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SUITE 301
WASHINGTON, D.C.

SEP 15 '06 12-25 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

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(202) 393-2266
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September 15, 2006

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 September 15, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease Assignment Agreements previously filed with the Board under Recordation No. 22167.

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

Seller/Assignor: The Freight Leasing Partnership, LLP
Queensgate House
P O Box 1093 GT
South Church Street
Grand Cayman
Cayman Islands

Head Lessee: North America Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Leasing)
885 Second Avenue, 49th Floor
New York, NY 10017

Buyer/Assignee: BBRX Two LLC
885 Second Avenue 49th Floor
New York, NY 10017

Mr. Vernon A. Williams
September 15, 2006
Page 2

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

98 railcars: CEFX 95520 – CEFX 95619 (excluding CEFX 95608 and CEFX 95613).

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 \$34.00 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/sem
Enclosures

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EXECUTION VERSION

SURFACE TRANSPORTATION BOARD

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement dated as of September 15, 2006 (this "Agreement"), is between The Freight Leasing Partnership, LLP, a Delaware limited liability partnership (the "Seller"), North America Rail Leasing #3 LLC (the "Head Lessee") and BBRX Two LLC, a Delaware limited liability company (the "Buyer"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Purchase Agreement (defined below), which also contains rules of usage that apply to terms defined therein and herein.

RECITALS:

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

B. Concurrently herewith, the Seller and the Buyer have executed and delivered the Purchase Agreement dated as of the date hereof (as amended, modified or supplemented, the "Purchase Agreement") in respect of the Equipment.

C. The Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller, the Head Lessee and the Buyer 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 as to each item of Equipment from and after the date hereof, the Seller directs the Head Lessee to assign, transfer and convey to the Buyer, and each of the Seller and the Head Lessee, respectively, hereby assigns, transfers and conveys to the Buyer all of the Seller's and the Head Lessee's respective rights, title and interest, except as reserved under Section 2.1 of the Purchase Agreement, in and to such item of Equipment and assigns to the Buyer all of the Seller's and the Head Lessee's respective rights and obligations, except to the extent constituting Existing Obligations, under each of the agreements listed on Exhibit A hereto as they relate to the applicable Equipment and all of the other agreements and documents listed in Schedule 1 to the Purchase Agreement (collectively, the "Assigned Operative Agreements").

Notwithstanding the foregoing, each of the Seller, and the Head Lessee and the Buyer shall continue to be entitled to the benefit of any applicable 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 prior to the date hereof, as specified in the Purchase Agreement.

2. Acceptance of Assignment; Effect of Assignment. The Buyer accepts the assignment contained in Section 1 and agrees to be bound to the same extent as the Seller and the Head Lessee by all the terms of the Assigned Operative Agreements. Effective on and after the date hereof, after giving effect to the transaction described herein, the Buyer shall be deemed to

stand in the place of the Seller for all purposes under the applicable Assigned Operative Agreements and each reference in the Assigned Operative Agreements to the Seller shall be deemed to mean the Buyer.

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 9.5 of the Purchase Agreement.

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 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 Buyer and the Seller 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 Seller to the Buyer of the Seller'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.

9. Further Assurances. Each of the parties hereto covenants and agrees that, at any time and from time to time after the date hereof, at the request and expense of the requesting party hereto, it will promptly and duly execute and deliver, or cause to be executed and delivered, to the requesting party all such further instruments and take all such further action as may be reasonably requested by such party to more effectively sell, transfer, assign, and convey each item of Equipment.

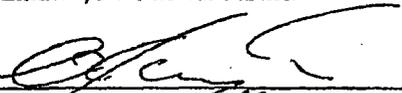
10. Binding Agreement. This Agreement shall be binding upon the Seller and the Buyer, their respective successors and permitted assigns, for the use and purposes set forth and referred to herein, effective as of the date hereof.

[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.

THE FREIGHT LEASING PARTNERSHIP, LLP,
as Seller

By: Lloyds TSB Equipment Leasing (No. 5)
Limited, its General Partner

By: 
Name: OWEN HARRINGTON
Title: ATTORNEY

NORTH AMERICA RAIL LEASING #3 LLC, as
Head Lessee

By: _____
Name:
Title:

BBRX TWO LLC, as Buyer

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.

