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OF COUNSEL  
URBAN A LESTER

RECORDATION NO. 23498-F FILED

DEC 21 '07 -2 3 0 PM

SURFACE TRANSPORTATION BOARD

December 21, 2007

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 a Termination of Security Interest (Combi 2), dated as of December 21, 200, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Amended Memorandum of Mortgage previously filed with the Board under Recordation No. 23498-C.

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

Head Lessor: The Emerson Partnership, LLP  
Queensgate House  
P O Box 1093 GT  
South Church Street  
Grand Cayman  
Cayman Islands

Head Lessee: North America Rail Leasing #3 LLC  
(d/b/a Babcock & Brown Rail Leasing)  
230 Park Avenue, 32nd Floor  
New York, New York 10169  
Attention: Rail Operating Lease Group

Mr. Vernon A. Williams  
December 21, 2007  
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A description of the railroad equipment covered by the enclosed document  
is:

Schedule A -- 983 railcars within the following series:

CRDX 9200 – CRDX 9398  
CTRN 400001 – CTRN 400115  
CTRN 600002 – CTRN 600203  
STSX 1500 – STSX 2082

Schedule B -- 1,577 railcars within the following series:

BCOL 873600 – BCOL 873649  
BNSF 728225 – BNSF 728399  
CEFX 60360 - CEFX 60719  
CWEX 24000 – CWEX 24237  
EJE 7400 – EJE 7499  
EXEX 640000 – EXEX 640109  
FLIX 3500 – FLIX 3899  
TIMX 62000 – TIMX 62044  
WPSX 8001 – WPSX 8119

Schedule C -- 1,770 railcars within the following series:

ATW 80001 – ATW 80030  
BCAX 200 – BCAX 275  
BNSF 519200 – BNSF 519399  
BNSF 537000 – BNSF 537049  
CEFX 62390 – CEFX 62934  
CEFX 81074 – CEFX 81173  
CEFX 95071 – CEFX 95719  
CSWX 7361 - CSWX 7480  
EDEX 099001 - EDEX 099422  
LCEX 350 - LCEX 399  
NS 164480 - NS 164699  
NORX 6000 - NORX 6239  
WCRC 3000 - WCRC 3324

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Schedule D -- 1,120 railcars within the following series:

CEFX 12021 - CEFX 13779  
CEFX 40988 - CEFX 43214  
CEFX 75711 - CEFX 75819  
CEFX 80000 - CEFX 80199  
CEFX 95520 - CEFX 95619  
CHTT 503001 - CHTT 503480  
JTSX 300115 - JTSX 300224  
RGCX 1118 - RGCX 1142

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

Termination of Security Interest (Combi 2).

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,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/sem  
Enclosures

EXECUTION  
COPY

**TERMINATION OF SECURITY INTEREST (COMBI 2)**

**THIS TERMINATION OF SECURITY INTEREST (COMBI 2)** (this "Termination") is made this 21<sup>st</sup> day of December, 2007 among **NORTH AMERICA RAIL LEASING #3 LLC** (d/b/a Babcock & Brown Rail Leasing) (the "Head Lessee"), **THE EMERSON PARTNERSHIP, LLP** (the "Head Lessor"), and **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, as indenture trustee (together with its successors and permitted assigns, the "Indenture Trustee") under that certain Trust Indenture and Security Agreement (COMBI 2) as supplemented by Indenture Supplement No. 7, both dated as of October 26, 2004 (as amended, supplemented or otherwise modified through the date hereof, the "Security Agreement"). Capitalized terms used in this Termination and not otherwise defined herein shall have the meanings (by cross-reference or otherwise) in the Security Agreement.

