

RECORDATION NO. 24733-A FILED

DEC 19 '03

3-47 PM

SURFACE TRANSPORTATION BOARD

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URBAN A. LESTER

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

December 19, 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 two (2) copies of a Termination of Security Interest, dated as of December 19, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete release and relates to the Memorandum of Mortgage which was previously filed with the Board under Recordation Number 24733.

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

Secured Party: Bayerische Hypo-Und Vereinsbank AG, as
Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany

Borrower: Babcock & Brown Rail Funding LLC
599 Lexington Avenue
New York, New York 10022

Mr. Vernon A. Williams
December 19, 2003
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A description of the railroad equipment covered by the enclosed document
is:

Railcars with assorted reporting marks and road numbers as set forth in
the schedule attached to the document.

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

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 stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 24733A FILED

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3-47 PM

TERMINATION OF SECURITY INTEREST

SURFACE TRANSPORTATION BOARD

THIS TERMINATION OF SECURITY INTEREST (this "**Termination**") is made this 19th day of December, 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. 6 dated December 12, 2003 ("**Security Agreement Supplement No. 6**"), 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 December 12, 2003, a copy of which was duly filed with (i) the Surface Transportation Board (the "**STB**") on December 12, 2003 at 11:40 a.m. under Recordation Number 24733 and (ii) the Registrar General of Canada (the "**RGC**") (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 Security Agreement Supplement No. 6, 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 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 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. 6 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 and the RGC (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. 6 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. 6 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.

[Termination of Security Interest]

2. The Borrower and the Agent agree to record this Termination with the STB and the RGC so as to release any security interest in and mortgage lien upon the property described in Schedule I to Security Agreement Supplement No. 6 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: Ross Sullivan
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 18th day of December, 2003, before me personally appeared Ross Sullivan, 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 corporation. Further, he acknowledged that the execution of the foregoing Termination of Security Interest was the free act and deed of said corporation.

Jeniffer Moreno
Notary Public

(NOTARIAL SEAL)

Jeniffer Moreno
Notary Public, State of New York
No. 01 MO6036346
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: *Stephan Niggel*
Name: *Stephan Niggel*
Title: *MD*

By: *Sandra van Giller*
Name: *Sandra van Giller*
Title: *Vice President*

[Termination of Security Interest]

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Subscribed to me on this 19th day of December, 2003 by Stefan Niggel, Managing Director of Bayerische Hypo- und Vereinsbank AG and Sandra von Miller, Vice President of Bayerische Hypo- und Vereinsbank AG.



Notary Public

(NOTARIAL SEAL)

My Commission Expires:

ANNETTE BUNZEL
Notary Public, State of New York
No. 24-480080
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	30	2002	6351 CF Covered Hopper Railcar, 286,000 GRL, AAR Code C 114, manufactured by Thrall Trinity Freightcar, Inc.	[TILX] 635503-635532, inclusive [NOTE: These railcars are in the process of being re-marked with CEFX marks]	None.
	95	2003	6351 CF Covered Hopper Railcar, 286,000 GRL, AAR Code C 114, manufactured by Thrall Trinity Freightcar, Inc.	[TILX] 635533-635627, inclusive [NOTE: These railcars are in the process of being re-marked with CEFX marks]	None.
2	100	2001	3250 CF Covered Hopper Railcar, 286,000 GRL, AAR Code C 112, manufactured by Thrall Car Manufacturing Company	CEMX 120001-120100, inclusive	None.
3	120	2001	4300 CF Aluminum Coal Hopper Railcar, 286,000 GRL, AAR Code K 341, manufactured by Johnstown America Corporation	CEFX 63944-64063, inclusive	None.

[Termination of Security Interest]

4	50	2002	5660 CF Pressure Differential Covered Hopper Railcar, 286,000 GRL, AAR Code C 614, manufactured by Thrall Car Manufacturing Company	CEFX 76034-76083, inclusive	None.
5	230	2003	4300 CF Aluminum Coal Hopper Railcar, 286,000 GRL, AAR Code K 341, manufactured by Johnstown America Corporation	CEFX 64871-65100, inclusive	None.
6	50	2003	73' Centerbeam Flatcar with riserless deck, 286,000 GRL, AAR Code F 483, manufactured by National Steel Car Limited	BCOL 873800-873849, inclusive	None.
7	150	2003	73' Centerbeam Flatcar with riserless deck, 286,000 GRL, AAR Code F 483, manufactured by TrentonWorks Limited	BCOL 873000-873149, inclusive	None.
8	200	1998	42' Single Covered Coil Steel Car, 286,000 GRL, AAR Code E 241, manufactured by National Steel Car Limited	NS 166060-166259, inclusive	None.

