

RECORDATION NO. 29693 FILED

MAR 23 '11 -3 30 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018-4214

VIA UPS 2nd DAY AIR

March 21, 2011

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

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 January 18, 2011, 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 Centre
6250 N. River Road, Suite 5000
Rosemont, IL 60018 USA

Lessee: Baymag Inc.
10655 Southport Road SW
Suite 800
Calgary, AB T2W 4Y1 Canada

A description of the railroad equipment covered by the enclosed document is for six (6) hopper cars; having FURX 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 \$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 Rail Documentation Specialist

Enclosure

(BAYM002)

ASSGN. BAYM002

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MEMORANDUM OF LEASE – RIDER NO. 1

SUNSHINE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum of Lease") is made and entered into as of January 18, 2010 by and between 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 dated as of (the "Agreement") and Rider No. 1 thereto dated as of October 27, 2010 (the "Rider"), whereby Lessor has agreed to lease to Lessee certain railcars as more particularly described in on Exhibit A attached hereto and subject to the terms, conditions and provisions of the above-mentioned Agreement and Rider which are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have 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 (and 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. BARRIETitle: REGIONAL VICE PRESIDENT, SALESSignature: Susan A. Barrie

LESSEE:

BAYMAG INC.

Name: HAL ADAMTAGETitle: PURCH. MGRSignature: [Signature]

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Six (6).

DESCRIPTION OF CARS: Pressure differential covered hopper cars (C614),
100-ton, 5150 cu. ft.

CAR NUMBERS:

FURX 893403
FURX 893411
FURX 893425
FURX 893427
FURX 893430
FURX 893432