**WHEREAS**, the Security Agreement created a lien and security interest in favor of the Indenture Trustee in and to the Units and the Leases (each as defined in the Security Agreement);

**WHEREAS**, the Head Lessee and the Head Lessor are parties to that certain Amended Memorandum of Mortgage specified in Exhibit I hereto, dated as of October 26, 2004, a copy of which was duly filed with the Surface Transportation Board (the "STB") on October 26, 2004 at 4:12 p.m. and assigned Recordation Number 23498-C (the "Memorandum of Mortgage"); and

**WHEREAS**, the Head Lessee, the Head Lessor and the Indenture Trustee now desire to terminate and cancel the Indenture Trustee's security interest in and mortgage lien upon all right, title and interest of the Head Lessee and the Head Lessor in, to and under the property described in the Memorandum of Mortgage, as specified in Exhibit I hereto, and to file this Termination with the STB.

**NOW THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Head Lessee, the Head Lessor and the Indenture Trustee, intending to be legally bound, agree as follows:

1. The Indenture Trustee hereby terminates and cancels the Indenture Trustee's security interest in and mortgage lien upon all right, title and interest of the Head Lessee and the Head Lessor in, to and under the property described in the Memorandum of Mortgage, as specified in Exhibit I hereto, effective as of the date this Termination is filed with the STB (the "Effective Date"), and the Head Lessee, the Head Lessor and the Indenture Trustee hereby agree that no rights, duties or liabilities under the Security Agreement in relation to the property described in the Memorandum of Mortgage, as specified in Exhibit I hereto, shall survive such termination and cancellation of the Indenture Trustee's security interest in and mortgage lien upon all right, title and interest of the Head Lessee and the Head Lessor in, to and under the property described in the Memorandum of Mortgage, as specified in Exhibit I hereto, except with respect to acts, events, or omissions under the Security Agreement occurring on or prior to the Effective Date and indemnities with respect to such acts, events or omissions.

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[Termination of Security Interest (COMBI 2)]

2. The Head Lessee, the Head Lessor and the Indenture Trustee agree to file this Termination with the STB so as to release any security interest in and mortgage lien upon the property described in the Memorandum of Mortgage, as specified in Exhibit I hereto, created by or arising out of the Security Agreement.

3. This Termination may be executed in any number of counterparts, each executed counterpart constituting an original but all together constituting only one and the same agreement.

4. This Termination shall be governed by and construed in accordance with the laws of the State of New York and is being delivered in the State of New York.

\* \* \*

[Termination of Security Interest (COMBI 2)]

**IN WITNESS WHEREOF**, the Parties have each caused this Termination of Security Interest (COMBI 2) to be duly executed and delivered as of the date first above written.

**NORTH AMERICA RAIL LEASING #3  
LLC (d/b/a Babcock & Brown Rail  
Leasing),  
as Head Lessee**

By:   
Name: Larry Littlefield  
Title: Vice President

**THE EMERSON PARTNERSHIP, LLP,  
as Head Lessor**

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

By: \_\_\_\_\_  
Name:  
Title:

**WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
as Indenture Trustee**

By: \_\_\_\_\_  
Name:  
Title:

[Termination of Security Interest (COMBI 2)]

STATE OF New York )  
COUNTY OF New York )

On the 6<sup>th</sup> day of December in the year 2007 before me personally came Larry Littlefield to me known, who, being by me duly sworn, did depose and say that he (he/she/they (s) are) the Vice President ([president or other officer or director or attorney in fact] duly appointed) of NORTH AMERICA RAIL LEASING #3 LLC (d/b/a Babcock & Brown Rail Leasing), the entity described in and which executed the above instrument; and that he signed his her their name(s) thereto by authority of the board of directors of said corporation.

Clementina Capasso  
Notary Public

[Notarial Seal]

**CLEMENTINA CAPASSO**  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 01CA8120806  
QUALIFIED IN NEW YORK COUNTY  
MY COMMISSION EXPIRES DEC. 27, 2008

[Termination of Security Interest (COMBI 2)]

IN WITNESS WHEREOF, the Parties have each caused this Termination of Security Interest (COMBI 2) to be duly executed and delivered as of the date first above written.

