

FIRST UNION RAIL

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

Tel 847.318.7575
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VIA UPS 2nd DAY AIR

October 18, 2011

RECORDATION NO. 26550-H FILED

OCT 21 '11 -1 0 5 PM

SURFACE TRANSPORTATION BOARD

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 two (2) originals and one (1) copy of a Memorandum of Lease, dated May 28, 2010, 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 26550.

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: Pacific BioEnergy Corporation
9988 Willow Cale Forest Rd
Prince George, BC
V2N 7A8 Canada

A description of the railroad equipment covered by the enclosed document is for ninety (90) hopper rail cars with TQEX 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 Documentation Specialist

Enclosures

(PBFC020)

ASSGN. NO.: PBEC020

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MEMORANDUM OF LEASE
RIDER NO. 8

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum of Lease") is made and entered into as of May 28, 2010 by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Pacific BioEnergy Corporation, a British Columbia corporation.

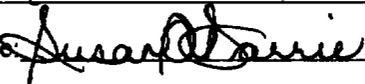
WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement dated as of August 1, 2006 (the "Lease") and Rider No. 8 thereto dated as of October 11, 2011 (the "Rider"), whereby Lessor has agreed to lease to Lessee certain railcars as more particularly described in Exhibit A attached hereto and subject to the terms, conditions and provisions of the above-mentioned Lease 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: **LESSEE:**

PACIFIC BIOENERGY CORPORATION

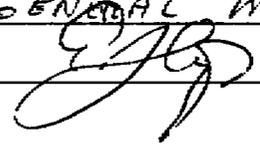
Name: TIM KNODTitle: GENERAL MANAGERSignature: 

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Ninety (90).

DESCRIPTION OF CARS: 5851 cu. ft., 286,000 GRL, covered hopper rail cars.

CAR NUMBERS:

| | | |
|-------------|-------------|-------------|
| FURX 870521 | TQEX 058192 | TQEX 058407 |
| TQEX 058042 | TQEX 058196 | TQEX 058408 |
| TQEX 058053 | TQEX 058214 | TQEX 058413 |
| TQEX 058056 | TQEX 058218 | TQEX 058417 |
| TQEX 058063 | TQEX 058234 | TQEX 058420 |
| TQEX 058065 | TQEX 058259 | TQEX 058423 |
| TQEX 058068 | TQEX 058270 | TQEX 058425 |
| TQEX 058069 | TQEX 058272 | TQEX 058432 |
| TQEX 058074 | TQEX 058291 | TQEX 058435 |
| TQEX 058091 | TQEX 058300 | TQEX 058436 |
| TQEX 058097 | TQEX 058306 | TQEX 058437 |
| TQEX 058103 | TQEX 058314 | TQEX 058438 |
| TQEX 058104 | TQEX 058318 | TQEX 058444 |
| TQEX 058128 | TQEX 058323 | TQEX 058447 |
| TQEX 058130 | TQEX 058324 | TQEX 058448 |
| TQEX 058142 | TQEX 058325 | TQEX 058449 |
| TQEX 058148 | TQEX 058326 | TQEX 058450 |
| TQEX 058149 | TQEX 058328 | TQEX 058453 |
| TQEX 058159 | TQEX 058349 | TQEX 058456 |
| TQEX 058163 | TQEX 058350 | TQEX 058457 |
| TQEX 058164 | TQEX 058357 | TQEX 058458 |
| TQEX 058170 | TQEX 058363 | TQEX 058460 |
| TQEX 058172 | TQEX 058365 | TQEX 058466 |
| TQEX 058173 | TQEX 058382 | TQEX 058470 |
| TQEX 058175 | TQEX 058390 | TQEX 058473 |
| TQEX 058179 | TQEX 058392 | TQEX 058478 |
| TQEX 058183 | TQEX 058394 | TQEX 058480 |
| TQEX 058186 | TQEX 058395 | TQEX 058487 |
| TQEX 058190 | TQEX 058398 | TQEX 058488 |
| TQEX 058191 | TQEX 058399 | TQEX 058498 |