

RECORDATION NO. 27289 FILED

DEC 21 '07 -2 30 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL  
URBAN A. LESTER

December 21, 2007

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Re: Appalachian Power Company

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Assignment and Assumption Agreement, dated as of December 21, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Net Railcar Lease previously filed with the Board under Recordation Number 27289.

The names and addresses of the parties to the enclosed document are:

**Seller/ Assignor:** The Grand Leasing Partnership, LLP  
c/o Railroad Leasing Unlimited  
Queensgate House  
P O Box 1093 GT  
South Church Street  
Grand Cayman  
Cayman Islands

**Buyer/Assignee:** BBRX Five LLC  
885 Second Avenue 49th Floor  
New York, NY 10017

Mr. Vernon A. Williams  
December 21, 2007  
Page 2

Head Lessee: North America Rail Leasing #3 LLC  
(d/b/a Babcock & Brown Rail Leasing)  
885 Second Avenue, 49th Floor  
New York, NY 10017

A description of the railroad equipment covered by the enclosed document  
is:

181 railcars: APEX 20201 - AEPX 20381.

A short summary of the document to appear in the index is:

Assignment and Assumption Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

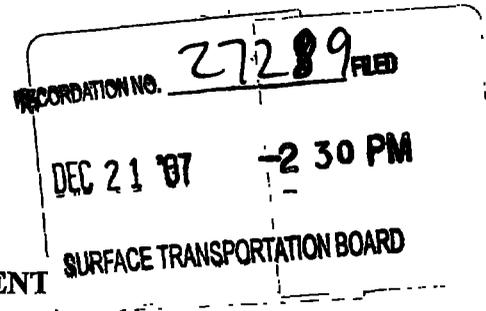
Kindly return stamped copies of the enclosed document to the  
undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem  
Enclosures



## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement dated as of December 21, 2007 (this "Agreement"), is between The Grand Leasing Partnership, LLP, a Delaware limited liability partnership (the "Seller"), North America Rail Leasing #3 LLC (the "Head Lessee") and BBRX Five LLC, a Delaware limited liability company (the "Buyer"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Purchase Agreement (defined below), which also contains rules of usage that apply to terms defined therein and herein.

### RECITALS:

- A. The Seller is the owner of the railcars described on Exhibit A hereto (the "Equipment").
- B. Concurrently herewith, the Seller and the Buyer have executed and delivered the Purchase Agreement [Grand Leasing/BBRX Five] dated as of the date hereof (as amended, modified or supplemented, the "Purchase Agreement") in respect of the Equipment.
- C. The Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller, the Head Lessee and the Buyer on the date hereof.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. Assignment. Effective as to each item of Equipment from and after the date hereof, pursuant to Section 11 of the Head Lease the Seller directs the Head Lessee to assign, transfer and convey to the Buyer, and each of the Seller and the Head Lessee, respectively, hereby assigns, transfers and conveys to the Buyer all of the Seller's and the Head Lessee's respective rights, title and interest, except as reserved under Section 2.1 of the Purchase Agreement, in and to such item of Equipment and assigns to the Buyer all of the Seller's and the Head Lessee's respective rights and obligations, except to the extent constituting Existing Obligations, under each of the agreements listed on Exhibit A hereto as they relate to the applicable Equipment and all of the other agreements and documents listed in Schedule 1 to the Purchase Agreement (collectively, the "Assigned Operative Agreements").

Notwithstanding the foregoing, each of the Seller, and the Head Lessee and the Buyer shall continue to be entitled to the benefit of any applicable rights to indemnification for tax and other matters which arose or may arise from or be related to any event or circumstance occurring or in existence prior to the date hereof, as specified in the Purchase Agreement.

2. Acceptance of Assignment; Effect of Assignment. The Buyer accepts the assignment contained in Section 1 and agrees to be bound to the same extent as the Seller and the Head Lessee by all the terms of the Assigned Operative Agreements. Effective on and after the

date hereof, after giving effect to the transaction described herein, the Buyer shall be deemed to stand in the place of the Seller for all purposes under the applicable Assigned Operative Agreements and each reference in the Assigned Operative Agreements to the Seller shall be deemed to mean the Buyer.