[Termination of Security Interest]

9	45	1998	Plate F Boxcar with double 8' plug door, 286,000 GRL, AAR Code A 606, manufactured by Trinity Industries, Inc.	CHTT 101100- 101144, inclusive	None.
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LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

1. Railroad Car Net Lease Agreement dated as of May 20, 1985, by and between The CIT Group/Equipment Financing, Inc. (as assignee of Trinity Rail Leasing Trust II) and Cargill Incorporated to the extent the same relates to the Equipment.
2. Rider Six (6) to Railroad Car Net Lease dated as of November 12, 2002, between The CIT Group/Equipment Financing, Inc. (as assignee of Trinity Rail Leasing Trust II) and Cargill Incorporated.
3. Bill of Sale and Assignment and Assumption Agreement dated as of February 26, 2003, from Trinity Industries Leasing Company to Trinity Rail Leasing Trust II.
4. Bill of Sale and Assignment and Assumption Agreement dated as of March 25, 2003, from Trinity Industries Leasing Company to Trinity Rail Leasing Trust II.
5. Consent Letter and Acknowledgment dated May 21, 2003, from Cargill Incorporated to The CIT Group/Equipment Financing, Inc. and Trinity Rail Leasing Trust II.
6. Assignment of Lease dated as of June 5, 2003, from Trinity Rail Leasing Trust II to The CIT Group/Equipment Financing, Inc.
7. Amendment No. 1 to Assignment of Lease dated as of November 19, 2003, effective as of June 5, 2003, by and between The CIT Group/Equipment Financing, Inc. and Trinity Rail Leasing Trust II.
8. Memorandum of Lease dated as of June 5, 2003, between The CIT Group/Equipment Financing, Inc. (as assignee of Trinity Rail Leasing Trust II) and Cargill Incorporated.
9. Bill of Sale dated December 12, 2003 from The CIT Group/Equipment Financing, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
10. Purchase Agreement [CIT/BBRF] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
11. Assignment and Assumption Agreement, dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.
12. Notice and Acknowledgment dated December 11, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to Cargill Incorporated, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

[Termination of Security Interest]

13. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to Cargill Incorporated, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

14. Warranty Assignment [Cargill] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc., as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

15. Manufacturer's Consent dated December 8, 2003, made by Thrall Trinity Freightcar, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

16. Railcar Service Agreement [Cargill] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit I hereto.

17. Master Net Railcar Lease made as of June 1, 2002, effective as of August 6, 2001, between The CIT Group/Equipment Financing, Inc. and CEMEX, Inc. to the extent the same relates to the Equipment.

18. Schedule No. 01 to Master Net Railcar Lease made as of June 1, 2002, effective as of August 6, 2001, between The CIT Group/Equipment Financing, Inc. and CEMEX, Inc.

19. Memorandum of Railcar Lease dated as of June 21, 2002, between The CIT Group/Equipment Financing, Inc. and CEMEX, Inc.

20. Bills of Sale dated May 30, 2001, June 28, 2001, and July 30, 2001, from Thrall Car Manufacturing Company to The CIT Group/Equipment Financing, Inc. and the Certificates of Inspection executed by The CIT Group/Equipment Financing, Inc., in each case as they relate to the Equipment, with schedules to the Bills of Sale which have been redacted and which have been certified by the Seller as being extraneous to the present transaction.

21. Bill of Sale dated December 12, 2003 from The CIT Group/Equipment Financing, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.