**NORTH AMERICA RAIL LEASING #3  
LLC (d/b/a Babcock & Brown Rail  
Leasing),  
as Head Lessee**

By: \_\_\_\_\_  
Name:  
Title:

**THE EMERSON PARTNERSHIP, LLP,  
as Head Lessor**

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

By: Richard Barker ATTORNEY  
Name: RICHARD BARKER  
Title: SOLICITOR

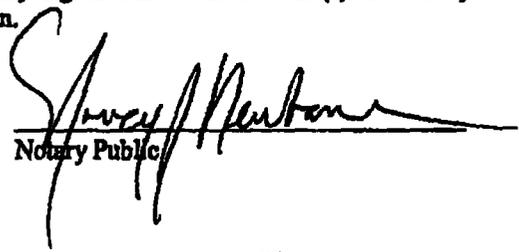
**WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
as Indenture Trustee**

By: \_\_\_\_\_  
Name:  
Title:

[Termination of Security Interest (COMBI 2)]

STATE OF New York )  
COUNTY OF New York )

On the 11<sup>th</sup> day of December in the year 2007 before me personally came Richard Barker to me known, who, being by me duly sworn, did depose and say that he/~~she/they~~ is (are) the attorney ((president or other officer or director or attorney in fact) duly appointed) of THE EMERSON PARTNERSHIP, LLP, by Lloyds TSB Equipment Leasing (No. 5) Limited, its General Partner, the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.

  
Notary Public

[Notarial Seal]

NANCY J. NEUBAUER  
Notary Public, State of New York  
No. 01NE5041802  
Qualified in New York County  
Commission Expires April 10, 2011

[Termination of Security Interest (COMBI 2)]

**IN WITNESS WHEREOF**, the Parties have each caused this Termination of Security Interest (COMBI 2) to be duly executed and delivered as of the date first above written.

**NORTH AMERICA RAIL LEASING #3  
LLC (d/b/a Babcock & Brown Rail  
Leasing),  
as Head Lessee**

By: \_\_\_\_\_  
Name:  
Title:

**THE EMERSON PARTNERSHIP, LLP,  
as Head Lessor**

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

By: \_\_\_\_\_  
Name:  
Title:

**WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
as Indenture Trustee**

By:   
Name: **G. Brad Martin**  
Title: **Asst. Vice President**



[Termination of Security Interest (COMBI 2)]