THE FREIGHT LEASING PARTNERSHIP, LLP,
as Seller

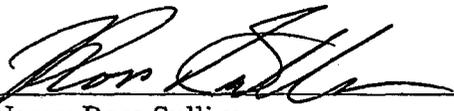
By: Lloyds TSB Equipment Leasing (No. 5)
Limited, its General Partner

By: _____
Name:
Title:

NORTH AMERICA RAIL LEASING #3 LLC, as
Head Lessee

By:  _____
Name: Ross Sullivan
Title: Vice President

BBRX TWO LLC, as Buyer

By:  _____
Name: Ross Sullivan
Title: Vice President

State of New York)
County of New York)

On this, the 13th day of September, 2006, before me, a Notary Public in and for said County and State, personally appeared Owen Harrington, the Attorney of The Freight Leasing Partnership, LLP, who acknowledged himself/herself to be a duly authorized person of The Freight Leasing Partnership, LLP, and that, as such duly authorized person, being authorized to do so, he/she 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: Nancy Neubaum
Notary Public
My Commission Expires: 4/10/07
Residing in: New York, New York

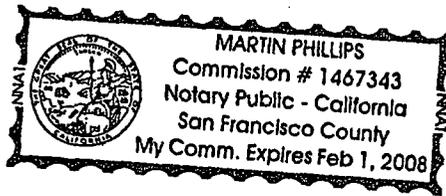
NANCY J. NEUBAUER
Notary Public, State of New York
No. 01NE5041602
Qualified in New York County
Commission Expires April 10, 2007

State of California)
)
County of San Francisco)

On this, the 13th day of September, 2006, before me, a Notary Public in and for said County and State, personally appeared Ross Sullivan, the Vice President of North America Rail Leasing #3 LLC, who acknowledged himself/herself to be a duly authorized officer of North America Rail Leasing #3 LLC, and that, as such officer, being authorized to do so, he/she 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: Martin Phillips
Notary Public



My Commission Expires: _____

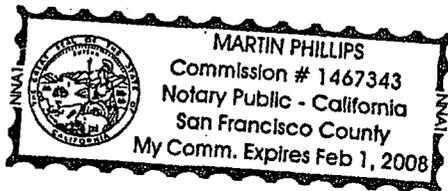
Residing in: _____

State of California)
)
County of San Francisco)

On this, the 13th day of September, 2006, before me, a Notary Public in and for said County and State, personally appeared Ross Sullivan, the Vice President of BBRX Two LLC, who acknowledged himself/herself to be a duly authorized officer of BBRX Two LLC, and that, as such officer, being authorized to do so, he/she 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: Martin Phillips
Notary Public



My Commission Expires: _____

Residing in: _____

Exhibit A
(to Assignment
and Assumption Agreement)

EQUIPMENT AND LEASES

Lease #	Lessee	# of Units	Year Built/ Manufacturer	Description	Reporting Marks	Casualty Marks
1	Louis Dreyfus Corporation	117	49 in 1999; 68 in 2000, by Trinity Industries, Inc.	5,150 CF covered hopper railcars with gravity gates and trough hatches.	1999 built: CEFX 12021, 12023, 12035, 12038-12040, inclusive; 12044, 12048, 12053, 12056, 12090, 12093, 12095, 12097, 12100-12101, inclusive; 12104, 12106-12107, inclusive; 12109-12110, inclusive; 12112, 12114, 12116, 12121, 13051-13052, inclusive; 13054, 13056, 13057, 13059, 13063, 13123, 13127, 13128, 13131-13135, inclusive; 13137, 13145, 13147-13148, inclusive; 13150, 13153, 13161, 13166, and 13185. 2000 built: 13711-13753, inclusive; and 13755-13779, inclusive.	None.
2	ConAgra, Inc. #1	30	2000 by Thrall	5,660 CF P.D. covered hopper railcars.	CEFX 75711, 75715-75716, inclusive; 75725-75750, inclusive, and 75755.	None.

