RECORDATION NO. 21550-J FILED

JUL 0 9 '04 4-37 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

July 1, 2004

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

Re: BC Rail Partnership

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Lease Assignment Agreement, dated as of July 9, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Assignment and Assumption Agreement filed with the Board under Recordation Number 21550-B.

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

Head Lessor/
Assignor: The Clearwater Partnership, LLP
c/o Revival Leasing Limited
P. O. Box 1093 GT
Queensgate House
South Church Street
Grand Cayman
Cayman Islands

Head Lessee/
Assignee: North America Rail Leasing #32 LLC
(d/b/a Babcock & Brown Rail Leasing)
230 Park Avenue, 32nd Floor
New York, New York 10169
Attention: Rail Operating Lease Group

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

47 centerbeam flatcars: BCOL 873600 - BCOL 873649 (excluding BCOL 873615, BCOL 873635 and BCOL 873640).

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

Lease Assignment 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/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

Execution Version

LEASE ASSIGNMENT AGREEMENT

This Lease Assignment Agreement dated as of July 9, 2004 (this "Agreement"), is between North America Rail Leasing #32 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Head Lessee") and The Clearwater Partnership, LLP, a Delaware limited liability partnership (the "Head Lessor"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Head Lease (defined below) which also contains rules of usage that apply to terms defined therein and herein.

RECITALS:

A. The Head Lessor is the owner of the railcars described on Exhibit A hereto (the "Equipment").

B. Concurrently herewith, the Head Lessor and the Head Lessee will execute and deliver a Railcar Lease Agreement (INTOL II Interim Restructuring) dated as of the date hereof (as amended, modified or supplemented, the "Head Lease") in respect of the Equipment.

C. The Head Lease contemplates the execution and delivery of this Agreement by the Head Lessor and the Head Lessee 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 from and after the date hereof, the Head Lessor assigns, transfers and conveys to the Head Lessee all of the Head Lessor's rights, title and interest in (i) all Lease Payments paid or payable under the Leases, including, without limitation, all existing funds currently held in the Collateral Account (other than existing amounts so held constituting casualty proceeds) and (ii) each of the following agreements as they relate to the Equipment:

(a) the Master Railcar Lease made as of July 16, 1998 entered into by and between the Head Lessor, as lessor, and BC Rail Partnership (the "Lessee"), as lessee, as amended, modified or supplemented from time to time;

(b) Rider No. 01 to Master Railcar Lease made as of July 16, 1998 between the Head Lessor and the Lessee; and

(c) the Railcar Marks Management Agreement dated as of June 29, 2001 between The CIT Group/Equipment Financing, Inc. and the Head Lessor as it relates to the Equipment, as amended, modified or supplemented from time to time (collectively, the "Assigned Agreements").

Notwithstanding the foregoing, the Head Lessor shall continue to be entitled to the benefit of Excepted Property attributable to it or its Affiliates.

2. Acceptance of Assignment; Effect of Assignment. The Head Lessee accepts the assignment contained in Section 1 and agrees to be bound to the same extent as the Head Lessor by all the terms of the Assigned Agreements, provided that notwithstanding the foregoing, the Head Lessor confirms that it shall retain and remain obligated to perform all obligations of the lessor under the Assigned Agreements.

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 14E of the Head Lease.

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 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.

8. Recordation. The Head Lessee and the Head Lessor 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 Head Lessor to the Head Lessee of the Head Lessor'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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

NORTH AMERICA RAIL LEASING #32 LLC
(d/b/a BABCOCK & BROWN RAIL LEASING),
as the Head Lessee

By: _____
Name: Bruce Carusi
Title: Vice President

THE CLEARWATER PARTNERSHIP, LLP,
as the Head Lessor

By: Revival Leasing Limited, its General Partner

By: _____
Name:
Title:

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

NORTH AMERICA RAIL LEASING #32 LLC
(d/b/a BABCOCK & BROWN RAIL LEASING),
as the Head Lessee

By: _____
Name:
Title:

THE CLEARWATER PARTNERSHIP, LLP,
as the Head Lessor

By: Revival Leasing Limited, its General Partner

By: _____
Name: Guy Major
Title: Director

State of New York)
)
County of New York)

On this, the 30th day of June, 2004, before me, a Notary Public in and for said County and State, personally appeared Bruce Carusi, a Vice President of North America Rail Leasing #32 LLC (d/b/a Babcock & Brown Rail Leasing), who acknowledged himself to be a duly authorized officer of North America Rail Leasing #32 LLC (d/b/a Babcock & Brown Rail Leasing), 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: Sophia B
Notary Public

My Commission Expires: May 5, 2006

Residing in: New York, NY

SOPHIA BRYAN
Notary Public, State of New York
No. 01BR6042226
Qualified in Queens County
Certificate Filed in New York
Commission Expires May 5, 2006

On this, the 18th day of June, 2004, before me, a Notary Public in and for the Cayman Islands, personally appeared Guy Major, who acknowledged himself to be a duly authorized person of the General Partner of The Clearwater Partnership, LLP, and that, as such duly authorized person, 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: Wendy Ebanks
Notary Public

My Commission Expires: 31 January, 2005

Residing in: Cayman Islands

Exhibit A

EQUIPMENT

Lessee	# Cars	Description	Reporting Marks	Casualty Marks
BC Rail Partnership	47	73' 110 Ton, 286,000 GRL, Centerbeam lumber flatcars	BCOL 873600-873614, inclusive; 873616-873634, inclusive; 873636-873639, inclusive; and 873641-873649, inclusive	None

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, 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: July 2, 2008

Edward M. Luria

Edward M. Luria