

RECORDATION NO. 25145-A FILED

AUG 13 '04 12-15 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

August 13, 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 two (2) copies of a Memorandum of Mortgage (Indenture), dated as of August 13, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Head Lease which is being filed with the Board under Recordation Number _____.

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
August 13, 2004
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A description of the railroad equipment covered by the enclosed document is:

550 railcars:

WC 22100 – WC 22249 (150),

WEPX 3025 – WEPX 3324 (300), and

SOO 600125 – SOO 600224 (100)

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

Memorandum of Mortgage (Indenture).

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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MEMORANDUM OF MORTGAGE (INDENTURE) SURFACE TRANSPORTATION BOARD

This Memorandum of Mortgage (Indenture) is made and entered into as of August 13, 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 Indenture Supplement No. 6 dated as of August 13, 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 on Exhibit A attached hereto (collectively, the "BBRL V Units"); and

(b) 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 V Units.

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

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: *Bruce Carusi*
Title: *Vice-President*

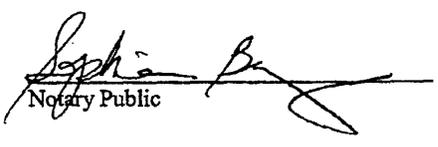
**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED,
as Head Lessor**

By: 
Name: *Owen Harrington*
Title: *Attorney-in-fact*

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 12 day of August in the year 2004 before me personally came Bruce Carisi to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) at Ulster, New York; that he/she/they is (are) the Vice-President ((president or other officer or director or attorney in fact] duly appointed) of the North America Pail Leasing #245 the corporation 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.

SOPHIA BRYAN
Notary Public, State of New York
No. 01BR6042226
Qualified in Queens County
Certificate Filed in New York
Commission Expires May 3, 2006


Notary Public

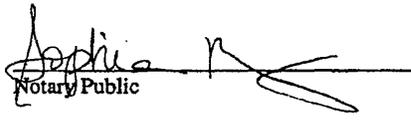
[Notarial Seal]

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

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 12th day of August in the year 2004 before me personally came Owen Harrington 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 Attorney-in-Fact 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.

SOPHIA BRYAN
Notary Public, State of New York
No. 016R6042228
Qualified in Queens County
Certificate Filed in New York
Commission Expires May 5, 2006


Notary Public

[Notarial Seal]

Exhibit A

UNITS

<u>Lessee</u>	<u>No. of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Soo Line Railroad Company	100	Centerbeams	SOO 600125-600224, inclusive	None
Wisconsin Central Ltd.	150	Boxcars	WC 22100-22249, inclusive	None
Wisconsin Electric Power Company	300	Coal Gondolas	WEPX 3025-3324, inclusive	None

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease No. 1 – Soo Line Railroad Company

Lease Agreement made as of September 1, 2003, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Soo Line Railroad Company.

Schedule No. 2 to Lease Agreement made as of January 1, 2004, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Soo Line Railroad Company.

Guaranty Agreement dated as of January 1, 2004, by Canadian Pacific Railway Company in favor of the Seller (as assignee of Greenbrier Leasing Corporation).

Memorandum of Lease made and entered into as of January 1, 2004, by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Soo Line Railroad Company.

Bills of Sale dated January 31, 2004, February 15, 2004, February 28, 2004, and March 15, 2004 from TrentonWorks Limited to Greenbrier Leasing Corporation.

Lease No. 2 – Wisconsin Central Ltd.

Lease Agreement dated as of October 1, 2003 by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Wisconsin Central Ltd.

Rider No. 2 to Lease Agreement made as of April 1, 2004 by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Wisconsin Central Ltd.

Memorandum of Lease made and entered into as of April 1, 2004 by and between the Seller (as assignee of Greenbrier Leasing Corporation) and Wisconsin Central Ltd.

Bill of Sale dated June 28, 2004 from Greenbrier-Concarril, LLC to Greenbrier Leasing Corporation.

Lease No. 3 – Wisconsin Electric Power

Railcar Equipment Lease dated as of August 26, 1998, entered into by and between the Seller (as assignee of Banc of America Leasing & Capital, LLC) and Wisconsin Electric Power Company.

Rider 1 to Railcar Equipment Lease dated August 26, 1998, between the Seller (as assignee of Banc of America Leasing & Capital, LLC) and Wisconsin Electric Power Company.

First Amendment to Railcar Equipment Lease entered into as of January 18, 2001, between the Seller (as assignee of Banc of America Leasing & Capital, LLC) and Wisconsin Electric Power Company.

Memorandum of Railcar Equipment Lease dated as of August 26, 1998, made by the Seller (as assignee of Banc of America Leasing & Capital, LLC) and Wisconsin Electric Power Company.

Purchase and Sale Agreement made as of September 25, 1998 by and between JAIX Leasing Company, as seller, and Banc of America Leasing & Capital, LLC (as successor by merger to NationsBanc Leasing Corporation), as buyer.

Warranty Bill of Sale dated September 30, 1998 from JAIX Leasing Company to Banc of America Leasing & Capital, LLC (as successor by merger to NationsBanc Leasing Corporation).

Assignment and Assumption Agreement dated September 30, 1998, between JAIX Leasing Company and Banc of America Leasing & Capital, LLC (as successor by merger to NationsBanc Leasing Corporation).

Memorandum of Assignment and Assumption Agreement dated as of September 30, 1998, made by JAIX Leasing Company and Banc of America Leasing & Capital, LLC (as successor by merger to NationsBanc Leasing Corporation).

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: _____

8/13/04



Robert W. Alvord