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Baymag Inc.  
10655 Southport Road S.W., Suite 800  
Calgary, AB T2W 4Y1  
CANADA

A description of the railroad equipment covered by the enclosed document is for two (2) tank cars (see Exhibit A for car marks and 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 \$41.00 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.

Sincerely,



Marcia Dunne  
Senior Documentation Specialist

Enclosures  
(BAYM003)

ASSGN. NO. BAYM003

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MEMORANDUM OF LEASE - RIDER NO. 2

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of December, 2011, by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Baymag Inc. ("Lessee"), an Alberta corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 27, 2010, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of August 1, 2011, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

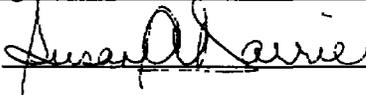
IN WITNESS WHEREOF, the parties hereto each caused this Memorandum of Lease to be duly executed by their respective officers duly authorized as of the date and year first above written (each each of the undersigned declares under penalty of perjury that he or she holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

LESSOR:

FIRST UNION RAIL CORPORATION

Name: Susan A. Barrie

Title: Regional Vice President, Sales

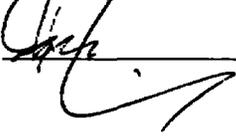
Signature: 

LESSEE:

BAYMAG INC.

Name: Davis Kalig

Title: Vice President, Finance

Signature: 

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Two (2).

DESCRIPTION OF CARS: Pressure differential covered hopper cars (C614).

CAR NUMBERS: NAHX 550444 and NAHX550452 to be restencilled to FURX 893801 and FURX 893804.