22. Purchase Agreement [CIT/BBRF] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 2" in Exhibit I hereto.

23. Assignment and Assumption Agreement, dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.

[Termination of Security Interest]

24. Notice and Acknowledgment dated December 10, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to CEMEX, Inc., in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.
25. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to CEMEX, Inc., in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.
26. Warranty Assignment [Cemex] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc., as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.
27. Manufacturer's Consent dated December 8, 2003, made by Thrall Car Manufacturing Company to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.
28. Railcar Service Agreement [Cemex] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit I hereto.
29. Master Railcar Lease made as of November 8, 2000, between The CIT Group/Equipment Financing, Inc. and the Tennessee Valley Authority to the extent the same relates to the Equipment.
30. Schedule No. 06 to Master Railcar Lease dated as of May 6, 2003, between The CIT Group/Equipment Financing, Inc. and the Tennessee Valley Authority.
31. Memorandum of Railcar Lease dated as of May 6, 2003, between The CIT Group/Equipment Financing, Inc. and the Tennessee Valley Authority.
32. Warranty Bill of Sale dated September 21, 2001, from Johnstown America Corporation to The CIT Group/Equipment Financing, Inc. and the Certificates of Acceptance executed by The CIT Group/Equipment Financing, Inc. in relation to the railcars identified in the Warranty Bill of Sale.
33. Bill of Sale dated December 12, 2003 from The CIT Group/Equipment Financing, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
34. Purchase Agreement [CIT/BBRF] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
35. Assignment and Assumption Agreement, dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.

Exhibit I

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[Termination of Security Interest]

36. Notice and Acknowledgment dated December 11, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to Tennessee Valley Authority, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
37. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc. to Tennessee Valley Authority, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
38. Warranty Assignment [TVA] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc., as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
39. Manufacturer's Consent dated December 11, 2003, made by Johnstown America Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
40. Railcar Service Agreement [TVA] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 3" in Exhibit I hereto.
41. Railcar Lease, made as of December 12, 2003, between Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc.
42. Schedule No. 01 to Railcar Lease, made as of December 12, 2003, between Babcock & Brown Rail Funding LLC and The CIT Group/Equipment Financing, Inc.
43. Sublease Assignment Agreement, dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC.
44. Memorandum of Lease and Assignment of Sublease, dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC.
45. Master Railcar Lease made as of June 7, 1999, between The CIT Group/Equipment Financing, Inc. and A.E. Staley Manufacturing Co., incorporated by reference in Schedule No. 07 to Master Railcar Lease made as of January 15, 2003, between C.I.T. Leasing Corporation and A.E. Staley Manufacturing Co., as amended by a letter agreement among C.I.T. Leasing Corporation, A.E. Staley Manufacturing Co. and Babcock & Brown Rail Funding LLC.
46. Memorandum of Railcar Lease dated as of January 15, 2003, between C.I.T. Leasing Corporation and A.E. Staley Manufacturing Co.
47. Bills of Sale dated March 1, 2003, from Thrall Trinity Freightcar, Inc. to C.I.T. Leasing Corporation and the Certificates of Acceptance in relation to the railcars identified in each Bill of Sale.

Exhibit I
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[Termination of Security Interest]

48. Bill of Sale dated December 12, 2003 from C.I.T. Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

49. Purchase Agreement [CITL/BBRF] dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

50. Assignment and Assumption Agreement, dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

51. Notice and Acknowledgment dated November 26, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to A.E. Staley Manufacturing Co., in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

52. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to A.E. Staley Manufacturing Co., in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

53. Warranty Assignment [Staley] dated as of December 12, 2003, between C.I.T. Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

54. Manufacturer's Consent dated December 8, 2003, made by Thrall Trinity Freightcar, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

55. Railcar Service Agreement [Staley] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 4" in Exhibit I hereto.

56. Rider No. 1 dated as of March 31, 2003, by and between C.I.T. Leasing Corporation and South Carolina Public Service Authority, as amended by Amendment to Railcar Lease Agreement made as of November 19, 2003, between C.I.T. Leasing Corporation and South Carolina Public Service Authority, incorporating the terms of Railcar Lease Agreement made as of October 1, 2000, between The CIT Group/Equipment Financing, Inc. and South Carolina Public Service Authority, as amended by Amendment and Extension to Railcar Lease Agreement made as of January 15, 2003, between The CIT Group/Equipment Financing, Inc. and South Carolina Public Service Authority, (excluding Rider A and Rider B thereto, which have been redacted and which have been certified by the Seller as being extraneous to the present transaction), to the extent the same relates to the Equipment.

57. Memorandum of Railcar Lease dated as of March 31, 2003, between C.I.T. Leasing Corporation and South Carolina Public Service Authority.

