

ALVORD AND ALVORD
ATTORNEYS AT LAW
1600 K STREET, NW
SUITE 200
WASHINGTON, D.C.
20006-2973

(202) 393-2266
FAX (202) 393-2156

RECORDATION NO. 22974-B FILED

OCT 5 100 1-25 PM

SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

September 28, 2000

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

Re: Arkansas, Louisiana & Mississippi R. Co.

Dear Mr. Williams:

Sept. 29,
Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Assignment and Assumption Agreement, dated as of ~~September 3~~ September 3, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Car Leasing Agreement which was duly filed with the Board under Recordation Number 22974.

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

Seller: Babcock & Brown Rail Management LLC
599 Lexington Avenue
New York, NY 10022

Buyer: GATX Third Aircraft Corporation
Four Embarcadero Center, Suite 220
San Francisco, California 94111

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

Fifty nine (59) railcars: ALM 61140 – ALM 61199 inclusive.

22974-B

Mr. Vernon A. Williams
September 28, 2000
Page 2

A short summary of the railroad equipment covered by the enclosed document is:

Assignment and Assumption Agreement, dated as of September ____, 2000 between Babcock & Brown Rail Management LLC, Seller, and GATX Third Aircraft Corporation, Buyer covering fifty nine (59) railcars: ALM 61140 – ALM 61199 inclusive.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bjg
Enclosures

OCT 3 2000 1-25 PM

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Arkansas, Louisiana & Mississippi Railroad Company) SURFACE TRANSPORTATION BOARD

This Assignment and Assumption Agreement, dated ~~September 15~~ ^{Sept. 29,} 2000 (this "Agreement"), is between Babcock & Brown Rail Management LLC, a Delaware limited liability company (the "Seller"), and GATX Third Aircraft Corporation, a Delaware corporation (the "Buyer").

WITNESSETH:

WHEREAS, the Buyer and the Seller have entered into that certain Purchase Agreement, dated as of September 15, 2000 (the "Purchase Agreement"), providing for the purchase of the Ownership Interest by the Buyer from the Seller, subject to the terms and conditions set forth therein; and

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller and the Buyer on the date hereof.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

1. *Definitions.* Capitalized terms used herein without definition shall have the meanings assigned to them in Section 4 of this Agreement.

2. *Assignment.* Effective as to each item of Equipment on the Closing Date, the Seller sells to the Buyer all of the Seller's rights, title and interest in and to such item and assigns to the Buyer all of the Seller's rights and obligations, except to the extent constituting Existing Obligations, under each of the following as they relate to such item:

(a) the Lease; and

(b) Notice and Acknowledgment dated May 31, 2000 from GERSCO and acknowledged and agreed on June 14, 2000 by the Lessee (collectively, the "Assigned Operative Agreements").

Notwithstanding the foregoing, the Seller shall continue to be entitled to the benefit of any 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 Closing Date, as specified in the Purchase Agreement.

3. *Acceptance of Assignment; Assumption of Obligations; Effect of Assignment.* The Buyer accepts the assignment contained in Section 2 hereof and, in respect of the period on and after the Closing Date, assumes all obligations of the Seller under, and agrees to be bound to the

same extent as the Seller by all the terms of, the Assigned Operative Agreements. Effective on and after the Closing Date, the Buyer shall be deemed to stand in the place of the Seller for all purposes under the Assigned Operative Agreements and each reference in the Assigned Operative Agreements to the Seller shall be deemed to mean the Buyer. The Seller, in respect of the period on and after the Closing Date, is released of all obligations of the lessor under the Assigned Operative Agreements, except to the extent constituting Existing Obligations.

4. *Definitions.* Except as otherwise specified or as the context may otherwise require, the following terms have the respective meanings set forth below whenever used in this Agreement (terms defined in the singular to have a correlative meaning when used in the plural and vice versa).

Bill of Sale: as to an item of Equipment, a bill of sale in the form of Exhibit I hereto.

Closing Date: as to an item of Equipment and related Ownership Interest the date of the Bill of Sale with respect thereto.

Equipment: the items of equipment listed on Exhibit A hereto, together with each and every part, accessory, component and any equipment installed therein or attached thereto owned by the Seller (individually such railcars shall be referred to as an "item" or "items of Equipment").

Existing Obligations: any and all liabilities and obligations of Seller under the Ownership Interest, including the Assigned Operative Agreements, or otherwise relating to the Equipment in each such case, to the extent arising or occurring prior to the Closing Date (whether or not asserted or assessed), and, with respect to the obligations, to have been performed by Seller prior to the Closing Date.

GERSCO: General Electric Railcar Services Corporation.

