

RECORDATION NO. 26565-^E FILED

FEB 11 '08 -11 08 AM

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SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

February 11, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Net Railcar Lease Assignment and Assumption Agreement, dated as of January 1, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Board under Recordation Number 26565.

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

Assignor: The Exolon Company
13230 ESK Street
Hennepin, IL 61327

Assignee: Washington Mills Tonawanda, Inc.
1000 E. Niagara Street
P.O. Box 590
Tonawanda, NY 14151-0590

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

15 covered hopper railcars: GBRX 65100 – GBRX 65114.

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

Master Net Railcar Lease 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

FEB 11 '08 -11 08 AM

SURFACE TRANSPORTATION BOARD
EXECUTION VERSION

**MASTER NET RAILCAR LEASE
ASSIGNMENT AND ASSUMPTION AGREEMENT**

This MASTER NET RAILCAR LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of January 1, 2008 (this "Agreement"), is by and between The Exolon Company, a Delaware corporation ("Assignor"), and Washington Mills Tonawanda, Inc., a New York corporation ("Assignee").

WHEREAS:

A. Assignor is a party to that certain Master Net Railcar Lease dated as of June 13, 2006, between Assignor, as lessee, and BBRX Four LLC, a Delaware limited liability company, (as assignee of Babcock & Brown Rail Funding LLC) as lessor, together with Schedule No. 01 thereto dated as of June 13, 2006 between Assignor, as lessee, and BBRX Four LLC (as assignee of Babcock & Brown Rail Funding LLC), as lessor (together, as supplemented and amended from time to time, the "Lease") pursuant to which Assignor leases (as lessee) the railcars identified on Schedule 1 hereto; and

B. Pursuant to this Agreement, (i) Assignor desires to sell, convey, assign, transfer and deliver to Assignee, and Assignee desires to acquire from Assignor and accept assignment from Assignor of, all of Assignor's right, title and interest in, to and under the Lease Agreement and (ii) Assignee desires to assume from Assignor, and Assignor desires to sell, convey, assign, transfer and deliver to Assignee, certain obligations relating to the Lease Agreement, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements made herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of the Master Net Railcar Lease Documents. Effective upon execution and delivery of this Agreement, Assignor hereby sells, conveys, assigns, transfers and delivers to Assignee, its successors and assigns, without recourse, warranty or representation of any kind, all of Assignor's right, title and interest in, to and under the Lease, free and clear of all liens, mortgages, pledges, and encumbrances of whatever nature and any agreement to give any thereof, to have and to hold the same for the use and enjoyment of Assignee and its successors and assigns forever.

2. Assumption of the Assumed Obligations. Effective upon execution and delivery of this Agreement, Assignee hereby assumes from Assignor and agrees to hereafter pay, perform, fulfill, discharge and otherwise satisfy in accordance with their respective terms, and Assignor hereby sells, conveys, assigns, transfers and delivers to Assignee, all of the obligations and other liabilities of Assignor under the Lease arising on or after the date of this Agreement (collectively, the "Assumed Obligations"). Assignor and Assignee expressly acknowledge and

agree that Assignee is not assuming hereunder any obligations or other liabilities other than the Assumed Obligations.

3. Amendments and Waivers. This Agreement may be amended, modified, supplemented or restated only by a written instrument executed by the parties hereto. The terms of this Agreement may be waived only by a written instrument executed by the party waiving compliance.

4. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same agreement, and all signatures need not appear on any one counterpart.

5. Headings; Certain Rules of Construction. The headings in this Agreement are for convenience of reference only and shall not define, limit or otherwise affect any of the terms or provisions hereof. A reference herein (including in Schedule 1) to any agreement, instrument or document shall be to such agreement, instrument or document (together with each schedule, exhibit or other attachment thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms.

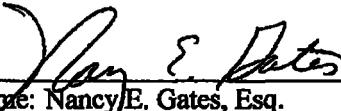
6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns; provided, however, that neither party shall assign any of its rights, or delegate any of its obligations, created under this Agreement without the prior written consent of the other party hereto, and any such purported assignment or delegation without such consent shall be void.

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 Sections 5-1401 and 5-1402 of the New York General Obligations Law.

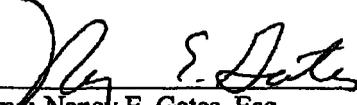
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IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Master Net Railcar Lease Assignment and Assumption Agreement effective as of the date first above written.

THE EXOLON COMPANY

By: 
Name: Nancy E. Gates, Esq.
Title: Secretary

WASHINGTON MILLS TONAWANDA, INC.

By: 
Name: Nancy E. Gates, Esq.
Title: Secretary

State of New York)
)
County of Erie)

On this, the 4 day of January 2008, before me, a Notary Public in and for said County and State, personally appeared Nancy E. Gates, a Secretary of Washington Mills Tonawanda, Inc., who acknowledged herself to be a duly authorized officer of Washington Mills Tonawanda, Inc., and that, as such officer, being authorized to do so, 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: John J. Salinger
Notary Public

My Commission Expires: 3/20/09

Residing in: Qualified in Erie County

State of New York)
)
County of Erie)

On this, the 4 day of January 2008, before me, a Notary Public in and for said County and State, personally appeared Nancy E. Gates, a Secretary of The Exolon Company, who acknowledged herself to be a duly authorized officer of The Exolon Company, and that, as such officer, being authorized to do so, 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: Donald Helmy
Notary Public

My Commission Expires: 3/20/09

Residing in: Qualified in Erie County

| <u>Quantity</u> | <u>Car Description</u> | <u>Reporting Marks and Numbers</u> |
|-----------------|---|------------------------------------|
| Fifteen (15) | 3281 CF Covered Hoppers, 286,000 GRL, AAR Car Type Code C112, built in 2006 by Trinity North American Freight Car, Inc. | GBRX 65100 - 65114, inclusive |

5031105_v1

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: _____

2/11/08



Robert W. Alvord