Exhibit I

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[Termination of Security Interest]

58. Warranty Bills of Sale dated March 10, 2003, March 21, 2003, and March 31, 2003, from Johnstown America Corporation to C.I.T. Leasing Corporation and Certificates of Acceptance executed by C.I.T. Leasing Corporation in relation to the railcars identified in each Warranty Bill of Sale.

59. Bill of Sale dated December 12, 2003 from C.I.T. Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

60. Purchase Agreement [CITL/BBRF] dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

61. Assignment and Assumption Agreement, dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

62. Notice and Acknowledgment dated December 4, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to South Carolina Public Service Authority, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

63. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to South Carolina Public Service Authority, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

64. Warranty Assignment [SCPSA] dated as of December 12, 2003, between C.I.T. Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

65. Manufacturer's Consent dated December 11, 2003, made by Johnstown America Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

66. Railcar Service Agreement [SCPSA] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 5" in Exhibit I hereto.

67. Rent Support Agreement, dated as of December 12, 2003, by and between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC.

68. Master Railcar Lease made as of July 16, 1998, between The CIT Group/Equipment Financing, Inc. and BC Rail Partnership, incorporated by reference in Rider No. 03 to Master Railcar Lease made as of March 13, 2003, between C.I.T. Leasing Corporation and BC Rail Partnership, as amended by a letter agreement among C.I.T. Leasing Corporation, BC Rail Partnership and Babcock & Brown Rail Funding LLC.

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[Termination of Security Interest]

69. Memorandum of Railcar Lease dated as of March 13, 2003, between C.I.T. Leasing Corporation and BC Rail Partnership.
70. Bills of Sale dated January 31, 2003, and February 11, 2003, from National Steel Car Limited to C.I.T. Leasing Corporation and the Certificates of Acceptance executed by C.I.T. Leasing Corporation in relation to the railcars identified in each Bill of Sale.
71. Bill of Sale dated December 12, 2003 from C.I.T. Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
72. Purchase Agreement [CITL/BBRF] dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
73. Assignment and Assumption Agreement, dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
74. Notice and Acknowledgment dated November 26, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
75. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
76. Warranty Assignment [BC Rail #1] dated as of December 12, 2003, between C.I.T. Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
77. Manufacturer's Consent dated December 8, 2003, made by National Steel Car Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
78. Railcar Service Agreement [BC Rail #1] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 6" in Exhibit I hereto.
79. Master Railcar Lease made as of July 16, 1998, between The CIT Group/Equipment Financing, Inc. and BC Rail Partnership, incorporated by reference in Rider No. 04 to Master Railcar Lease made as of March 13, 2003, between C.I.T. Leasing Corporation and BC Rail Partnership, as amended by a letter agreement among C.I.T. Leasing Corporation, BC Rail Partnership and Babcock & Brown Rail Funding LLC.
80. Memorandum of Railcar Lease dated as of March 13, 2003, between C.I.T. Leasing Corporation and BC Rail Partnership.

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[Termination of Security Interest]

81. Bills of Sale dated February 28, 2003, March 15, 2003, and March 31, 2003, from TrentonWorks Limited to The CIT Group/Equipment Financing, Inc. and the Certificates of Acceptance executed by The CIT Group/Equipment Financing, Inc. in relation to the railcars identified in each Bill of Sale.

82. Bill of Sale dated December 9, 2003, from The CIT Group/Equipment Financing, Inc. to C.I.T. Leasing Corporation with respect to the Equipment.

83. Bill of Sale dated December 12, 2003 from C.I.T. Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

84. Purchase Agreement [CITL/BBRF] dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

85. Assignment and Assumption Agreement, dated as of December 12, 2003, between C.I.T. Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

86. Notice and Acknowledgment dated November 26, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

87. Notice Pursuant to Notice and Acknowledgment dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and C.I.T. Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

88. Warranty Assignment [BC Rail #2] dated as of December 12, 2003, between C.I.T. Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

89. Manufacturer's Consent dated December 9, 2003, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

90. Railcar Service Agreement [BC Rail #2] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 7" in Exhibit I hereto.

91. Lease Agreement dated as of March 3, 1997, between Flex Leasing Corporation and Norfolk Southern Railway Company to the extent the same relates to the Equipment.

92. Lease Amendment Number 1 executed and delivered February 2, 1999, between Flex Leasing Corporation and Norfolk Southern Railway Company.

