

RECORDATION NO. 27028 FILED

JUN 22 '07 -2 3 0 PM

SURFACE TRANSPORTATION BOARD

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

June 22, 2007

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20423-0001

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 June 22, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Assignor:	CIT Financial (Alberta) ULC 30 South Wacker Drive, Suite 3000 Chicago, Illinois 60606
Assignee:	Compass Rail VIII Corporation 750 Battery Street, Suite 430 San Francisco, California 94111

Mr. Vernon A. Williams  
June 22, 2007  
Page 2

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

15 cars within the series BCOL 829100 - BCOL 829129. as more particularly set forth in the equipment schedule attached to the document.

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 \$35.00 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

JUN 22 '07 -2 3 0 PM

[BC Rail]

**SURFACE TRANSPORTATION BOARD  
ASSIGNMENT AND ASSUMPTION AGREEMENT**

This ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of June 22, 2007 (this "Agreement"), is between CIT FINANCIAL (ALBERTA) ULC, an Alberta corporation (the "Seller"), and COMPASS RAIL VIII CORPORATION, a California corporation (the "Purchaser").

**RECITALS**

WHEREAS, the Purchaser and the Seller have entered into that certain Railcar Purchase Agreement, dated as of June 22, 2007 (the "Purchase Agreement"), providing for the purchase of the Ownership Interest by the Purchaser from the Seller, subject to the terms and conditions set forth therein; and

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller and the Purchaser.

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.

**AGREEMENT**

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to them in Section 4 of this Agreement.

2. Assignment. As of the date hereof, the Seller hereby assigns and transfers to the Purchaser all of the Seller's rights, title and interest in, and all obligations under the Lease, in respect of, but only in respect of, the Cars, except to the extent constituting Excluded Rights and Obligations. The Lease is a Mixed Lease, as defined in the Purchase Agreement.

3. Acceptance of Assignment; Assumption of Obligations; Effect of Assignment. The Purchaser accepts the assignment contained in Section 2 hereof and, in respect of the period on and after the Closing Date, and, except for Excluded Rights and Obligations, assumes all obligations of the Seller under, and agrees to be bound to the same extent as the Seller by, all the terms of, the Lease. Effective on and after the Closing Date, the Purchaser shall be deemed to stand as the Lessor in the place of the Seller for all purposes under the Lease, the Ownership Interest in which is transferred at the Closing, except with respect to Excluded Rights and Obligations, and each such reference in the Lease to the Lessor shall be deemed to mean the Purchaser. As between Seller and Purchaser, the Seller, in respect of the period on and after the Closing Date, is released of all obligations of the Lessor under the Lease, except to the extent of Excluded Rights and 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).

**Bill of Sale:** the bill of sale granted by the Seller in favor of the Purchaser with respect to the Cars.

**Car:** a unit of Equipment identified on Exhibit A hereto.

**Casualty Occurrence:** the total destruction or other total loss of any Car.

**Closing Date:** the date of the closing of the transactions with respect to the Cars contemplated by the Purchase Agreement.

**Equipment:** the Cars listed on Exhibit A hereto.

**Excluded Rights and Obligations:** (i) all rights to payments of indemnity that are due and payable to, or otherwise accrued in favor of, the Seller prior to the Closing Date under the Lease with respect to Cars and any rights of the Seller to be indemnified, held harmless and defended by any indemnitor (including, without limitation, by the Lessee) under the Lease with respect to Cars with respect to losses, damages, injuries, claims, demands, expenses and Taxes incurred or suffered by or imposed against the Seller prior to the Closing Date or in respect of any period prior to the Closing Date; (ii) all rights to payment of liability insurance proceeds that are due and payable to, or otherwise accrued in favor of, the Seller prior to the Closing Date under any insurance maintained by the Lessee pursuant to the Lease with respect to Cars and any rights to any proceeds payable under any such liability insurance as a result of claims made against the Seller with respect to any event occurring or circumstance existing prior to the Closing Date; (iii) all rights to payments of rent, and all other periodic and non-periodic payments (not already included in clauses (i) and (ii) above), in respect of all periods prior to the Closing Date, (iv) all rights to payment in respect of Casualty Occurrences prior to the Closing Date; (v) all obligations of the Seller under the Lease to be performed prior to the Closing Date; and (vi) all liabilities of the Seller under the Lease or in respect of the Equipment subject thereto arising from any event occurring or circumstance existing prior to the Closing Date.

**Lease:** Rider No. 3 and the Master Lease, to the extent but only to the extent each relates to the Cars.

**Lessee:** the lessee identified on Schedule I hereto.

**Lessor:** the lessor under the Lease.

**Master Lease:** the agreement identified as such on Schedule I hereto.

**Mixed Lease:** as defined in the Purchase Agreement.

**Ownership Interest:** the Seller's rights, title and interest in and to the Cars and the Seller's rights and obligations under the Lease, except the Excluded Rights and Obligations.