3. **Amendments.** No provision of this Agreement may be amended, modified or waived except by written agreement duly executed by each of the parties hereto.

4. **Notices.** All notices, requests or other communications to or upon any party hereto in connection herewith shall be given in the manner prescribed by Section 9.5 of the Purchase Agreement.

5. **Headings.** The section headings used in this Agreement are for convenience of reference only and shall not be used or construed to define, interpret, expand or limit any provision hereof.

6. **Counterparts.** This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

7. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the conflict of law rules thereof, other than Section 5-1401 of the New York General Obligations Law.

8. **Recordation.** The Buyer and the Seller agree to record this Agreement with the Surface Transportation Board and with the Registrar General of Canada, if applicable, to evidence the assignment by the Seller to the Buyer of the Seller's rights under the Lease, if and only if the Lease has been recorded with the Surface Transportation Board and/or the Registrar General of Canada, as the case may be.

9. **Further Assurances.** Each of the parties hereto covenants and agrees that, at any time and from time to time after the date hereof, at the request and expense of the requesting party hereto, it will promptly and duly execute and deliver, or cause to be executed and delivered, to the requesting party all such further instruments and take all such further action as may be reasonably requested by such party to more effectively sell, transfer, assign, and convey each item of Equipment.

10. **Binding Agreement.** This Agreement shall be binding upon the Seller and the Buyer, their respective successors and permitted assigns, for the use and purposes set forth and referred to herein, effective as of the date hereof.

[Remainder of page intentionally left blank]

State of New York )  
County of New York )

On this, the 11<sup>th</sup> day of December, 2007, before me, a Notary Public in and for said County and State, personally appeared George Stone the Vice President of BBRX Five LLC, who acknowledged himself to be a duly authorized officer of BBRX Five LLC, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Clementina Capasso  
Notary Public

My Commission Expires: **CLEMENTINA CAPASSO**  
**NOTARY PUBLIC, STATE OF NEW YORK**  
No. 01CA8120806  
Residing in: **QUALIFIED IN NEW YORK COUNTY**  
**MY COMMISSION EXPIRES DEC. 27, 2008**



State of New York )  
County of New York )

On this, the 11<sup>th</sup> day of December, 2007, before me, a Notary Public in and for said County and State, personally appeared Larry Littlefield, the Vice President of North America Rail Leasing #3 LLC, who acknowledged himself/herself to be a duly authorized officer of North America Rail Leasing #3 LLC, and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Clementina Capasso  
Notary Public

My Commission Expires: **CLEMENTINA CAPASSO**  
**NOTARY PUBLIC, STATE OF NEW YORK**  
**No. 01CA6120808**  
Residing in: \_\_\_\_\_ **QUALIFIED IN NEW YORK COUNTY**  
**MY COMMISSION EXPIRES DEC. 27, 2008**



State of New York )  
County of New York )

On this, the 11<sup>th</sup> day of December, 2007, before me, a Notary Public in and for said County and State, personally appeared Richard Barker, the attorney of The Grand Leasing Partnership, LLP, who acknowledged himself/herself to be a duly authorized person of The Grand Leasing Partnership, LLP, and that, as such duly authorized person, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: [Signature]  
Notary Public

My Commission Expires: 04/10/2011

Residing in: New York, NY

NANCY J. NEUBAUER  
Notary Public, State of New York  
No. 01NE5041602  
Qualified in New York County  
Commission Expires April 10, 2011

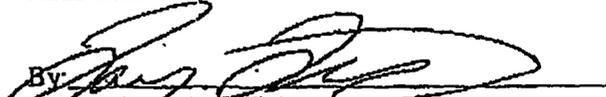
IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been duly executed by the parties hereto as of the date first above written.

