

RECORDATION NO. 24193-B FILED

MAY 15 '03 3-07PM

**SURFACE TRANSPORTATION BOARD**

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

OF COUNSEL  
URBAN A. LESTER

May 15, 2003

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 three (3) copies of a Termination of Security Interest, dated as of May 15, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed under Recordation Number 24193.

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

**Borrower:** Babcock & Brown Rail Funding LLC  
c/o Babcock & Brown LP  
230 Park Avenue  
New York, NY 10169

**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  
May 15, 2003  
Page Two

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

150 flatcars AOK 21230 – AOK 21379

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

Termination of Security Interest

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 one stamped copy of the enclosed documents to the  
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr  
Enclosures

TERMINATION OF SECURITY INTEREST

**THIS TERMINATION OF SECURITY INTEREST** (this "**Termination**") is made this 15 day of May, 2003 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "**Borrower**") and **BAYERISCHE HYPO- UND VEREINSBANK AG**, as agent (the "**Agent**") for the banks under the Credit Agreement (as defined below). Capitalized terms used in this Termination and not otherwise defined herein shall have the meanings in the Credit Agreement (as defined below).

**WHEREAS**, the Borrower, the banks party thereto and the Agent are parties to that certain Amended and Restated Credit Agreement (the "**Credit Agreement**") dated as of October 18, 2002;

**WHEREAS**, the Borrower and the Agent are parties to that certain Amended and Restated Security Agreement dated as of October 18, 2002 (the "**Security Agreement**"), as supplemented by Security Agreement Supplement No. 1 dated October 31, 2002 ("**Security Agreement Supplement No. 1**"), and Amendment No. 1 to Memorandum of Mortgage and Security Agreement Supplement No. 1 dated as of May 6, 2003 ("**Amendment No. 1**"), together with the Security Agreement and Security Agreement Supplement No. 1, collectively, the "**Supplemented Security Agreement**";

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

**WHEREAS**, the Borrower and the Agent are parties to that certain Memorandum of Mortgage dated as of October 31, 2002 (the "**Original Memorandum of Mortgage**"), as amended by Amendment No. 1 (the "**Memorandum of Mortgage**");

**WHEREAS**, the Original Memorandum of Mortgage was duly filed for recordation with the Surface Transportation Board (the "**STB**") pursuant to 49 U.S.C. Section 11301 on October 31, 2002 at 2:13 p.m. and given Recordation Number 24193;

**WHEREAS**, Amendment No. 1 was duly filed for recordation with the STB pursuant to 49 U.S.C. Section 11301 on May 6, 2003 at 4:42 p.m. and given Recordation Number 24193-A; and

**WHEREAS**, the Borrower and the Agent now desire to terminate and cancel the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to the Security Agreement Supplement No. 1, and Exhibits A and B to the Memorandum of Mortgage, as specified in Exhibit I hereto, and to record such termination and cancellation 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 Borrower and the Agent, intending to be legally bound, agree as follows:

NEWYORK/#98717.2

REGISTRATION NO. 24193-B

MAY 15 03 3:07 PM

SURFACE TRANSPORTATION BOARD

[Termination of Security Interest]

1. The Borrower and the Agent hereby terminate and cancel the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to Security Agreement Supplement No. 1 and Exhibits A and B to 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 Borrower and the Agent hereby agree that no rights, duties or liabilities under the Supplemented Security Agreement in relation to the property described in Schedule I to Security Agreement Supplement No. 1 and Exhibits A and B to the Memorandum of Mortgage, as specified in Exhibit I hereto, shall survive such termination and cancellation of the Agent's security interest in and mortgage lien upon all right, title and interest of the Borrower in, to and under the property described in Schedule I to Security Agreement Supplement No. 1 and Exhibits A and B to the Memorandum of Mortgage, as specified in Exhibit I hereto, except with respect to acts, events, or omissions under the Supplemented Security Agreement occurring on or prior to the Effective Date and indemnities with respect to such acts, events or omissions.

