RECORDATION NO. 21316-HH FILED

DEC 17 '03 5-25 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

December 17, 2003

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment and Assumption Agreement, dated as of December 17, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Railroad Equipment Lease Agreement which was previously filed with the Board under Recordation Number 21316.

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

Assignor: The Clarkesville Leasing Partnership, LLP
c/o Rail Wagon Leasing Limited
Queensgate House
P.O. Box 1093 GT
George Town
Grand Cayman
Cayman Islands

Assignee: North American Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Leasing)
230 Park Avenue
32nd Floor
New York, NY 10169

DEC 17 2003
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A description of the railroad equipment covered by the enclosed document is:

Four hundred and forty-eight (448) 50 foot, 100 ton plate F boxcars: IBT 18400 – IBT 18849 (excluding 18605 and 18628, casualties).

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

Memorandum of Assignment and Assumption Agreement.

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 stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anr
Enclosures

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SURFACE TRANSPORTATION BOARD

EXECUTION VERSION

MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of this 17th day of December, 2003, is made by The Clarkesville Leasing Partnership, LLP, a Delaware limited liability partnership, with an address c/o Babcock & Brown Rail Management LLC, 230 Park Avenue, 32nd Floor, New York, NY 10169 (the "Partnership"), Lloyds TSB Equipment Leasing (No. 5) Limited, a limited liability company incorporated under the laws of England and Wales, c/o Lloyds TSB Leasing Limited, 25 Gresham Street, London EC2V 7HN, United Kingdom ("LEL") and North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability corporation, with an address at 230 Park Avenue, 32nd Floor, New York, NY 10169 (the "Head Lessee" and, together with the Partnership and LEL, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Partnership, LEL and the Head Lessee entered into that certain Assignment and Assumption Agreement dated as of December 17, 2003 (the "Assignment ") covering the equipment listed on Schedule A hereto (the "Equipment") and, in respect of the Equipment, the Lease of the Equipment and the prior assignment of the Lease;

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Assignment, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, by this instrument the Partnership hereby assigns to the Head Lessee all of the Partnership's rights and obligations, except certain retained obligations, under the Lease and the prior assignment of the Lease and confirms the terms and conditions of the Assignment, and the Head Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DEC 17 2003 RECEIVED

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

THE CLARKESVILLE LEASING
PARTNERSHIP, LLP,
as the Partnership

By: Rail Wagon Leasing Limited,
its General Partner

By: _____
Name: Victoria McManus
Title: Director

NORTH AMERICA RAIL LEASING #2 LLC
(d/b/a BABCOCK & BROWN RAIL LEASING),
as the Head Lessee

By: _____
Name: Ross Sullivan
Title: Vice President

LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED

By: _____

Name: Owen Harrington

Title: Attorney in fact

State of New York)
)
County of New York)

On this, the 17th day of December, 2003, before me, a Notary Public in and for said County and State, personally appeared Victoria McManus, a Director of The Clarkesville Leasing Partnership, LLP, who acknowledged himself/herself to be a duly authorized officer of The Clarkesville Leasing Partnership, LLP, 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.

FRANCIS BYUN
NOTARY PUBLIC, State of New York
No. 01BY6088750
Certificate Filed in New York County
Commission Expires March 17, 2007

Name: _____
Notary Public

My Commission Expires: 3/17/07

Residing in: New York, New York

[A & A Agr]

State of New York)
)
County of New York)

On this, the 17th day of December, 2003, before me, a Notary Public in and for said County and State, personally appeared Ross Sullivan, a Vice President of North America Rail Leasing #2 LLC, who acknowledged himself/herself to be a duly authorized officer of North America Rail Leasing #2 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.

FRANCIS BYUN
NOTARY PUBLIC, State of New York
No. 01BY6088750
Certificate Filed in New York County
Commission Expires March 17, 2007

Name: _____
Notary Public

My Commission Expires: 3/17/07

Residing in: New York, New York

[A & A Agr]

State of New York)
)
County of New York)

On this, the 17th day of December, 2003, before me, a Notary Public in and for said County and State, personally appeared Owen Harrington, a Attorney in fact of Lloyds TSB Equipment Leasing (No.5) Limited who acknowledged himself/herself to be a duly authorized officer of Lloyds TSB Equipment Leasing (No.5) Limited 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.

FRANCIS BYUN
NOTARY PUBLIC, State of New York
No. 01BY6088750
Certificate Filed in New York County
Commission Expires March 17, 2007

Name: _____
Notary Public

My Commission Expires: 3/17/07

Residing in: New York, New York

[A & A Agr]

Schedule A
(to Memorandum of Assignment and
Assumption Agreement)

EQUIPMENT

448 A406 – Standard 50' cushioned underframe plate F Boxcars with 286,000 GRL and 12' plug doors on 50K nailable steel floors, manufactured by Gunderson in 2002, bearing the reporting marks as follows:

IBT 18400-18604; 18606-18627; 18629-18849, inclusive.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 12/17/03

Robert W. Alvord