THE GRAND LEASING PARTNERSHIP, LLP, as  
Seller

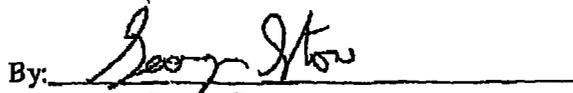
By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner

By: \_\_\_\_\_  
Name:  
Title:

NORTH AMERICA RAIL LEASING #3 LLC, as  
Head Lessee

By:   
Name: Larry Littlefield  
Title: Vice President

BBRX FIVE LLC, as Buyer

By:   
Name: George Stone  
Title: Vice President

IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been duly executed by the parties hereto as of the date first above written.

THE GRAND LEASING PARTNERSHIP, LLP, as  
Seller

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner

By: *Richard Barker*  
Name: RICHARD BARKER *Attorney*  
Title: SOLICITOR

NORTH AMERICA RAIL LEASING #3 LLC, as  
Head Lessee

By: \_\_\_\_\_  
Name:  
Title:

BBRX FIVE LLC, as Buyer

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A  
(to Assignment  
and Assumption Agreement)**

**EQUIPMENT AND LEASES**

Lease #	Lessee	# of Units	Year Built/ Manufacturer	Description	Reporting Marks	Casualty Marks
5A	Union Pacific Railway Company	174	1989	100 – ton 65' 6" open top gondola cars without bulkheads.	Group A: WCRC 3000-3174, inclusive.	Group A: WCRC 3083.
5B	Union Pacific Railway Company	148	1989	100 – ton 65' 6" open top gondola cars with bulkheads.	Group B: WCRC 3175-3324, inclusive.	Group B: WCRC 3196, 3224.
6	The Empire District Electric Company	125	1999	Aluminum BethGon™ Coalporter open top coal gondola railcars.	EDEX 099001, 099002, and 099300-099422, inclusive.	None
7	Northern Indiana Public Service Company	237	1999	Aluminum BethGon™ Coalporter railcars.	NORX 6000-6239, inclusive.	NORX 6106, 6111, 6160.
8	Blue Circle Inc.	76	2000	3,281 CF twin covered hopper railcars.	BCAX 200-275, inclusive.	None
9	LaFarge Corporation – Group #1	100	2001	3,250 CF covered hopper railcars with gravity gates and round hatches	CEFX 81074-81173, inclusive.	None
10	Lone Star Industries, Inc.	49	2001	3,250 CF covered hopper railcars with gravity gates (miner auto lock II) and round hatches	LCEX 350-399, inclusive.	LCEX 396
11	BNSF Railway Company	48	2001	42' covered coil gondola railcars	BNSF 537000 - 537009 inclusive; 537011, and 537013 - 537049 inclusive.	None
12	Appalachian Power Company	181	1994	4,300 CF aluminum bottom discharge coal hoppers	AEPX 20201 - 20381 inclusive.	None
13	The CIT Group/Equipment Financing, Inc. (sublease with BNSF Railway Company (f/k/a The Burlington Northern and Santa Fe Railway Company))	200	1997	3,267 CF, 66' mill gondola railcars	BNSF 519200 – 519399, inclusive.	None

1. Lease Agreement dated as of the 20<sup>th</sup> day of June, 1989, between BACHC (as assignee of Mitsui Leasing Capital Corporation f/k/a Mitsui Nevitt Capital Corporation ("Mitsui"), as assignee of Greenbrier Leasing Corporation ("Greenbrier") and Union Pacific Railroad Company (f/k/a Southern Pacific Transportation Company) ("UPRR").

First Amendment to Lease Agreement dated as of December 15, 1989, between BACHC (as assignee of Mitsui, as assignee of Greenbrier) and UPRR.

Assignment and Agreement dated as of December 15, 1989 between BACHC (as assignee of Mitsui and Greenbrier.

Assignment dated as of June 1, 1998, between Mitsui and BACHC.

Rider No. 03 dated as of September 2, 2005 and effective as of January 1, 2005 between Babcock & Brown Rail Leasing Co. and Union Pacific Railroad Company is by and between North American Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing).

