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February 26, 2003

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO. 9405-E FILED

FEB 26 '03 3-33 PM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed three originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Assignment of Lease, a secondary document, dated as of February 26, 2003. The primary document to which this is connected is recorded under Recordation No. 9405. We request that one copy of this document be recorded under Recordation No. 9405-E.

The names and addresses of the parties to the Memorandum of Assignment of Lease are:

Assignor:

Manufacturers Hanover Leasing International Corp.
712 Main Street, 24-CBBE-377
Houston, TX 77252

Assignee:

Compass Rail V Corporation
750 Battery Street, Suite 420
San Francisco, CA 94111

A description of the equipment covered by the Memorandum of Assignment of Lease consists of 66 100-ton 5250 cubic foot hopper cars numbered BFGX 1095 and 1129, and TGCX 1096-1128, inclusive, and 1130-1160, inclusive.

BALL JANIK LLP

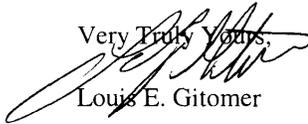
Honorable Vernon A. Williams
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A fee of \$ 30.00 is enclosed. Please return two copies to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Assignment of Lease between Manufacturers Hanover Leasing International Corp., 712 Main Street, 24-CBBE-377, Houston, TX 77252, and Compass Rail V Corporation, 750 Battery Street, Suite 420, San Francisco, CA 94111, covering 66 100-ton 5250 cubic foot hopper cars numbered BFGX 1095 and 1129, and TGCX 1096-1128, inclusive, and 1130-1160, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

Execution

MEMORANDUM OF ASSIGNMENT OF LEASE

THIS MEMORANDUM OF ASSIGNMENT OF LEASE dated as of this 26th day of February, 2003, is made by Manufacturers Hanover Leasing International Corp. (as successor to Chemical Bank) with an address as 712 Main Street, 24-CBBE-377, Houston, Texas 77252 (the "Transferor") and Compass Rail V Corporation, a California corporation, with an address at 750 Battery Street, Suite 420, San Francisco, California 94111 (the "Transferee").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Transferor, as lessor, and PolyOne Corporation (as successor to Geon Corporation as successor to B.F. Goodrich Company) (the "Lessee"), as lessee, previously entered into the Lease of Railroad Equipment Agreement dated as of April 15, 1978 which was filed with the Interstate Commerce Commission on March 26, 1978 with Recordation Number 9405-A (as supplemented and amended, the "Lease"), pursuant to which Transferor leased to Lessee certain covered hopper cars and certain tank cars specified in the Lease (the "Original Equipment");

WHEREAS, as a result of casualty losses occurring from time to time, the Lease has been terminated with respect to all tank cars which were previously subject to the Lease;

WHEREAS, pursuant to a Purchase Agreement dated as of the date hereof between Transferor and Transferee and an Assignment and Assumption Agreement executed pursuant thereto (together, the "Purchase Agreement"), Transferor agreed to sell to Transferee title to all of the units of Original Equipment still remaining under the Lease which are specified on Schedule 1 hereto and to assign to Transferee the rights and obligations of Transferor in, to and under the Lease arising on and after the date hereof, and Transferee agreed to purchase such Equipment and agreed to such assignment.

WHEREAS, the Transferor and Transferee wish to show for the public record the existence of the aforesaid sale and assignment, and the respective interests therein of the parties.

NOW, THEREFORE, to accomplish the foregoing, Transferor and Transferee are filing this Memorandum of Assignment of Lease with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a). In the event of any conflict between the provisions of this Memorandum of Assignment of Lease and the Purchase Agreement, the provisions of the Purchase Agreement shall control. This Memorandum of Assignment of Lease may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[signature page to follow]

RECORDATION NO. 9405-E FILED

FEB 26 '03 3:33 PM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Assignment of Lease to be executed by a duly authorized officer as of the day and year first above written.

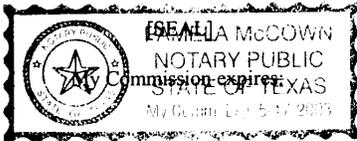
Transferor:
MANUFACTURERS HANOVER LEASING INTERNATIONAL CORP.

By: *Gary Tulloch*
Name: GARY TULLOCH
Title: VICE PRESIDENT
MANAGING DIRECTOR

STATE OF TEXAS)
) SS:
COUNTY OF _____)

On this 26th day of February 2003 before me personally appears *Gary Tulloch*, to me personally known, who by me duly sworn, says that he/she is the *Vice President* of Manufacturers Hanover Leasing International Corp. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Pamela McCowin
Notary Public

Transferee:
COMPASS RAIL V CORPORATION

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On this ____ day of February 2003 before me personally appears _____, to me personally known, who by me duly sworn, says that he/she is the _____ of Compass Rail V Corporation (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[SEAL]

Notary Public

My Commission expires:

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Assignment of Lease to be executed by a duly authorized officer as of the day and year first above written.

Transferor:
MANUFACTURERS HANOVER LEASING INTERNATIONAL CORP.

By: _____
Name: _____
Title: _____

STATE OF TEXAS)
) SS:
COUNTY OF _____)

On this _____ day of February 2003 before me personally appears _____, to me personally known, who by me duly sworn, says that he/she is the _____ of Manufacturers Hanover Leasing International Corp. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[SEAL]

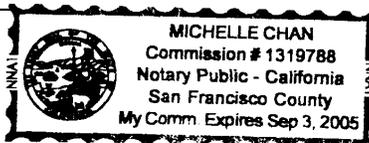
Notary Public

My Commission expires:

Transferee:
COMPASS RAIL V CORPORATION

By: _____
Name: Stephen C. Bieneman
Title: President

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)



On this 19th day of February 2003 before me personally appears Stephen Bieneman, to me personally known, who by me duly sworn, says that he/she is the President of Compass Rail V Corporation (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[SEAL]

Notary Public

My Commission expires: 9/3/05

SCHEDULE 1
TO THE MEMORANDUM OF ASSIGNMENT OF LEASE

EQUIPMENT

66 covered hopper railcars bearing the following road marks and numbers BFGX 1095, BFGX 1129, TGCX 1096 -1128 inclusive and TGCX 1130 -1160, inclusive.