**Exhibit I to  
Termination of Security Interest (COMBI 2)**

**UNITS AND LEASES  
(COMBI 2 - INTOL I)  
(RE: AMENDED MEMORANDUM OF MORTGAGE,  
DATED AS OF OCTOBER 26, 2004)**

**SEE ATTACHED**

## SCHEDULE A

### Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Union Pacific Railroad Company #1	88	Coal hopper railcars, manufactured in 1991 by Bethlehem Steel.	CTRN 400001, 400003- 400006, inclusive; 400009- 400012, inclusive; 400015- 400022, inclusive; 400024- 400030, inclusive; 300033, 400035, 400036, 400038- 400043, inclusive; 400045- 400048, inclusive; 400050- 400054, inclusive; 400056- 400058, inclusive; 400060- 400063, inclusive; 400065, 400067, 400068, 400070- 400073, inclusive; 400075- 400082, inclusive; 400084, 400085, 400087-400093, inclusive; 400095-400097, inclusive; 400099-400101, inclusive; 400104, 400105, 400107-400113, inclusive; 400114, 400115.
Trinity Industries Leasing Company	575	Coiled tank cars, manufactured in 1990 by Trinity Industries.	STSX 1500-1525, inclusive; 1527-1604, inclusive; 1606- 1661, inclusive; 1663-1668, inclusive; 1670-1696, inclusive; 1698-1701, inclusive; 1703-1736, inclusive; 1738-1868, inclusive; 1870-2082, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Union Pacific Railroad Company #2	98	Coal hopper cars, manufactured in 1993 by Johnstown America.	CTRN 600003-600012 inclusive; 600014, 600017- 600021, inclusive; 600027, 600029, 600035, 600073- 600101, inclusive; 600104- 600114, 600116-600118, inclusive; 600200-600124, inclusive; 600126-600131, inclusive; 600133-600139, inclusive; 600141, 600144- 600152, inclusive; 600155- 600156, inclusive; 600160- 600162 inclusive and 600164- 600167, inclusive
Union Pacific____ Railroad Company #3	79	Coal hopper cars, manufactured in 1993 by Johnstown America.	CTRN 600002, 600022- 600026, inclusive; 600028, 600030, 600032-600033, inclusive; 600036-600042, 600044, 600046-600059, 600061-600070, inclusive; 600125, 600140, 600142, 600143, 600157, 600169- 6000177 600179-600192, inclusive; 6000194-600203, inclusive
Chicago Freight Car Leasing Co.	143	Cement covered hoppers railcars. cars 1989 by Trinity Industries and Thrall Car.	CRDX 9200-9205, inclusive; 9207-9245, inclusive; 9248- 9319, inclusive; 9370-9398, inclusive

## SCHEDULE B

### Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
The Burlington Northern and Santa Fe Railway Company #1	174	Boxcars	BNSF 728225-728399, inclusive
BC Rail Partnership	47	Centerbeam Flatcars	BCOL 873600-873614, inclusive; 873616-873634, inclusive; 873636-873639, inclusive; and 873641-873649, inclusive
The Burlington Northern and Santa Fe Railway Company #2	357	Aluminum Coal Hoppers	CEFX 60360-60629, inclusive; 60631-60719, inclusive
AT Plastics, Inc.	27	Covered Hoppers	TIMX 62013, 62014, and 62020-62044, inclusive
AT Plastics Corporation	18	Covered Hoppers	TIMX 62000-62012, inclusive; and 62015-62019, inclusive
Wisconsin Public Service Corporation	119	BethGon Coalporters	WPSX 8001-8119, inclusive
Midwest Generation, LLC #1	119	BethGon Coalporters	CWEX 24000-24118, inclusive
Midwest Generation, LLC #2	119	BethGon Coalporters	CWEX 24119-24237, inclusive
Elgin, Joliet and Eastern Railway Company	100	Covered Coil Cars	EJE 7400-7499, inclusive
Exelon Generation Company, LLC	107	Aluminum Gondolas	EXEX 640000-640006, inclusive; 640008-640035, inclusive; 640037-640051, inclusive; and 640053-640109, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Union Pacific Railroad Company	390	Covered Hoppers	FLIX 3500, 3501, 3503, 3505-3524, inclusive; 3526- 3550, inclusive; 3552-3613, inclusive; 3615-3768, inclusive; 3770-3856, inclusive; 3858-3864, inclusive; 3886-3873, inclusive; 3875-3897, inclusive; and 3899

