

RECORDATION NO. 23966-W FILED

MAR 15 '05

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SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

March 15, 2005

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 an Assignment and Assumption Agreement, dated as of March 15, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease Agreement (Schedule No. 5) which was previously filed with the Board under Recordation Number 23966-J.

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

Assignor:	Greenbrier Leasing Corporation One Centerpointe Drive Lake Oswego, OR 97035
Assignee:	Babcock & Brown Rail Funding LLC 1 Dag Hammarskjold Plaza 885 Second Avenue New York, NY 10017

March 15, 2005
Page Two

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

150 centerbeam flatcars AOK 29000 – AOK 29149

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

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

SURFACE TRANSPORTATION BOARD
EXECUTION VERSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement, dated as of March 15, 2005 (this "Agreement"), is between Greenbrier Leasing Corporation, a Delaware corporation (the "Seller"), and Babcock & Brown Rail Funding LLC, a Delaware limited liability company (the "Buyer").

Witnesseth:

WHEREAS, the Buyer and the Seller have entered into (a) that certain Purchase Agreement [GLC] dated as of February 28, 2005 (the "Purchase Agreement"), providing for the purchase of the Assets by the Buyer from the Seller, subject to the terms and conditions set forth therein and (b) that certain Assignment of Lease Payments dated as of February 28, 2005 (the "Assignment of Lease Payments"), providing for the assignment by the Seller to the Buyer of the Seller's rights to receive all amounts payable under the Lease; and

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller and the Buyer on the date hereof.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

1. Definitions; Amendment and Restatement of Assignment of Lease Payments. Capitalized terms used herein without definition shall have the meanings assigned to them in Section 4 of this Agreement. This Agreement is an amendment and restatement in its entirety of the Assignment of Lease Payments. Accordingly, from and after the date hereof, all rights and obligations of the parties under the Assignment of Lease Payments shall be governed and controlled by this Agreement, and all rights and obligations of the parties under the Assignment of Lease Payments, except to the extent amended hereby, without duplication, shall survive hereunder.

2. Assignment. Effective as to each item of Equipment on the Closing Date, the Seller has sold to the Buyer all of the Seller's rights, title and interest, except as reserved under Section 2.1 of the Purchase Agreement, in and to such item, as well as Seller's rights to receive all amounts payable under the Lease, and Seller's rights and obligations (except to the extent constituting Existing Obligations) under the Manufacturer's bills of sale, and effective on the Funding Date the Seller has assigned to the Buyer all of the Seller's rights and obligations, except to the extent constituting Existing Obligations, under each of the following as they relate to the Equipment:

- (a) the Lease Agreement made as of March 1, 2002, by and between the Seller, as lessor, and BC Rail Partnership, as lessee (the "Lessee"), as amended, modified or supplemented from time to time (the "Lease");

- (b) Schedule No. 5 to Lease Agreement made as of February 1, 2004, by and between the Seller and the Lessee; and
- (c) Bills of Sale dated March 31, 2004, April 15, 2004 and April 29, 2004, from TrentonWorks Limited to the Seller (collectively, the "Assigned Operative Agreements").

Notwithstanding the foregoing, the Seller shall continue to be entitled to the benefit of any rights to indemnification for tax and other matters which arose or may arise from or be related to any event or circumstance occurring or in existence (a) with respect to the Equipment or rights to amounts payable under the Lease, prior to the Closing Date, and (b) with respect to the Remaining Lease Interest, prior to the Funding Date, as specified in the Purchase Agreement.

3. Acceptance of Assignment; Assumption of Obligations; Effect of Assignment.

The Buyer accepts the assignment contained in Section 2 hereof and assumes all obligations of the Seller under, and agrees to be bound to the same extent as the Seller by all the terms of (a) the Manufacturer's bills of sale as of the Closing Date, and (b) the other Assigned Operative Agreements as of the Funding Date. Effective on and after the applicable date specified above, the Buyer shall be deemed to stand in the place of the Seller for all purposes under the Assigned Operative Agreements and each reference in the Assigned Operative Agreements to the Seller shall be deemed to mean the Buyer. The Seller, in respect of the period on and after the (a) Closing Date with regard to the Manufacturer's bills of sale, and (b) Funding Date with regard to the Assigned Operative Agreements, is released of all obligations of the lessor, except to the extent constituting Existing Obligations.

