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

OF COUNSEL
URBAN A. LESTER

DEC 17 2004
RECEIVED

December 17, 2004

RECORDATION NO. 25173-D FILED
DEC 17 '04 3-39 PM
SURFACE TRANSPORTATION BOARD

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, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Assignment previously filed with the Board under Recordation Number 25173-B.

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

Seller: Babcock & Brown Rail Funding LLC
c/o Babcock & Brown LP
230 Park Avenue
New York, New York 10169

Buyer: BBRM Title Holding SPC #2 LLC
c/o Babcock & Brown LP
230 Park Avenue
New York, New York 10169

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
(successor by merger to North America
Rail Leasing #1 LLC
d/b/a Babcock & Brown Rail Leasing)
230 Park Avenue
New York, New York 10169

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

198 centerbeam cars: AOK 29150 – AOK 29349 (except AOK 29207 and AOK 29295)

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 $32.00 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

RECORDATION NO. 25173-D FILED

DEC 17 '04 3-39 PM

SURFACE TRANSPORTATION BOARD

EXECUTION VERSION

MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS MEMORANDUM OF ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of this seventeenth day of December 2004, is among Babcock & Brown Rail Funding LLC, a Delaware limited liability company (the "Seller"), BBRM Title Holding SPC #2 LLC, a Delaware limited liability company (the "Buyer"), Lloyds TSB Equipment Leasing (No. 5) Limited, a limited liability company incorporated under the laws of England and Wales (as assignee of BBRM Sub #1 LLC) (the "Head Lessor") and North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Head Lessee" and, together with the Seller, the Buyer and the Head Lessor, the "Parties"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Assignment (as defined below).

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into that certain Assignment and Assumption Agreement dated as of December 17, 2004 (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 (all as described in (a) the Assignment and Assumption Agreement filed on August 31, 2004, and (b) the Head Lease (COMBI I) described in a Memorandum of Head Lease dated the date hereof to be filed concurrently herewith) (collectively, the "Lease Documents");

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 Seller transfers and assigns to the Buyer, the Buyer transfers and assigns to the Head Lessor and the Head Lessor assigns to the Head Lessee all of their respective rights and obligations under the Lease Documents, and each of the Parties hereto confirms and accepts such terms and conditions as set forth above, which are incorporated by reference as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BABCOCK & BROWN RAIL FUNDING LLC, as Seller

By: _____
Name: Bruce Carusi
Title: Vice President

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

By: _____
Name:
Title:

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

By: _____
Name: Bruce Carusi
Title: Vice President

BBRM TITLE HOLDING SPC #2 LLC, as Buyer

By: _____
Name: Bruce Carusi
Title: Vice President

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

BABCOCK & BROWN RAIL FUNDING LLC, as Seller

By: _____
Name:
Title:

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

By: _____
Name:
Title: A R FOAD
Director

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

By: _____
Name:
Title:

BBRM TITLE HOLDING SPC #2 LLC, as Buyer

By: _____
Name:
Title:

State of New York)
)
County of New York)

On this, the 16th day of December, 2004, before me, a Notary Public in and for said County and State, personally appeared Bruce Carusi, a Vice President of Babcock & Brown Rail Funding LLC, who acknowledged himself to be a duly authorized officer of Babcock & Brown Rail Funding LLC, 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: Karen A. Houlihan
Notary Public

My Commission Expires: KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2006

Residing in:

CHEESWRIGHTS
NOTARIES PUBLIC

10 Philpot Lane London EC3M 8BR
Telephone: 020 7623 9477 (or) 07000 NOTARIES

Facsimile: 020 7623 5428
E-mail: notary@cheeswrights.co.uk
www.cheeswrights.co.uk
DX 627/London City EC3

KINGDOM OF ENGLAND)
) s.s.
CITY OF LONDON)

On this sixteenth day of December in the year two thousand and four before me **ANDREW JONATHAN CLAUDET** of the City of London **NOTARY PUBLIC** by royal authority duly admitted and sworn personally came and appeared **ALLAN ROBERT FOAD**, an attorney of **LLOYDS TSB EQUIPMENT LEASING (NO.5) LIMITED**, who acknowledged himself to be a duly authorized officer of the said company, and that, as such officer, being authorized to do so, he execute the annexed instrument for the purposes therein contained.

SCRIVENER NOTARIES

N P Ready
Ruth M Campbell J B Burgess E Gardiner
A J Claudet I A Rogers

and at: 29th Floor One Canada Square Canary Wharf London E14 5DY Telephone: 020 7712 1565 Facsimile: 020 7712 1501

State of New York)
)
County of New York)

On this, the 16th day of December, 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 #2 LLC (d/b/a Babcock & Brown Rail Leasing), who acknowledged himself to be a duly authorized officer of North America Rail Leasing #2 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: Karen A. Houlihan
Notary Public

My Commission Expires:

Residing in:

KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2006

State of New York)
)
County of New York)

On this, the 16th day of December, 2004, before me, a Notary Public in and for said County and State, personally appeared Bruce Carusi, a Vice President of BBRM Title Holding SPC #2 LLC, who acknowledged himself to be a duly authorized officer of BBRM Title Holding SPC #2 LLC, 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: Karen A. Houlihan
Notary Public

My Commission Expires: KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2006

Residing in:

MEMO OF A&A

Schedule A
(to Memorandum of Assignment and
Assumption Agreement)

EQUIPMENT

Lessee	# Cars	Description	Reporting Marks	Casualty Marks
RailTex, Inc.	198	73' riserless deck Centerbeam Flatcars, AAR Car Type Code F483, 286,000 GRL, manufactured in 2004 by American Railcar Industries, Inc.	AOK 29150-29206, AOK 29208-29294 and AOK 29296-29349, inclusive	AOK 29207

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: 12/17/04

Robert W. Alvord