2. The Borrower and the Agent agree to record this Termination with the STB so as to release any security interest in and mortgage lien upon the property described in Schedule I to Security Agreement Supplement No. 1 and Exhibits A and B to the Memorandum of Mortgage, as specified in Exhibit I hereto, created by or arising out of the Supplemented 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]

**IN WITNESS WHEREOF**, the Borrower and the Agent have each caused this Termination of Security Interest to be duly executed and delivered as of the date first above written.

**BABCOCK & BROWN RAIL FUNDING  
LLC**

By:   
Name: Lawrence E. Littlefield  
Title: Vice President

**BAYERISCHE HYPO- UND  
VEREINSBANK AG**, not in its individual  
capacity except as expressly provided herein, but  
solely as Agent

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

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

[Termination of Security Interest]

IN WITNESS WHEREOF, the Borrower and the Agent have each caused this Termination of Security Interest to be duly executed and delivered as of the date first above written.

**RABCOCK & BROWN RAIL FUNDING LLC**

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

**BAYERISCHE HYPO- UND VEREINSBANK AG**, not in its individual capacity except as expressly provided herein, but solely as Agent

By: Stefan Niggel  
Name: **STEFAN NIGGEL**  
Title: **PD**

By: Markus Tobies  
Name: **MARKUS TOBIES**  
Title: **VP**

[Termination of Security Interest]

STATE OF NEW YORK )

) SS:

COUNTY OF NEW YORK )

Subscribed to me on this 6<sup>th</sup> day of May, 2003 by Stefan Niggel, Managing Director of Bayerische Hypo- und Vereinsbank AG and Martin Tobies, Vice President of Bayerische Hypo- und Vereinsbank AG.

*Annette Bunzel*

Notary Public

**ANNETTE BUNZEL**  
Notary Public, State of New York  
No. 10000000000  
Qualified in Nassau County  
Certificate Filed in New York County  
Commission Expires April 30, 2007

(NOTARIAL SEAL)

My Commission Expires:

April 30, 2007

[Termination of Security Interest]

STATE OF New York            )  
  )    SS:  
COUNTY OF New York        )

On this 15th day of May, 2003, before me personally appeared Lawrence E. Littlefield, to me personally known, who, being by me duly sworn, says that he is Vice President of Babcock & Brown Rail Funding LLC and that the foregoing Termination of Security Interest was signed on behalf of said limited liability company. Further, he acknowledged that the execution of the foregoing Termination of Security Interest was the free act and deed of said limited liability company.

*Jennifer Moreno*  
Notary Public

*Jennifer Moreno  
Notary Public, State of New York  
No. 0144069626  
Qualified in Queens County  
Commission Expires January 24, 2006*

(NOTARIAL SEAL)

My Commission Expires:

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**Exhibit I to  
Termination of Security Interest**

**EQUIPMENT**

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	150	2002	73-foot, riserless deck centerbeam flatcars with canted flat decks	AOK 21230-21379, inclusive	None.

**LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS**

1. Lease Agreement made as of March 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.
2. Schedule No. 2 to Lease Agreement made as of May 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.
3. Memorandum of Lease Agreement made and entered into as of May 1, 2002, between Greenbrier Leasing Corporation and BC Rail Partnership.
4. Bills of Sale dated May 31, 2002, June 17, 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.
5. Purchase Agreement [GLC/BBRF] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.
6. Railcar Marks Management Agreement [GLC] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.
7. Assignment and Assumption Agreement dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.
8. Lessee Notice and Acknowledgment dated October 18, 2002, made by Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC to BC Rail Partnership.
9. Warranty Assignment [GLC] dated as of October 31, 2002, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.
10. Manufacturer's Consent dated October 31, 2002, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC.
11. Amendment No. 1 to Assignment and Assumption Agreement dated as of May 6, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC.

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Borrower now has rights therein or such rights shall hereafter be acquired by it.

**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: \_\_\_\_\_

5/15/03



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