[Termination of Security Interest]

93. Rider No. 3A to Lease Agreement executed and delivered February 5, 1999, between Flex Leasing Corporation and Norfolk Southern Railway Company.
94. Amendment Number 1 to Rider No. 3A executed and delivered August 13, 1999, between Flex Leasing Corporation and Norfolk Southern Railway Company to the extent the same relates to the Equipment.
95. Amendment Number 2 to Rider No. 3A executed and delivered January 1, 2001, between Flex Leasing II, LLC (as assignee of Flex Leasing Corporation) and Norfolk Southern Railway Company.
96. Sale, Assignment and Assumption Agreement dated as of August 31, 1999, between Flex Leasing Corporation and Flex Leasing II, LLC (with redacted Section 2.01(a), Schedule I and Schedule II thereto, which have been certified by the Seller as being extraneous to the present transaction).
97. Memorandum of Lease dated as of August 31, 1999, between Flex Leasing II, LLC and Norfolk Southern Railway Company.
98. Bill of Sale dated August 31, 1999 from National Steel Car Limited to Flex Leasing II, LLC.
99. Bill of Sale dated December 12, 2003 from Flex Leasing II, LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
100. Purchase Agreement [FLEX/BBRF] dated as of December 12, 2003, between Flex Leasing II, LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
101. Assignment and Assumption Agreement, dated as of December 12, 2003, between Flex Leasing II, LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
102. [Notice and Acknowledgment dated December 11, 2003, made by Babcock & Brown Rail Funding LLC and Flex Leasing II, LLC to Norfolk Southern Railway Company, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.]
103. Notice dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and Flex Leasing II, LLC to Norfolk Southern Railway Company, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
104. Warranty Assignment [NSR] dated as of December 12, 2003, between Flex Leasing II, LLC, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.

[Termination of Security Interest]

105. Manufacturer's Consent dated December 8, 2003, made by National Steel Car Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
106. Railcar Service Agreement [NSR] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 8" in Exhibit I hereto.
107. Master Car Lease Agreement dated as of June 29, 1999, by and between Flex Leasing Corporation and Union Pacific Railroad Company to the extent the same relates to the Equipment.
108. Schedule No. 01 to Master Car Lease Agreement dated as of July 2, 1999, between Flex Leasing Corporation and Union Pacific Railway Company.
109. Sale, Assignment and Assumption Agreement dated as of August 31, 1999, between Flex Leasing Corporation and Flex Leasing II, LLC (with redacted Section 2.01(a), Schedule I and Schedule II thereto, which have been certified by the Seller as being extraneous to the present transaction).
110. Amendment No. 1 to Schedule No. 01 dated as of February 28, 2002, between Flex Leasing II, LLC (as assignee of Flex Leasing Corporation) and Union Pacific Railroad Company.
111. Memorandum of Lease dated as of August 31, 1999, between Flex Leasing II, LLC and Union Pacific Railroad Company.
112. Bill of Sale dated April 26, 1999, from Trinity Industries, Inc. to Flex Leasing Corporation.
113. Bill of Sale dated August 31, 1999, from Flex Leasing Corporation to Flex Leasing II, LLC.
114. Bill of Sale dated December 12, 2003 from Flex Leasing II, LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 9" in Exhibit I hereto.
115. Purchase Agreement [FLEX/BBRF] dated as of December 12, 2003, between Flex Leasing II, LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 9" in Exhibit I hereto.
116. Assignment and Assumption Agreement, dated as of December 12, 2003, between Flex Leasing II, LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 9" in Exhibit I hereto.
117. [Notice and Acknowledgment dated December 11, 2003, made by Babcock & Brown Rail Funding LLC and Flex Leasing II, LLC to Union Pacific Railroad Company, in respect of the Equipment described under the caption "Lease # 9" in Exhibit I hereto.]

Exhibit I
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[Termination of Security Interest]

118. Sale Date Notice dated December 12, 2003, made by Babcock & Brown Rail Funding LLC and Flex Leasing II, LLC to Union Pacific Railroad Company, in respect of the Equipment described under the caption "Lease # 9" in Exhibit I hereto.

119. Railcar Service Agreement [UPRR] dated as of December 12, 2003, between The CIT Group/Equipment Financing, Inc. and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 9" 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.

Mr. Vernon A. Williams
December 19, 2003
Page 2

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

There is no new or additional equipment associated with this filing.

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

Amended Memorandum of Head Lease.

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