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SURFACE TRANSPORTATION BOARD

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

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 1), dated as of December 21, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Third Amended Memorandum of Mortgage previously filed with the Board under Recordation Number 24134-E.

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

Head Lessee:	North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing) 885 Second Avenue, 49th Floor New York, NY 100
Head Lessor:	Lloyds TSB Equipment Leasing (No. 5) Limited c/o Lloyds TSB Bank plc 10 Gresham Street London EC2V 7AE, UK
Indenture Trustee:	Wells Fargo Equipment Finance, Inc. 733 Marquette Avenue Minneapolis, MN 55479

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

1073 railcars: AOK 14105 – AOK 14170, FLCX 200300 – FLCX 200429, IBT 18400 – IBT 18849 (excluding 18605 and 18628), PSTX 5001 – PSTX 5030, PSTX 8001 – PSTX 8250 (excluding 8039) and WE 2600 – WE 2649.

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

Termination of Security Interest (Combi 1).

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

DEC 21 '07 -2 3 0 PM

EXECUTION COPY

SURFACE TRANSPORTATION BOARD TERMINATION OF SECURITY INTEREST (COMBI I)

THIS TERMINATION OF SECURITY INTEREST (COMBI I) (this "Termination") is made this 21 day of December, 2007 among **NORTH AMERICA RAIL LEASING #2 LLC** (d/b/a Babcock & Brown Rail Leasing) (the "Head Lessee"), **LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED** (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 I) dated as of December 19, 2003, as amended and restated as of December 17, 2004, as supplemented by Indenture Supplement No. 1 dated as of December 19, 2003, Indenture Supplement No. 2 dated as of December 19, 2003, Indenture Supplement No. 4 dated as of May 20, 2004, Indenture Supplement No. 11 dated as of December 17, 2004 and Indenture Supplement No. 12 dated as of May 11, 2005 (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: (i) that certain Third Amended Memorandum of Mortgage, dated as of December 19, 2003, copies of which were duly filed with the Surface Transportation Board (the "STB") on December 19, 2003 at 2:16 p.m. under Recordation Number 24134-E, and with the Registrar General of Canada (the "RGC") on December 19, 2003, (ii) that certain Third Amended Memorandum of Mortgage, dated as of December 19, 2003, copies of which were duly filed with the STB on December 19, 2003 at 2:28 p.m. under Recordation Number 24550-E, and with the RGC on December 19, 2003, (iii) that certain Memorandum of Mortgage (Indenture), dated as of May 20, 2004, copies of which were duly filed with the STB on May 20, 2004 at 3:30 p.m. under Recordation Number 24454-E, and with the RGC on May 20, 2004, (iv) that certain Memorandum of Mortgage (Indenture), dated as of December 17, 2004, copies of which were duly filed with the STB on December 17, 2004 at 3:43 p.m. under Recordation Number 25360, and with the RGC on December 17, 2004 and (v) that certain Memorandum of Mortgage (Indenture), dated as of May 11, 2005, copies of which were duly filed with the STB on May 11, 2005 at 4:36 p.m. under Recordation Number 25578-A, and with the RGC on May 11, 2005 (collectively, the "Memoranda 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 Memoranda of Mortgage, as specified in Exhibit I hereto, and to file this Termination with the STB and the RGC.

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:

[Termination of Security Interest (COMBI I)]

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 Memoranda of Mortgage, as specified in Exhibit I hereto, effective as of the date this Termination is filed with the STB and the RGC (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 Memoranda 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 Memoranda 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.

2. The Head Lessee, the Head Lessor and the Indenture Trustee agree to file this Termination with the STB and the RGC so as to release any security interest in and mortgage lien upon the property described in the Memoranda 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.

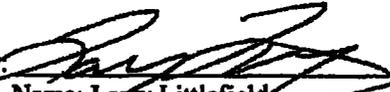
4. This Termination shall be governed by and construed in accordance with the laws of the State of New York and is being delivered in the State of New York.

* * *

[Termination of Security Interest (COMBI I)]

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

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: 
Name: Larry Littlefield
Title: Vice President

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED, as Head Lessor**

By: _____
Name:
Title:

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

By: _____
Name:
Title:

[Termination of Security Interest (COMBI I)]

STATE OF New York)
COUNTY OF New York)

On the 6th 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/she/they (s)(are) the Vice President ((president or other officer or director or attorney in fact) duly appointed) of NORTH AMERICA RAIL LEASING #2 LLC (d/b/a Babcock & Brown Rail Leasing), 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.

