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

OF COUNSEL
URBAN A. LESTER

October 31, 2002

RECORDATION NO. 24193 FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

OCT 31 '02 2-13 PM
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of October 31, 2002, 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:

Debtor:	Babcock & Brown Rail Funding LLC 599 Lexington Avenue New York, New York 10022
[Secured Party:	Bayerische Hypo-Und Vereinsbank AG, as Agent FPA 4 Lease/Asset Finance Am Tucherpark 1 (FPA) 80538 Munich Germany]

Mr. Vernon A. Williams
October 31, 2002
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A description of the railroad equipment covered by the enclosed document is:

One hundred and fifty (150) 73-foot, riserless deck centerbeam flatcars:
AOK 21230– AOK 21379 inclusive.

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

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 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/anm
Enclosures

RECORDATION NO. 24193 FILED

OCT 31 '02 2-13 PM

EXECUTION COPY

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF MORTGAGE

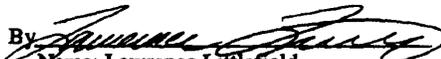
Memorandum of Mortgage, made and entered into as of October 31, 2002 between BABCOCK & BROWN RAIL FUNDING LLC, (the "Debtor") and BAYERISCHE HYPO-UND VEREINSBANK AG, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Amended and Restated Security Agreement dated as of October 18, 2002 (as supplemented, including by Security Agreement Supplement No. 1 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By 
Name: Lawrence Littlefield
Title: Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 29th day of October in the year 2002 before me personally came Lawrence Littlefield to me known, who, being by me duly sworn, did depose and say that he resides at 127 Danforth Drive, New Canaan, CT 06840; that he is the Vice President of Babcock & Brown Rail Funding LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said corporation.


Notary Public

[Notarial Seal]

*Jennifer Moreno
Notary Public, State of New York
No. 014009696
Qualified in Queens County
Commission Expires January 24, 2006*

Memorandum of Mortgage

NEWYORK#94842.2

**Exhibit A
to Memorandum of Mortgage**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	150	2002	73-foot, riserless deck centerbeam flatcars with canted flat decks	AOK21230-21379	None.

**Exhibit B
to Memorandum of Mortgage**

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease #

1. Lease Agreement made as of March 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.

Schedule No. 2 to Lease Agreement made as of May 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.

Memorandum of Lease Agreement made and entered into as of May 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.

Bills of Sale dated May 31, 2002, June 12, 2002, June 28, 2002, July 15, 2002 and July 31, 2002, from TrentonWorks Limited to Greenbrier Leasing Corporation and the Certificates of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in each Bill of Sale.

Purchase Agreement [GLC/BBRF] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.

Railcar Marks Management Agreement [GLC] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.

Assignment and Assumption Agreement dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.

Lessee Notice and Acknowledgment dated October 18, 2002, made by Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC to BC Rail Partnership.

Warranty Assignment [GLC] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.

Manufacturer's Consent dated October 31, 2002, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC.

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy of a Memorandum of Mortgage with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: October 31, 2002 Edward M. Luria
Edward M. Luria