

RECORDATION NO. 24421-A FILED

AUG 12 '03

11-54 AM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

August 12, 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 August 12, 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 24421.

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
August 12, 2003
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A description of the railroad equipment covered by the enclosed document
is:

385 flatcars UP 354615 – UP 354999

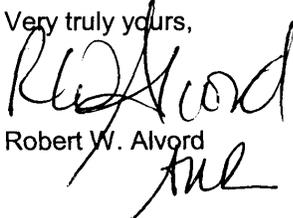
A short summary of the document to appear in the index follows:

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 12th day of August, 2003 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "**Borrower**") and **BAYERISCHE HYPO- UND VEREINSBANK AG**, as agent (the "**Agent**") for the banks under the Amended and Restated Security Agreement dated as of October 18, 2002 (as amended, supplemented or otherwise modified through the date hereof, including, without limitation, as supplemented by Security Agreement Supplement No. 4 dated as of April 25, 2003 ("**Security Agreement Supplement No. 4**"), 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 Agent in and to the Units and the Qualifying Leases (each as defined in the Security Agreement);

WHEREAS, the Borrower and the Agent are parties to that certain Memorandum of Mortgage, dated as of April 25, 2003, a copy of which was duly filed with the Surface Transportation Board (the "**STB**") on April 25, 2003 at 2:44 p.m. under Recordation Number 24421 (the "**Memorandum of Mortgage**"); 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. 4, 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:

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. 4 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 Security Agreement in relation to the property described in Schedule I to Security Agreement Supplement No. 4 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. 4 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 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

[Termination of Security Interest]

Security Agreement Supplement No. 4 and Exhibits A and B to 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]

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]

STATE OF New York)

) SS:

COUNTY OF New York)

On this 11th day of August, 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.


Notary Public

(NOTARIAL SEAL)

My Commission Expires:

01-24-2006

Jeniffer Moreno
Notary Public, State of New York
No. 06060346
Qualified in Queens County
Commission Expires January 24, 2006

[Termination of Security Interest]

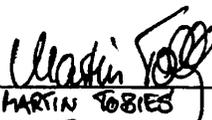
IN WITNESS WHEREOF, the Borrower and the Agent have each caused this Termination of Security Interest to be duly executed and delivered as of the date first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By: _____
Name:
Title:

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

By:  _____
Name: STEFAN NICKEL
Title: MD

By:  _____
Name: MARTIN TOBIAS
Title: VP

[Termination of Security Interest]

STATE OF NEW YORK)

) SS:

COUNTY OF NEW YORK)

Subscribed to me on this 11th day of August, 2003 by Stefan Niggli, Managing Director of Bayerische Hypo- und Vereinsbank AG and Martin Tobies, Vice President of Bayerische Hypo- und Vereinsbank AG.

Annette Bunzel
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

April 30, 2007

ANNETTE BUNZEL
Notary Public, State of New York
No. 44-480080
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires April 30, 2007

**Exhibit I to
Termination of Security Interest**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	51	2002	60-foot, 9-inch, Plate F boxcars with double 8-foot plug doors, 286,000 lbs. GRL, and 15-inch EOCC	UP 354615-354665, inclusive	None.
	334	2003	60-foot, 9-inch, Plate F boxcars with double 8-foot plug doors, 286,000 lbs. GRL, and 15-inch EOCC	UP 354666-354999, inclusive	None.

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

1. Master Lease Agreement made as of September 30, 2002, entered into by and between Greenbrier Leasing Corporation, as lessor, and Union Pacific Railroad Company, as lessee, as amended, modified or supplemented from time to time.
2. Rider No. 1 to Master Lease Agreement dated as of September 30, 2002, between Greenbrier Leasing Corporation and Union Pacific Railroad Company, to the extent the same relates to the Equipment described in Exhibit I hereto.
3. Amendment No.1 to Lease Rider No. 1 made effective on February 25, 2003, between Greenbrier Leasing Corporation and Union Pacific Railroad Company, to the extent the same relates to the Equipment described in Exhibit I hereto.
4. Memorandum of Master Lease Agreement and Rider No. 1 made and entered into as of September 30, 2002, between Greenbrier Leasing Corporation and Union Pacific Railroad Company, to the extent the same relates to the Equipment described in Exhibit I hereto.
5. Certificate of Acceptance dated April 24, 2003 executed by Union Pacific Railroad Company, to the extent the same relates to the Equipment described in Exhibit I hereto.
6. Bill of Sale dated April 23, 2003 from Gunderson, Inc. to Greenbrier Leasing Corporation and the Certificates of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in such Bill of Sale.
7. Purchase Agreement [GLC/BBRF] dated as of April 25, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit I hereto.
8. Bill of Sale dated April 25, 2003 from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding, in respect of the Equipment described in Exhibit I hereto.
9. Assignment and Assumption Agreement, dated as of April 25, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit I hereto.
10. Sale Date Notice Pursuant to Notice and Acknowledgment dated April 25, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Union Pacific Railroad Company, in respect of the Equipment described in Exhibit I hereto.
11. Lessee Notice and Acknowledgment dated February 25, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Union Pacific Railroad Company, to the extent the same relates to the Equipment described in Exhibit I hereto.
12. Warranty Assignment [GLC] dated as of April 25, 2003, between Greenbrier Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described in Exhibit I hereto.

Exhibit I

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[Termination of Security Interest]

13. Manufacturer's Consent dated April 25, 2003, made by Gunderson, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit I hereto.

14. Letter Agreement dated April 25, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit I hereto.

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, 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 Termination of Security Interest agreement with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: August 11, 2003

Edward M. Luria
Edward M. Luria