

RECORDATION NO. 24550-E FILED

DEC 19 '03 2-28 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

December 19, 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 Third Amended Memorandum of Mortgage, dated as of December 19, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage which was previously filed with the Board under Recordation Number 24550-D.

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

Head Lessor: Lloyds TSB Equipment Leasing (No.5) Limited
c/o Lloyds TSB Bank plc
25 Gresham Street
London EC2V 7HN U.K.

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

[Indenture Trustee: Wells Fargo Bank Northwest, National
Association
299 South Main Street, 12th Floor
Salt Lake City, Utah 84111]

Mr. Vernon A. Williams
December 19, 2003
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A description of the railroad equipment covered by the enclosed document is:

There is no new or additional equipment associated with this filing.

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

Third Amended Memorandum of Mortgage.

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/anm
Enclosures

DEC 19 '03 2-28 PM

THIRD AMENDED MEMORANDUM OF MORTGAGE

SURFACE TRANSPORTATION BOARD

Third Amended Memorandum of Mortgage, made and entered into as of December 19, 2003 by **NORTH AMERICA RAIL LEASING #2 LLC** (d/b/a Babcock & Brown Rail Leasing) ("**Head Lessee**") and **LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED** ("**Head Lessor**") in favor of **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, as Indenture Trustee under the Trust Indenture referred to below (together with its successors and permitted assigns, the "**Indenture Trustee**"), which amends (i) the Memorandum of Mortgage, made and entered into as of September 30, 2002 between The Clarkesville Leasing Partnership, LLP (the "**Partnership**") and HSH Nordbank AG, as indenture trustee (the "**Memorandum of Mortgage (INTOL V)**"), as amended by the Amended Memorandum of Mortgage, made and entered into as of December 15, 2003 among the Partnership, Silentdale Limited and HSH Nordbank AG, as indenture trustee (the "**Amended Memorandum of Mortgage (INTOL V)**"), and as further amended by the Second Amended Memorandum of Mortgage made and entered into as of December 17, 2003 among the Partnership, Head Lessor and HSH Nordbank AG, as indenture trustee (the "**Second Amended Memorandum of Mortgage (INTOL V)**"); (ii) Memorandum of Mortgage, made and entered into as of August 12, 2003 among Head Lessee, Head Lessor and the Indenture Trustee (the "**Memorandum of Mortgage (BBRL II)**"); and Memorandum of Mortgage, made and entered into as of December 16, 2003 among Head Lessee, Head Lessor and the Indenture Trustee (the "**Memorandum of Mortgage (BBRL III)**"). Terms used in this instrument have the meanings assigned thereto (whether by reference to another document or otherwise) in that certain Trust Indenture and Security Agreement (COMBI I) dated as of December 19, 2003 (as amended, modified or supplemented, the "**Trust Indenture**") among the Head Lessee, Head Lessor, HSH Nordbank AG, as Tranche A Lender, HSH Nordbank AG, New York Branch, as Tranche B Lender and Tranche C Lender and the Indenture Trustee.

WITNESSETH:

Head Lessor and Head Lessee have entered into the Trust Indenture by which Head Lessor and Head Lessee (or either of them, as the case may be) have granted to the Indenture Trustee, in order to secure the obligations set forth in the Trust Indenture, a first priority security interest in, *inter alia*, all of their right, title and interest in, to and under:

- (a) certain railroad equipment bearing reporting marks as listed in the Memorandum of Mortgage (INTOL V), the Memorandum of Mortgage (BBRL II) and the Memorandum of Mortgage (BBRL III) (collectively, the "**Units**");
- (b) each lease referred to in the Memorandum of Mortgage (INTOL V), the Memorandum of Mortgage (BBRL II) and the Memorandum of Mortgage (BBRL III) (as amended, modified or supplemented, collectively, the "**Initial Leases**") and any other lease entered into by Head Lessee or Head Lessor with respect to the Units;
- (c) that certain Master Railcar Head Lease Agreement (COMBI I) dated as of December 19, 2003, as amended, modified or supplemented, by which Head Lessor has leased the Units to Head Lessee, and Head Lessee has leased the Units from Head Lessor, in each case subject to the Initial Leases; and

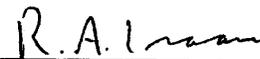
(d) that certain Title Mortgage (COMBI I) dated as of December 19, 2003, as amended, modified or supplemented, by which BBRM Title Holding SPC #2 LLC has granted to Head Lessor a first priority security interest in, *inter alia*, all of its right, title and interest in, to and under the Units and the Initial Leases.

IN WITNESS WHEREOF, each of Head Lessor and Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

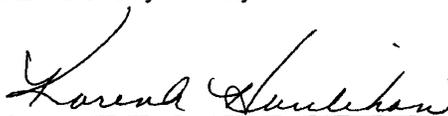
By: 
Name: *Ross Sullivan*
Title: *Vice President*

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED,
as Head Lessor**

By: 
Name: *Robin A. Isaacs*
Title: *Head of legal and Assistant Secretary*

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 19th day of December in the year 2003 before me personally came Ross Sullivan to me known, who, being by me duly sworn, did depose and say that he resides at 1090 Butterfield Road, San Anselmo, CA 94960; that he is the Vice President (duly appointed) of BBRM Title Holding SPC #2 LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said limited liability company.



Notary Public

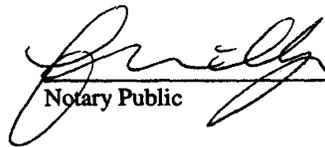
[Notarial Seal]

KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2002 ⁶

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 19th day of December in the year 2003 before me personally came Robin A. Isaacs to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) at 25 Gresham Street, London; that he/she/they is (are) the Head of Legal and Assistant Secretary ~~(president or other officer or director or attorney in fact)~~ ~~duly appointed~~ of the Lloyds TSB Equipment Leasing (No. 5) Limited, the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.

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



Notary Public

[Notarial Seal]

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: 12/19/03



Robert W. Alvord