Lease: Rider No. 2 dated April 24, 1998, to Car Leasing Agreement 0521-00, between GERSCO and the Lessee (incorporating Car Leasing Agreement 0521-00, dated May 19, 1998, between GERSCO and the Lessee), as assigned to the Seller pursuant to the Assignment and Assumption Agreement (Arkansas, Louisiana & Mississippi Railroad Company) dated June 26, 2000 between GERSCO and the Seller.

Lessee: Arkansas, Louisiana & Mississippi Railroad Company.

Ownership Interest: the Seller's rights, title and interest in and to the Equipment and the Seller's rights and obligations under the Assigned Operative Agreements.

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

6. *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 10.5 of the Purchase Agreement.

7. *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.

8. *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.

9. *Governing Law.* This Agreement shall be governed by, and construed and enforced in accordance with, the internal substantive 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.

10. *Recordation.* The Seller and the Buyer agree to record this Agreement with the Surface Transportation Board to evidence the assignment by the Seller to the Buyer of the Seller's rights and obligations under the Lease, if and only if the Lease has been recorded with the Surface Transportation Board.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BABCOCK & BROWN RAIL MANAGEMENT LLC

By: 
Name: Laurence Littlefield
Title: _____

GATX THIRD AIRCRAFT CORPORATION

By: _____
Name: _____
Title: _____

State of New York)

County of New York)

On this, the 27th day of September, 2000, before me, a Notary Public in and for said County and State, personally appeared Lawrence Littlefield, a _____ of Babcock & Brown Rail Management LLC, who acknowledged himself/herself to be a duly authorized officer of Babcock & Brown Rail Management 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: Karen R Fagerstrom

Notary Public

My Commission Expires: 5/27/2001

Residing in: New York, NY

KAREN R. FAGERSTROM
Notary Public, State of New York
No. 02FA5078418
Qualified in New York County
Commission Expires 05/27/2001

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

BABCOCK & BROWN RAIL MANAGEMENT LLC

By: _____
Name: _____
Title: _____

GATX THIRD AIRCRAFT CORPORATION

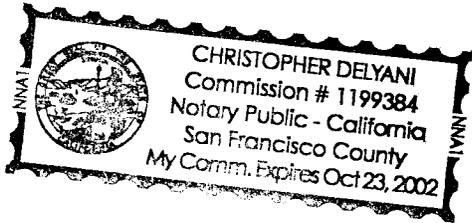
By: *Linda Hexem*
Name: Linda A. Hexem
Title: Vice President

State of California)
)
County of San Francisco)

On September 27, 2000, before me, Christopher Delyani, Notary Public, personally appeared Linda A. Hexem, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Christopher Delyani
Notary Public



BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Babcock & Brown Rail Management LLC ("*Seller*"), does hereby sell, transfer and assign to GATX Third Aircraft Corporation ("*Buyer*") all of Seller's rights, title and interest in and to the equipment described in Exhibit A hereto (the "*Equipment*"), subject to the terms and conditions of the Purchase Agreement, dated as of September 15, 2000, between Seller and Buyer (the "*Purchase Agreement*"), and the Assignment and Assumption Agreement, dated _____, 2000, between Seller and Buyer.

Seller represents and warrants to Buyer and its successors and assigns that at the time of delivery of the Equipment, Seller had legal title thereto and good and lawful right to sell the Equipment, and the Equipment was free and clear of all Liens (as defined in the Purchase Agreement), other than as described in Section 3.3 of the Purchase Agreement.

BABCOCK & BROWN RAIL MANAGEMENT LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I
(to Assignment and Assumption Agreement)

CAR LIST

CAR INIT	CAR NUMBER	CAR INIT	CAR NUMBER	CAR INIT	CAR NUMBER	CAR INIT	CAR NUMBER
ALM	061141	ALM	061181				
ALM	061142	ALM	061182				
ALM	061143	ALM	061183				
ALM	061144	ALM	061184				
ALM	061145	ALM	061185				
ALM	061146	ALM	061186				
ALM	061147	ALM	061187				
ALM	061148	ALM	061188				
ALM	061149	ALM	061189				
ALM	061150	ALM	061190				
ALM	061151	ALM	061191				
ALM	061152	ALM	061192				
ALM	061153	ALM	061193				
ALM	061154	ALM	061194				
ALM	061155	ALM	061195				
ALM	061156	ALM	061196				
ALM	061157	ALM	061197				
ALM	061158	ALM	061198				
ALM	061159	ALM	061199				
ALM	061160						
ALM	061161						
ALM	061162						
ALM	061163						
ALM	061164						
ALM	061165						
ALM	061166						
ALM	061167						
ALM	061168						
ALM	061169						
ALM	061170						
ALM	061171						
ALM	061172						
ALM	061173						
ALM	061174						
ALM	061175						
ALM	061176						
ALM	061177						
ALM	061178						
ALM	061179						
ALM	061180						

CARS ON THIS PAGE - 59
TOTAL CARS - 59