

NOV 12 '08

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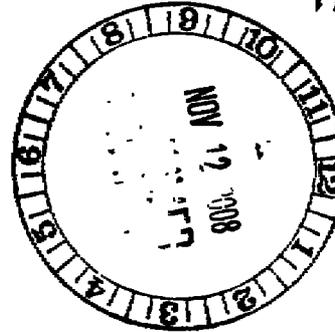
SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

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

VIA UPS 2nd DAY AIR

November 7, 2008



Ms. Anne K. Quinlan
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20024
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

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 Agreement dated May 30, 2008, 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:

Owner:	ATEL Leasing Corporation 600 California Street, 6 th Floor San Francisco, California 94108	Lessee:	Hudson Bay Railway Company 50 S. Steele St., Suite 250 Denver, CO 80209
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 six (36) ballast cars, having AFCX, CR, CSXT and NYC 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
Marcia Dunne
Sr Rail Documentation Specialist

Enclosures

(11BRY001)

ASSGN. NO.: HBRY001

MEMORANDUM OF LEASE

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SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of May, 2008, by and between the First Union Rail Corporation (the "Lessor"), a North Carolina corporation, acting in its capacity as manager for ATEL Leasing Corporation, its successors and assigns, the owner of the Cars, as defined below, ("ATEL"), pursuant to a Railcar Management Agreement dated as of April 1, 2002, as amended, and Hudson Bay Railway Company ("Lessee"), a COLORADO corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 30, 2008, whereby Lessor has agreed to lease to Lessee certain railcars as described more specifically on Exhibit A attached hereto, (the "Cars"), pursuant to Rider No. 1 dated as of May 30, 2008, (the "Rider") which Rider incorporates by reference the terms and condition of the Lease and is a separate and independent lease, effective as of May 30, 2008, and subject to the terms, conditions and provisions of the above-mentioned Lease.

Lessor hereby assigns and transfers to ATEL all of its right, title and interest as Lessor in the Lease, excluding from such assignment only its rights as manager of the Lease and Cars under the Railcar Management Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum 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
as Manager for ATEL Leasing Corporation

Name: RICHARD F. SEYMOUR
Title: VICE PRESIDENT SALES & MARKETING
Signature: Richard F. Seymour

LESSEE:

HUDSON BAY RAILWAY COMPANY

Name: Mike Ogborn
Title: Managing Director
Signature: Mike Ogborn

EXHIBIT A - RIDER NO. 1

REVISED LIST OF CAR NUMERS

Cars to be remarked

<u>Old Car Mark</u>		<u>New Car Mark</u>	
CR	56565	AFCX	905200
CR	56581	AFCX	905201
CR	56595	AFCX	905202
CR	56614	AFCX	905203
CR	56640	AFCX	905204
CR	56656	AFCX	905205
CR	56669	AFCX	905206
CSXT	956021	AFCX	905207
CSXT	956024	AFCX	905208
CSXT	956027	AFCX	905209
CSXT	956030	AFCX	905210
CSXT	956032	AFCX	905211
CSXT	956042	AFCX	905213
CSXT	956044	AFCX	905214
CSXT	956045	AFCX	905215
CSXT	956047	AFCX	905216
CSXT	956048	AFCX	905217
CSXT	956049	AFCX	905218
CSXT	956050	AFCX	905219
CSXT	956054	AFCX	905220
CSXT	956059	AFCX	905221
CSXT	965900	AFCX	905222
CSXT	965907	AFCX	905223
CSXT	965908	AFCX	905224
CSXT	965909	AFCX	905225
CSXT	965914	AFCX	905227
CSXT	965918	AFCX	905229
CSXT	965919	AFCX	905230
CSXT	965986	AFCX	905231
CSXT	965988	AFCX	905232
NYC	56716	AFCX	905233
NYC	56721	AFCX	905234
CR	56579*	AFCX	905236
CR	56731*	AFCX	905237
CSXT	956041*	AFCX	905238
CSXT	956056*	AFCX	905239

* Cars previously restenciled prior to sending
to HBR Y001