

MAY 10 '13 -1 05 PM

SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

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

Tel 847.318.7575
Fax 847.318.7588
www.firstunionrail.com

Via Federal Express

May 9, 2013

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Re: Documents for Rail Recordation

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 Agreement dated November 1, 2012 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

Lessee: Rarus Railway, LLC
dba Butte, Anaconda & Pacific Railway Co.
300 West Commercial Avenue
Anaconda, MT 59711

A description of the railroad equipment covered by the enclosed document is for one hundred ten (110) gondola cars having NOKL and SMW 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 \$42.00 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

Enclosure
(BAP001)

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ASSGN. NO.: BAP001

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of November, 2012, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Rarus Railway, LLC d/b/a Butte, Anaconda & Pacific Railway Co. ("Lessee"), a Montana limited liability.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 30, 2012 whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 30, 2012 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

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

By: Richard F. Seymour

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

ATTEST:

By: Susan Grokulska

Name: SUSAN GROKULSKY
Title: ASSISTANT DIRECTOR

Title: OF DOCUMENTATION

Executed on this 1st day of November, 2012.

[CORPORATE SEAL]

STATE OF Illinois

COUNTY OF Cook

I, Janice L. Enolva, a Notary Public of the County and State aforesaid, certify that Richard F. Seymour personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

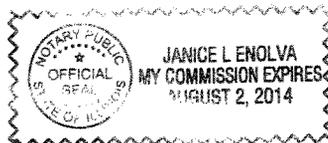
WITNESS my hand and official stamp or seal, this 1st day of November, 2012.

Janice L. Enolva
Notary Public

My Commission Expires:

8-2-2014

(Notary Public)



LESSEE:

RARUS RAILWAY, LLC d/b/a
BUTTE, ANACONDA & PACIFIC RAILWAY CO.

ATTEST:

By: Maurice A. Donnelly
Name: Maurice A. Donnelly
Title: AVP, Marketing

By: Paul McCarthy
Name: Paul McCarthy
Title: Vice President, Business Development

Executed on this 30 day of October, 2012.

[CORPORATE SEAL]

STATE OF Florida
COUNTY OF Duval

I, Tammy Moore, a Notary Public of the County and State aforesaid, certify that Paul McCarthy personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30 day of October, 2012.

Tammy S. Moore
Notary Public

Commission Expires:

2-3-2015
(Notary Public)

TAMMY S. MOORE
Notary Public, State of Florida
My Comm. Expires Feb. 3, 2015
Commission No. EE 53529

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: One hundred ten (110)

DESCRIPTION OF CARS: 52' (100 ton) Gondola Cars with 5' sides, 263/268 GRL

CAR NUMBERS:

1 NOKL 315000	29 NOKL 315737	57 NOKL 315854	85 SMW 315497
2 NOKL 315004	30 NOKL 315739	58 NOKL 315856	86 SMW 315505
3 NOKL 315005	31 NOKL 315745	59 NOKL 315857	87 SMW 315515
4 NOKL 315007	32 NOKL 315748	60 NOKL 315858	88 SMW 315516
5 NOKL 315008	33 NOKL 315752	61 NOKL 315859	89 SMW 315531
6 NOKL 315009	34 NOKL 315802	62 NOKL 315860	90 SMW 315544
7 NOKL 315012	35 NOKL 315803	63 NOKL 315861	91 SMW 315551
8 NOKL 315014	36 NOKL 315804	64 NOKL 315862	92 SMW 315564
9 NOKL 315015	37 NOKL 315806	65 NOKL 315864	93 SMW 315569
10 NOKL 315017	38 NOKL 315807	66 NOKL 315865	94 SMW 315572
11 NOKL 315018	39 NOKL 315810	67 NOKL 315866	95 SMW 315577
12 NOKL 315023	40 NOKL 315813	68 NOKL 315867	96 SMW 315587
13 NOKL 315026	41 NOKL 315814	69 NOKL 315868	97 SMW 315593
14 NOKL 315030	42 NOKL 315815	70 NOKL 315869	98 SMW 315594
15 NOKL 315032	43 NOKL 315824	71 NOKL 315872	99 SMW 315596
16 NOKL 315033	44 NOKL 315825	72 NOKL 315874	100 SMW 315711
17 NOKL 315036	45 NOKL 315827	73 SMW 315051	101 SMW 315764
18 NOKL 315040	46 NOKL 315834	74 SMW 315085	102 SMW 315765
19 NOKL 315041	47 NOKL 315836	75 SMW 315088	103 SMW 315766
20 NOKL 315047	48 NOKL 315837	76 SMW 315098	104 SMW 315770
21 NOKL 315111	49 NOKL 315838	77 SMW 315246	105 SMW 315775
22 NOKL 315202	50 NOKL 315839	78 SMW 315460	106 SMW 315778
23 NOKL 315208	51 NOKL 315840	79 SMW 315461	107 SMW 315781
24 NOKL 315602	52 NOKL 315842	80 SMW 315465	108 SMW 315783
25 NOKL 315614	53 NOKL 315843	81 SMW 315467	109 SMW 315790
26 NOKL 315726	54 NOKL 315846	82 SMW 315474	110 SMW 315791
27 NOKL 315728	55 NOKL 315850	83 SMW 315481	
28 NOKL 315736	56 NOKL 315851	84 SMW 315496	