

RECORDATION NO. 24454-E FILED

MAY 20 '04

3-30 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

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

May 20, 2004

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 three (3) copies of a Memorandum of Mortgage (Indenture), dated as of May 20, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage (Trust Indenture) previously filed with the Board under Recordation Number 24454-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 Leasing 25 Gresham Street London EC2V 7HN England
Head Lessee:	North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing) 230 Park Avenue New York, NY 10169

MEMORANDUM OF MORTGAGE (INDENTURE)

This Memorandum of Mortgage (Indenture) is made and entered into as of May 20, 2004 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**"). 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, the Lenders named therein and the Indenture Trustee, as further supplemented by (i) Indenture Supplement No. 4 dated as of May 20, 2004 and (ii) Indenture Supplement No. 5 dated as of May 20, 2004.

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 dated as of May 15, 2003 (the "**Memorandum of Mortgage (BBRL I)**") executed by Head Lessee (as successor by merger with North America Rail Leasing #1 LLC) and Head Lessor in favor of the Indenture Trustee named therein (collectively, the "**BBRL I Units**");

(b) each lease referred to in the Memorandum of Mortgage (BBRL I) and any other lease entered into by Head Lessee or Head Lessor with respect to the BBRL I Units;

(c) certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto (collectively, the "**BBRL IV Units**"); and

(d) each lease referred to on Exhibit B attached hereto and any other lease entered into by Head Lessee or Head Lessor with respect to the BBRL IV Units.

RECORDATION NO. 24454-^E FILED

MAY 20 '04

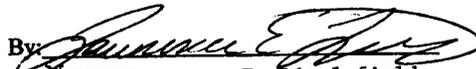
3-30 PM

SURFACE TRANSPORTATION BOARD

[Memorandum of Mortgage (Indenture) (BBRL IV)]

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: Lawrence E. Littlefield
Title: Vice President

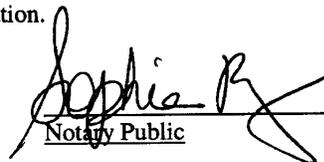
**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED,
as Head Lessor**

By: R. A. Isaacs
Name: Rodan A. Isaacs
Title: Attorney-in-fact

[Memorandum of Mortgage (Indenture) (BBRL IV)]

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 18th day of May in the year 2004 before me personally came Lawrence E. Littlefield to me known, who, being by me duly sworn, did depose and say that he resides at 127 Danforth Drive, New Canaan, CT 06840; that he is the Vice President duly appointed of the North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.



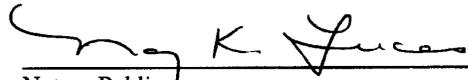
Notary Public

[Notarial Seal]



STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 19th day of May in the year 2004 before me personally came Robin Alexander Isaacs to me known, who, being by me duly sworn, did depose and say that he resides at 25 Gresham Street, London EC2V 7HN; that he is the Head of Legal and Assistant Company Secretary of Lloyds TSB Equipment Leasing (No. 5) Limited, the entity described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.



Notary Public

[Notarial Seal]

**Nancy K. Lucas
Notary Public, State of New York
NO. 02118094788
Qualified in Nassau County
Certificate filed in New York County
Commission Expires June 24, 2007**

[Memorandum of Mortgage (Indenture) (BBRL IV)]

EXHIBIT A

Equipment

BC Rail Partnership	150	Boxcars	AOK 120000-120149, inclusive
The Burlington Northern and Santa Fe Railway Company	200	Centerbeam Flatcars	2003 built: BNSF 562675-562678, inclusive; BNSF 562680. 2004 built: BNSF 562679; BNSF 562681-562874, inclusive
Consumers Energy Company	451	Aluminum Coal Gondolas	PSTX 1001-1451, inclusive

EXHIBIT B

Leases

Lease No. 1 - BC Rail Partnership

Lease Agreement made as of March 1, 2002, by and between the Babcock & Brown Rail Funding LLC (the "Seller") (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Schedule No. 4 to Lease Agreement made as of September 1, 2003, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Memorandum of Lease Agreement and Schedule No. 4 made and entered into as of September 1, 2003, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Bill of Sale dated January 25, 2004, from Greenbrier-Concarril, LLC to Greenbrier Leasing Corporation.

Lease No. 2 - The Burlington Northern and Santa Fe Railway Company

Lease Agreement dated as of September 1, 2000, by and between the Seller (as assignee of Greenbrier Leasing Corporation and its assigns) and The Burlington Northern and Santa Fe Railway Company.

Rider No. 10 to Lease Agreement entered into effective December 1, 2003, between the Seller (as assignee of Greenbrier Leasing Corporation and its assigns) and The Burlington Northern and Santa Fe Railway Company.

Memorandum of Lease Agreement dated as of December 1, 2003, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and The Burlington Northern and Santa Fe Railway Company.

Bill of Sale dated April 13, 2004, from American Railcar Industries, Inc. to Greenbrier Leasing Corporation.

Lease No. 3 - Consumers Energy Company

Railroad Equipment Lease entered into as of March 23, 2004, by and between the Seller (as assignee of The David J. Joseph Company) and Consumers Energy Company.

Memorandum of Railroad Equipment Lease entered into March 23, 2004, by and between the Seller (as assignee of The David J. Joseph Company) and Consumers Energy Company, as amended by Notice of Change in Company Name executed April 15, 2004.

Warranty Bills of Sale dated March 26, 2004, April 7, 2004, April 22, 2004 and April 29, 2004, from Johnstown America Corporation to The David J. Joseph Company.

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: May 20, 2004



Robert W. Alvord