

FIRST UNION RAIL

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

Tel 847 318-7575
Fax 847 318-7588



RECORDATION NO. 22581-II FILED

VIA UPS 2nd DAY AIR

September 17, 2004

SEP 22 '04 3-19 PM

SURFACE TRANSPORTATION BOARD

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 three (3) originals of a Memorandum of Lease Agreement, dated June 21, 2004, 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 Commission under Recordation Number 22581. The names and addresses of the parties to the enclosed document are:

Owner:	ATEL Leasing Corporation 600 California Street, 6 th Floor San Francisco, California 94108	Lessee:	Cascade & Columbia River RR 5300 Broken Sound Blvd., NW Boca Raton, FL 33487
Lessor/Manager:	First Union Rail Corporation One O'Hare Centre 6250 River Road, Suite 5000 Rosemont, IL 60018		

A description of the railroad equipment covered by the enclosed document is thirty (30) 4650/4750 cu. ft. covered hopper cars, with NOKL 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 \$30.00 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 Freiburger
Manager of Documentation

Enclosures

(CSCD069/69A/69B)

ASSGN. NO. CSCD069/A/B

SEP 22 '04 3-19 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of June, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, as Lessor of Cars listed on Exhibit A in Group 1, and as Manager, acting in its capacity as independent contractor for ATEL Leasing Corporation, Owner of Cars listed on Exhibit A in Group 2, and Cascade and Columbia River Railroad Co. ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 15, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 67 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 16, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

Lessor hereby assigns and transfers to ATEL all of its right, title and interest as Lessor in and to the Lease with respect to the ATEL Cars, excluding from such assignment only its rights as manager of the Lease with respect to the ATEL Cars in Group 2 under the Railcar Management Agreement between First Union Rail Corporation and ATEL Leasing Corporation.

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,
as Lessor of Cars in Group 1, and as Manager of Cars in Group 2

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

By: Theresa Catapano
Name: THERESA CATAPANO

Title: _____

Title: MANAGER OF DOCUMENTATION Executed on this 21st day of June, 2004.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

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

WITNESS my hand and official stamp or seal, this 21st day of June, 2004

Susan Grokulska
Notary Public

My Commission Expires:
8-14-2008
(Notary Public)



LESSEE:

CASCADE AND COLUMBIA RIVER RAILROAD CO.

By: Sandra K. Franzen

Name: Sandra K. Franzen

Title: VP-Contracts

ATTEST:

By: Rose Rothstein

Name: ROSE ROTHSTEIN

Title: Exec. Ass't.

Executed on this 16 day of JUNE, 2004

[CORPORATE SEAL]

STATE OF Florida

COUNTY OF Palm Beach

I, Jennifer L. Taylor, a Notary Public of the County and State aforesaid, certify that Sandra K. Franzen personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of June, 2004.

Jennifer L. Taylor
Notary Public

JENNIFER L. TAYLOR

Commission Expires:
6-24-05
(Notary Public)

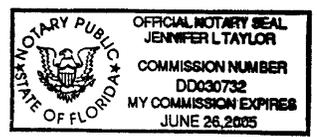


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty (30)

DESCRIPTION OF CARS: 4650-4750 cubic foot capacity covered hopper cars equipped with gravity gates and trough hatches.

CAR NUMBERS:

Group 1

NOKL 818607
NOKL 822247
NOKL 823111
NOKL 823128
NOKL 823654
NOKL 823716
NOKL 825977
NOKL 830611
NOKL 832551
NOKL 833104
NOKL 833118
NOKL 833204
NOKL 833205
NOKL 833207
NOKL 833398

Group 2

NOKL 834003
NOKL 834008
NOKL 834049
NOKL 834076
NOKL 834122
NOKL 834130
NOKL 834166
NOKL 834175
NOKL 834179
NOKL 834181
NOKL 834191
NOKL 834206
NOKL 834236
NOKL 834240
NOKL 834246