Rider No. 3: Rider No. 3 identified on Schedule I hereto, as amended and renewed as described on Schedule I hereto.

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

5. 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 8.7 of the Purchase Agreement.

6. 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.

7. 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.

8. 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 its conflict of law rules (other than Section 5-1401 of the New York General Obligations Law).

9. Entire Agreement. This Agreement, the Purchase Agreement and the Bill of Sale (together with their exhibits and schedules) represent the entire agreement of the parties with respect to the subject matter hereof and thereof and supersede and cancel any prior oral or written agreement, letter of intent or understanding with respect to such subject matter.

10. Recordation. The Seller and the Purchaser agree to execute a Memorandum of Assignment of Railcar Lease Exhibit which the Purchaser may file for recordation with the Surface Transportation Board or the Registrar General of Canada, as applicable, to evidence the assignment by the Seller to the Purchaser of the Seller's rights and obligations under the Lease as provided herein.

[signature page follows]

**IN WITNESS WHEREOF, the undersigned, have executed this Assignment and Assumption Agreement as of the date written below.**

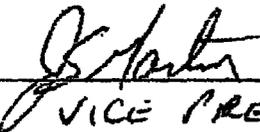
Dated as of: June 22, 2007

**ASSIGNOR:**

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Transferor by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferor. I further declare under penalty of perjury that the foregoing is true and correct.

**CIT FINANCIAL (ALBERTA) ULC, an Alberta corporation**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

  
VICE PRESIDENT

**ASSIGNEE:**

**COMPASS RAIL VIII CORPORATION, a California corporation**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[Signature Page to Assignment and Assumption Agreement]

CERTIFICATE  
OF  
CIT FINANCIAL (ALBERTA) ULC

I, John Martin, a Vice President of CIT Financial (Alberta) ULC ("CIT"), an Alberta corporation, DO HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of the documents listed on Annex A attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this certificate to be delivered, as of the \_\_\_ day of June, 2007.

By: \_\_\_\_\_

Name:

Title:

  
JOHN MARTIN  
VICE PRESIDENT

IN WITNESS WHEREOF, the undersigned, have executed this Assignment and Assumption Agreement as of the date written below.

Dated as of: June 27, 2007

ASSIGNOR:

ASSIGNEE:

CIT FINANCIAL (ALBERTA) ULC, an Alberta corporation

COMPASS RAIL VIII CORPORATION, a California corporation

By: \_\_\_\_\_  
Its:

By:   
Its: Stephen C. Bieneman  
President

[Signature Page to Assignment and Assumption Agreement]



SCHEDULE 1  
(List of Leases) to  
ASSIGNMENT AND ASSUMPTION AGREEMENT

8-1 MASTER RAILCAR LEASING AGREEMENT DATED AS OF MARCH 1, 1996 BY AND BETWEEN PLM EQUIPMENT GROWTH FUND CANADA LIMITED, AS LESSOR, AND BC RAIL LTD., AS LESSEE [PLM #6075-01]:

8-1 Rider 3 to Lease and Certificate of Acceptance dated as of September 19, 1997.

8-2 Amendment to Rider 3 dated as of October 22, 1997.

8-3 Renewal Agreement to Rider 3 dated as of September 8, 1998.

8-4 Renewal Agreement to Rider 3 dated as of November 28, 2000.

8-5 Amendment and Renewal Agreement to Rider 3 dated as of November 27, 2001.

8-6 Renewal Agreement to Rider 3 dated as of October 8, 2002.

8-7 Renewal Agreement to Rider 3 dated as of November 10, 2003.

Renewal Agreement to Rider 3 dated as of November 15, 2004.

Asset Purchase Agreement dated as of December 21, 2005, between CIT Financial Ltd., as seller, and CIT Financial (Alberta) ULC, as purchaser.

Bill of Sale dated as of December 21, 2005.

**EXHIBIT A**  
**(List of Equipment) to**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT**

	Mark	Number	AAR Type	Year Built
1	BCOL	829100	C113	1978
2	BCOL	829101	C113	1978
3	BCOL	829104	C113	1978
4	BCOL	829105	C113	1978
5	BCOL	829108	C113	1978
6	BCOL	829109	C113	1978
7	BCOL	829110	C113	1978
8	BCOL	829111	C113	1978
9	BCOL	829112	C113	1978
10	BCOL	829113	C113	1978
11	BCOL	829114	C113	1978
12	BCOL	829115	C113	1978
13	BCOL	829117	C113	1978
14	BCOL	829118	C113	1978
15	BCOL	829129	C113	1978

**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: 6/22/07



\_\_\_\_\_  
Robert W. Alvord