

RECORDATION NO. 24931 FILED

APR 29 '04

4-21 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
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OF COUNSEL  
URBAN A. LESTER

April 29, 2004

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 Memorandum of Mortgage, dated as of April 29, 2004, 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  
230 Park Avenue  
New York, NY 10169

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

Mr. Vernon A. Williams  
April 29, 2004  
Page Two

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

100 flatcars SOO 600125 –SOO 600224

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

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SURFACE TRANSPORTATION BOARD

EXECUTION COPY

**MEMORANDUM OF MORTGAGE**

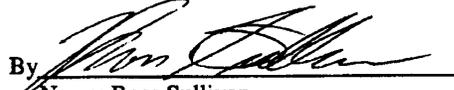
Memorandum of Mortgage, made and entered into as of April 29, 2004 between BABCOCK & BROWN RAIL FUNDING LLC, (the "Debtor") and BAYERISCHE HYPO-UND VEREINSBANK AG, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms 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. 8 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

**WITNESSETH:**

The undersigned and the Secured Party 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 party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By 

Name: Ross Sullivan  
Title: Vice President



**Exhibit A  
to Memorandum of Mortgage**

**EQUIPMENT**

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	100	2004	AAR Code F483, 73' Centerbeam Flatcars, 286,000 GRL built by TrentonWorks Limited	SOO 600125-600224, inclusive	None

**Exhibit B  
to Memorandum of Mortgage**

**LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS**

Lease #

1. Lease Agreement made as of September 1, 2003, by and between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Schedule No. 2 to Lease Agreement dated as of January 1, 2004, by and between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Guaranty Agreement dated as of January 1, 2004, by and between Canadian Pacific Railway Company and Greenbrier Leasing Corporation.

Memorandum of Schedule No. 2 to Lease dated January 1, 2004, by and between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Bills of Sale dated January 31, 2004, February 15, 2004, February 28, 2004, and March 15, 2004 from TrentonWorks Limited to Greenbrier Leasing Corporation.

Bill of Sale dated April 29, 2004 from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Purchase Agreement [GLC-SOO] dated as of April 29, 2004, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Assignment and Assumption Agreement, dated as of April 29, 2004, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice and Acknowledgment dated April 22, 2004, made by Babcock & Brown Rail Funding LLC and Babcock & Brown Rail Funding LLC to Soo Line Railway Company, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice Pursuant to Notice and Acknowledgment dated April 29, 2004, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Soo Line Railway Company, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Warranty Assignment [Soo Line] dated as of April 29, 2004, between Greenbrier Leasing Corporation, 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 A hereto.

Manufacturer's Consent dated April 29, 2004, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A 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 Debtor 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: \_\_\_\_\_

*4/29/04*



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