4. Definitions. Except as otherwise specified or as the context may otherwise require, the following terms have the respective meanings set forth below whenever used in this Agreement (terms defined in the singular to have a correlative meaning when used in the plural and vice versa).

Assets: the Seller's rights, title and interest in and to the Equipment and the Seller's rights and obligations under the Assigned Operative Agreements, except the Existing Obligations.

Funding Date: the date of this Agreement.

Equipment: the items of equipment listed on Exhibit A hereto, together with each and every part, accessory, component and any equipment installed therein or attached thereto owned by the Seller (individually such railcars shall be referred to as an "item" or "items of Equipment").

Existing Obligations: any and all liabilities and obligations of the Seller relating to the Equipment, including under the Manufacturer's bills of sale, or otherwise relating to the Equipment, in each such case to the extent arising or occurring prior to the Closing Date, and under the other Assigned Operative Agreements, to the extent arising or occurring prior to the Funding Date (whether or not asserted or assessed), and, in each case with respect to the obligations, to have been performed by the Seller prior to the applicable date.

Ownership Interest: the Seller's right, title and interest in and to the Equipment and the Seller's rights to receive all payments of rent and other amounts under the Lease.

Remaining Lease Interest: all of the Assets other than the Ownership Interest.

5. Amendments. No provision of this Agreement may be amended, modified or waived except by written agreement duly executed by each of the parties hereto.

6. 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 9.5 of the Purchase Agreement.

7. 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.

8. 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.

9. 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.

10. Recordation. The Seller and the Buyer agree to record this Agreement with the Surface Transportation Board and the Registrar General of Canada to evidence the assignment by the Seller to the Buyer of the Seller's rights and obligations under the Lease, which shall have been recorded with the Surface Transportation Board and the Registrar General of Canada.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BABCOCK & BROWN RAIL FUNDING LLC,
as Buyer

By: 
Name: Ross Sullivan
Title: Vice President

GREENBRIER LEASING CORPORATION,
as Seller

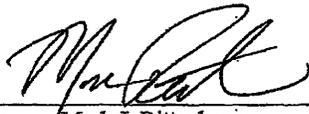
By: _____
Name:
Title:

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

BABCOCK & BROWN RAIL FUNDING LLC,
as Buyer

By: _____
Name:
Title:

GREENBRIER LEASING CORPORATION,
as Seller

By:  _____
Name: Mark J. Rittenbaum
Title: Vice President

State of California)
)
County of San Francisco)

On this, the 10th day of March, 2005, before me, a Notary Public in and for said County and State, personally appeared Ross Sullivan, the 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: Heidi Wagner
Notary Public

My Commission Expires: June 4, 2006

Residing in: San Francisco, CA



State of Oregon)
)
County of Clackamas)

On this, the 10th day of March, 2005, before me, a Notary Public in and for said County and State, personally appeared Mark J. Rittenbaum the Vice President of Greenbrier Leasing Corporation, who acknowledged himself to be a duly authorized officer of Greenbrier Leasing Corporation, 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: Margaret E. Vallejos
Notary Public



My Commission Expires: May 17, 2008

Residing in: Tigard, OR

**Exhibit A
(to Assignment
and Assumption Agreement
and Bill of Sale)**

EQUIPMENT

<u># Cars</u>	<u>Year Built</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
150	2004	AAR Code F483, 73' Centerbeam Flatcars with riserless deck, 286,000 lbs. GRL, built by TrentonWorks Limited.	AOK 29000-29149, inclusive.	None

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: _____

3/15/05



Robert W. Alvord