## SCHEDULE C

### Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Blue Circle Inc.	76	Covered Hoppers	BCAX 200-275, inclusive
The Burlington Northern and Santa Fe Railway Company #1	200	Mill Gondolas	BNSF 519200-519399, inclusive
The Burlington Northern and Santa Fe Railway Company #2	48	Covered Coil Cars	BNSF 537000-537011, inclusive; and 537013-537049, inclusive
Canadian Pacific Railway Company	30	Covered Coil Cars	ATW 80001-80030, inclusive
Central Power and Light Company	116	Aluminum Rotary Gondolas	CSWX 7361-7448, inclusive; 7450-7451; 7453-7468, inclusive; 7470-7473, inclusive; and 7475- 7480, inclusive
The Empire District Electric Company	125	BethGon Coalporter Open Top Gondolas	EDEX 099001, 099002, and 099300-099422, inclusive
LaFarge Corporation – Group #1	100	Covered Hoppers	CEFX 81074-81173, inclusive
LaFarge Corporation – Group #2	35	Covered Hoppers	CEFX 95071, 95094-95096, inclusive; 95100, 95105-95117, inclusive; 95120-95125, inclusive; 95127, 95132, 95134- 95138, inclusive; 95140, 95141, 95143 and 95144
LaFarge Corporation – Group #3	30	Covered Hoppers	CEFX 95622-95624, inclusive; 95628-95634, inclusive; 95636- 95639, inclusive; 95642, 95644, 95666-95668, inclusive; 95671, 95672, 95675, 95676, 95712- 95715, inclusive; and 95717- 95719, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Lone Star Industries, Inc.	49	Covered Hoppers	LCEX 350-399, inclusive
Norfolk Southern Railway Company	220	Coil Cars	NS 164480-164699, inclusive
Northern Indiana Public Service Company	237	BethGon Coalporter	NORX 6000-6239, inclusive
Union Pacific Railway Company	174	Open Top Gondolas	WCRC 3000-3174, inclusive
Union Pacific Railway Company	149	Open Top Gondolas	WCRC 3175-3324, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Virginia Electric and Power Company	181	Coal Hoppers	CEFX 62390, 62395, 62408, 62412, 62428, 62436, 62440, 62445, 62697, 62698, 62701, 62704-62706, inclusive; 62708, 62710-62720, inclusive; 62722-62724, inclusive; 62728, 62729, 62731, 62734-62736, inclusive; 62738-62743, inclusive; 62745, 62746, 62750, 62752, 62753, 62757-62761, inclusive; 62763-62765, inclusive; 62768-62772, inclusive; 62775-62778, inclusive; 62780, 62784-62789, inclusive; 62791-62801, inclusive; 62803, 62805-62808, inclusive; 62811-62814, inclusive; 62816, 62819-62823, inclusive; 62825-62829, inclusive; 62831, 62833, 62834, 62837-62846, inclusive; 62849-62852, inclusive; 62854, 62856, 62857, 62859-62864, inclusive; 62867-62876, inclusive; 62878, 62880-62883, inclusive; 62885-62892, inclusive; 62896-62898, inclusive; 62901-62905, inclusive; 62907-62910, inclusive; 62912-62915, inclusive; 62918, 62919, 62921-62926, inclusive; and 62928-62934, inclusive

## SCHEDULE D

### Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Louis Dreyfus Corporation	117	Covered Hoppers	1999 built: CEFX 12021, 12023, 12035, 12038-12040, inclusive; 12044, 12048, 12053, 12056, 12090, 12093, 12095, 12097, 12100-12101, inclusive; 12104, 12106-1207, 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
ConAgra, Inc. #1	30	Covered Hoppers	CEFX 75711, 75715-75716, inclusive; 75725-75750, inclusive, and 75755
ConAgra, Inc. #2	20	Covered Hoppers	CEFX 75768-75770, inclusive; 75781-75784, inclusive; 75787, 75793, 75796, 75799-75800, inclusive; 75803, 75811-75814, inclusive; 75816-75817, inclusive; and 75819
GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation)	200	Covered Hoppers	CEFX 80000-80199, inclusive
Boral Material Technologies, Inc.	100	Covered Hoppers	CEFX 95520-95619, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Kansas City Power and Light Company	125	Aluminum Coal Gondolas	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
Union Pacific Railroad Company #1	227	Autoflood Coal Car	CHTT 503001-503240, inclusive
Union Pacific Railroad Company #2	167	Bethgon Coal Car	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
Lone Star Industries, Inc.	24	Covered Hoppers	RGCX 1118-1142, inclusive
Marathon Ashland Petroleum, LLC	110	Open-Top Hoppers	JTSX 300115-300224, inclusive

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: 12/21/07



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