Clementina Capasso
Notary Public

[Notarial Seal]

CLEMENTINA CAPASSO
NOTARY PUBLIC, STATE OF NEW YORK
No. 01CA6120806
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES DEC. 27, 2008

[Termination of Security Interest (COMBI I)]

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

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: _____
Name:
Title:

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED, as Head Lessor**

By: Richard Barker
Name: RICHARD BARKER
Title: SOLICITOR

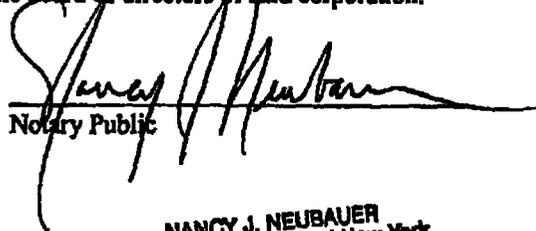
**WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION,
as Indenture Trustee**

By: _____
Name:
Title:

[Termination of Security Interest (COMBI I)]

STATE OF New York)
COUNTY OF New York)

On the 11th day of December in the year 2007 before me personally came Richard Barber 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 LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED, 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 I)]

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

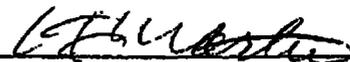
**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: _____
Name:
Title:

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED, as Head Lessor**

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 D)]

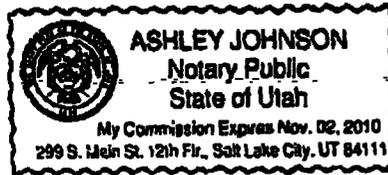
STATE OF Utah)
)
COUNTY OF Salt Lake)

On the 6th day of December in the year 2007 before me personally came G. Brad Martin to me known, who, being by me duly sworn, did depose and say that he/she/they is (are) the Assistant Vice President ([president or other officer or director or attorney in fact] duly appointed) of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, 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]



[Termination of Security Interest (COMBI I)]

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

**UNITS AND LEASES
(COMBI I - INTOL V)
(RE: THIRD AMENDED MEMORANDUM OF MORTGAGE,
DATED AS OF DECEMBER 19, 2003)**

SEE ATTACHED

EXHIBIT A

Equipment

<u>No. of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
100	Aluminum Coal Hopper (K341)	FLCX 200200- 200299, inclusive
130	Aluminum Coal Hopper (K341)	FLCX 200300- 200429, inclusive
448	50' Plate F Boxcar (A406)	IBT 18400-18604, 18606-18627, 18629-18849, inclusive
279	Aluminum Coal Gons (J311)	PSTX 5001-5030, 8001-8038, 8040- 8250, inclusive
50	52' Gondola (E534 & E542)	WE 2600-2649, inclusive
66	50' Plate F Boxcar (A406)	AOK 14105-14170, inclusive

[Termination of Security Interest (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL II)
(RE: THIRD AMENDED MEMORANDUM OF MORTGAGE,
DATED AS OF DECEMBER 19, 2003)**

SEE ATTACHED

EXHIBIT A

UNITS

<u>Quantity</u>	<u>Equipment Description</u>	<u>Reporting Marks and Numbers</u>
50	73' 0" 110-ton Centerbeam Car Plate C 286,000 lb Gross Rail Load	AOK 21530-21579, inclusive
385	60' 9" Plate F Boxcar, 286,000 lb Gross Rail Load with 15" End of Car Cushioning, Double 8' 0" x 12' 4" Plug Doors	UP 354615-354999, inclusive

[Termination of Security Interest (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL IV)
(RE: MEMORANDUM OF MORTGAGE (INDENTURE),
DATED AS OF MAY 20, 2004)**

SEE ATTACHED

[Memorandum of Mortgage (Title Mortgage) (BBRL IV)]

EXHIBIT A

Equipment

BC Rail Partnership	150	Boxcars	AOK 120000-120149, inclusive
The Burlington Northern and Santa Fe Railway Company	200	Centerbeam Flatcars	2003 built: BNSF 562675-562678, inclusive; BNSF 562680. 2004 built: BNSF 562679; BNSF 562681-562874, inclusive
Consumers Energy Company	451	Aluminum Coal Gondolas	PSTX 1001-1451, inclusive

[Termination of Security Interest (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL 11)
(RE: MEMORANDUM OF MORTGAGE (INDENTURE),
DATED AS OF DECEMBER 17, 2004)**

SEE ATTACHED

[Memorandum of Mortgage (Title Mortgage) (Supp 11)]

EXHIBIT A

UNITS

<u>Lessee</u>	<u>No. of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Soo Line Railroad Company	25	Centerbeams	SOO 600100-600124, inclusive	None
RailTex, Inc.	198	Centerbeams	AOK 29150-29206, AOK 29208-29294 and AOK 29296-29349, inclusive	AOK 29207
Wisconsin Electric Power Company	150	Coal Gondolas	WEPX 2875-3024, inclusive	None

[Termination of Security Interest (COMBI I)]

**UNITS AND LEASES
(COMBI I - BBRL 12)
(RE: MEMORANDUM OF MORTGAGE (INDENTURE),
DATED AS OF MAY 11, 2005)**

SEE ATTACHED

EXHIBIT A

UNITS

<u>Lessee</u>	<u>No of Units</u>	<u>Unit Type</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
Exelon Generation Company LLC	240	Coal Hoppers	COMX 9001-9245, inclusive	COMX 9062, 9108, 9199, 9209 and 9222
Union Pacific Railroad Company #1	104	Sugar Cars	CMO 10010, 10017, 10069, 10072, 10075, 10101, 10108, 10109, 10119, 10171, 10174, 10175, 10178, and 10199-10289, inclusive.	None
Union Pacific Railroad Company #2	13	Coal Hoppers	CHTT 503554-503566, inclusive.	None
Union Pacific Railroad Company #3	73	Coal Gondolas	CHTT 503481-503553, inclusive.	None
BC Rail Partnership	150	Centerbeams	AOK 29000-29149, inclusive	None

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