Lease #	Lessee	# of Units	Year Built/ Manufacturer	Description	Reporting Marks	Casualty Marks
3	ConAgra, Inc. #2	20	2000 by Thrall	5,660 CF P.D. covered hopper railcars lined with Sigma 5476.	CEFX 75768-75770, inclusive; 75781-75784, inclusive; 75787, 75793, 75796, 75799-75800, inclusive; 75803, 75811-75814, inclusive; 75816-75817, inclusive; and 75819.	None.
4	GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation) #1	100	1998 by Thrall	3,250 CF covered hopper railcars with gravity gates and round hatches.	CEFX 80000-80099, inclusive.	None.
5	GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation) #2	100	1998 by Thrall	3,250 CF covered hopper railcars with gravity gates and round hatches.	CEFX 80100-80199, inclusive.	None.
6	Boral Material Technologies, Inc.	98	2001 by Thrall	3,230 CF P.D. covered hopper railcar.	CEFX 95520-95619, inclusive.	CEFX 95608 and 95613

Lease #	Lessee	# of Units	Year Built/ Manufacturer	Description	Reporting Marks	Casualty Marks
7	Kansas City Power and Light Company	125	2 in 1995; 123 in 1999, by Johnstown America Corporation	4,480 CF aluminum coal gondola railcars.	1995 built: CEFX 43191 and 43214. 1999 built: CEFX 40988, 41007, 41058, 41060-41115, inclusive; 41117-41129, inclusive; 41133, 41136, 41143-41158, inclusive; 41160-41179, inclusive; 41181-41189, inclusive; 41227, 41255, and 41316-41317, inclusive.	None.
8	Union Pacific Railroad Company #1	221	1998 by Johnstown America Corporation	Autoflood coal railcars.	CHTT 503001-503240, inclusive.	CHTT 503004, 503021, 503024, 503033, 503035, 503041, 503071, 503098, 503099, 503106, 503110, 503147, 503168, 503185, 503186, 503207, 503214, 503231 and 503232

Lease #	Lessee	# of Units	Year Built/ Manufacturer	Description	Reporting Marks	Casualty Marks
9	Union Pacific Railroad Company #2	166	1998 by Johnstown America Corporation	Bethgon coal railcars.	CHTT 503241, 503246, 503248-503252, inclusive; 503255-503257, inclusive; 503261-503264, inclusive; 503268-503280, inclusive; 503282, 503284, 503285, 503287-503296, inclusive; 503298-503303, inclusive; 503309, 503312, 503313, 503316, 503318, 503319, 503321-503324, inclusive; 503326-503343, inclusive; 503345, 503348-503550, inclusive; 503354, 503357, 503362-503389, inclusive; 503391-503449, inclusive; 503451-503458, inclusive; 503460-503465, inclusive; and 503467-503480, inclusive.	CHTT 503252, 503262, 503270, 503271, 503300, 503309, 503318, 503323, 503327, 503339, 503364, 503369, 503375, 503384, 503387, 503395, 503399, 503402, 503409, 503410, 503417, 503429, 503430, 503432, 503433, 503437, 503438, 503444, and 503479
10	Lone Star Industries, Inc.	24	1998 by Trinity	3,260 CF two-pocket covered hopper railcars.	LCEX 1118-1142, inclusive. [Formerly marked as RGCX]	LCEX 1134
11	Marathon Ashland Petroleum, LLC	110	1993 by Trinity	4,000 CF 286,000 GRL aluminum open top hopper railcars.	JTSX 300115-300224, inclusive.	None.

Lease No. 1 – Louis Dreyfus Corporation

Master Railcar Lease made as of July 28, 2000, effective as of September 26, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Louis Dreyfus Corporation.

Schedule No. 02 to Master Railcar Lease made as of September 11, 2000, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Louis Dreyfus Corporation.

Amendment No. 1 to Schedule No. 02 to Master Railcar Lease dated as of April 26, 2002, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Louis Dreyfus Corporation.

Lease Extension Agreement No. 01 entered into as of July 22, 2005, effective as of February 2, 2006, between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (as assignee of the Seller) and Louis Dreyfus Corporation.