Rider No. 04 dated as of September 2, 2005 and effective as of January 1, 2005 between Babcock & Brown Rail Leasing Co. and Union Pacific Railroad Company is by and between North American Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing).

2. Railcar Equipment Lease dated as of June 25, 1999, between BACHC and The Empire District Electric Company ("Empire").

Rider 1 to Railcar Equipment Lease dated as of June 25, 1999, between BACHC and Empire.

3. Railcar Equipment Lease dated as of August 27, 1999, between BACHC and Northern Indiana Public Service Company ("NIPSCO").

Rider 1 to Railcar Equipment Lease dated as of August 27, 1999, between BACHC and NIPSCO.

Rider 2 to Railcar Equipment Lease dated as of August 31, 1999, between BACHC and NIPSCO.

4. Railcar Equipment Lease dated as of July 10, 2000, between BACHC and Blue Circle Inc. ("BCI").

Lease Supplement No. 1 to Railcar Equipment Lease dated as of July 10, 2000, between BACHC and BCI.

5. Master Net Railcar Lease made as of July 9, 2001, between The CIT Group/Equipment Financing, Inc. and LaFarge Corporation.

Rider A to Master Net Railcar Lease dated as of July 9, 2001, between The CIT Group/Equipment Financing, Inc. and LaFarge Corporation.

Schedule No. 01 to Master Net Railcar Lease, dated as of July 9, 2001, made as of July 18, 2001, between The CIT Group/Equipment Financing, Inc. and LaFarge Corporation.

6. Master Net Railcar Lease made as of June 26, 2001, between The CIT Group/Equipment Financing, Inc. and Lone Star Industries, Inc.

Rider A to Master Net Railcar Lease dated as of June 26, 2001, between The CIT Group/Equipment Financing, Inc. and Lone Star Industries, Inc.

Schedule No. 01 to Master Net Railcar Lease made as of June 26, 2001, between The CIT Group/Equipment Financing, Inc. and Lone Star Industries, Inc.

7. Master Full Service Railcar Lease is made as of July 22, 2005, effective as of April 1, 2004, between Babcock & Brown Rail Leasing Co. and BNSF Railway Company.

Schedule No. 01 to Master Full Service Railcar Lease dated as of July 22, 2005, effective as of April 1, 2004, between North American Rail Leasing # 3 LLC (d/b/a Babcock & Brown Rail Leasing) and BNSF Railway Company.

8. Master Net Railcar Lease is dated as of September 29, 2005, between Babcock & Brown Rail Leasing Company and Appalachian Power Company.

Schedule No 01 dated as of September 29, 2005, between North American Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) and Appalachian Power Company.

9. Master Railcar Lease dated as of December 20, 2001 between The Grand Leasing Partnership, LLP, and The CIT Group/Equipment Financing, Inc.

Schedule No. 01 to Master Railcar Lease dated as of December 20, 2001 between The Grand Leasing Partnership, LLP, and The CIT Group/Equipment Financing, Inc.

Sublease Assignment Agreement dated as of December 20, 2001 between The CIT Group/Equipment Financing, Inc. and The Grand Leasing Partnership, LLP.

Master Railcar Lease dated as of October 31, 1997, between The CIT Group/Equipment Financing, Inc. and BNSF Railway Company (f/k/a The Burlington Northern and Santa Fe Railway Company).

Rider A to Master Railcar Lease dated as of October 31, 1997, between The CIT Group/Equipment Financing, Inc. and BNSF Railway Company (f/k/a The Burlington Northern and Santa Fe Railway Company).

Schedule No. 01 to Master Railcar Lease made as of October 31, 1997, between The CIT Group/Equipment Financing, Inc. and BNSF Railway Company (f/k/a The Burlington Northern and Santa Fe Railway Company).

Lease Extension Certificate for the Period of February 1, 2000 through January 31, 2010, entered into as of February 8, 2000, effective as of February 1, 2000, between The CIT Group/Equipment Financing, Inc. and BNSF Railway Company (f/k/a The Burlington Northern and Santa Fe Railway Company).