Lease No. 2 – ConAgra, Inc. #1

Master Railcar Lease made as of April 30, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

Schedule No. 08 to Master Railcar Lease made as of July 30, 2001.

Lease Extension Agreement No. 01 [Schedule No. 08] entered into as of June 1, 2006, between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (as assignee of the Seller) and ConAgra, Inc.

Lease No. 3 – ConAgra, Inc. #2

Master Railcar Lease made as of April 30, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

Schedule No. 09 to Master Railcar Lease made as of December 6, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

Lease Extension Agreement No. 01 [Schedule No. 09] centered into as of June 1, 2006, between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (as assignee of the Seller) and ConAgra, Inc.

Lease No. 4 – GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation) #1

Master Railcar Lease made as of February 11, 1998, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Schedule No. 03 to Master Railcar Lease made as of June 26, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease Extension No. 01A dated as of May 25, 2004, effective as of July 1, 2004, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease Extension No. 02A dated as of May 20, 2005, effective as of July 1, 2005, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease No. 5 – GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation) #2

Master Railcar Lease made as of February 11, 1998, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Schedule No. 03 to Master Railcar Lease made as of June 26, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease Extension No. 01B dated as of May 25, 2004, effective as of July 1, 2004, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease Extension No. 02B dated as of May 20, 2005, effective as of July 1, 2006, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease No. 6 – Boral Material Technologies, Inc.

Master Railcar Lease made as of April 23, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Boral Material Technologies, Inc.

Schedule No. 02 to Master Railcar Lease made as of February 14, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Boral Material Technologies, Inc.

Lease Extension Agreement entered into as of April 1, 2004, effective as of April 1, 2004, between the Seller and Boral Material Technologies, Inc.

Lease No. 7 – Kansas City Power and Light Company

Master Railcar Lease made as of May 2, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Kansas City Power and Light Company.

Schedule No. 01 to Master Railcar Lease dated as of May 2, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Kansas City Power and Light Company.

Amendment No. 1 to Schedule No. 01 to Master Railcar Lease dated as of April 25, 2002, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Kansas City Power and Light Company.

Lease Extension Agreement entered into as of March 22, 2004, effective as of May 1, 2004 between the Seller (as assignee of Babcock & Brown Rail Funding LLC) and Kansas City Power and Light Company.

Lease Extension Agreement entered into as of October 27, 2005, effective as of May 1, 2006 between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (as assignee of the Seller) and Kansas City Power and Light Power.

Lease No. 8 – Union Pacific Railroad Company #1

Master Lease Agreement dated as of December 15, 2004, effective as of August 1, 2004, by and between Babcock & Brown Rail Leasing Co. and Union Pacific Railroad Company.

Rider No. 01 dated as of December 15, 2004, effective as of August 1, 2004, by and between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) and Union Pacific Railroad Company.

Lease No. 9 – Union Pacific Railroad Company #2

Master Lease Agreement dated as of December 15, 2004, effective as of August 1, 2004, by and between Babcock & Brown Rail Leasing Co. and Union Pacific Railroad Company.

Rider No. 02 dated as of December 15, 2004, effective as of October 1, 2004, by and between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) and Union Pacific Railroad Company.

Lease No. 10 – Lone Star Industries, Inc.

Railcar Net Leasing Agreement dated February 12, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Lone Star Industries, Inc.

Exhibit A Rider 2 to Railcar Net Leasing Agreement dated September 2, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Lone Star Industries, Inc.

Addendum #1 to Rider 2 to Railcar Net Leasing Agreement dated February 8, 1999, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Lone Star Industries, Inc.

Lease Extension Agreement No. 01 entered into as of August 26, 2005, between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (as assignee of the Seller) and Lone Star Industries, Inc.

Lease No. 11 – Marathon Ashland Petroleum, LLC

Railroad Equipment Lease dated as of January 23, 2002, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Marathon Ashland Petroleum, LLC.

Lease Extension Agreement entered into as September 14, 2004, effective as of October 1, 2004, between North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Funding) (as assignee of the Seller) and Marathon Ashland Petroleum, LLC.

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: 9/15/06



Robert W. Alvord