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RECORDATION NO. 25812-B FILED

NOV 15 '06

1-30 PM

SURFACE TRANSPORTATION BOARD

November 15, 2006

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 in respect of Lease, dated as of November 15, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Railcar Lease previously filed with the Board under Recordation Number 25812.

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

Lessor: Babcock & Brown Rail Funding LLC
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: BNSF Railway Company
2650 Lou Menk Drive
Fort Worth, TX 76161-0057

Mr. Vernon A. Williams
November 15, 2006
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A description of the railroad equipment covered by the enclosed document is:

24 railcars within the series BNSF 238300 – BNSF 238560 as more particularly set forth in the equipment schedule attached to the document.

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

Termination in respect of Lease.

Also enclosed is a check in the amount of \$34.00 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/sem
Enclosures

NOV 15 '06 1-30 PM

EXECUTION VERSION

SURFACE TRANSPORTATION BOARD
TERMINATION IN RESPECT OF LEASE

THIS TERMINATION IN RESPECT OF LEASE (this "Termination") is made this 15th day of November, 2006 between Babcock & Brown Rail Funding LLC (the "Lessor") and BNSF Railway Company (the "Lessee").

WHEREAS, the Lessor and the Lessee executed a Memorandum of Railcar Lease dated as of August 8, 2005 (the "Memorandum"), which Memorandum was filed on August 31, 2005 with the Surface Transportation Board ("STB"), bearing STB recordation number 25812 with respect to that certain Master Full Service Railcar Lease made as of August 8, 2005, between the Seller and the Lessee, and Schedule No. 01 thereto dated as of the same date (as amended, modified or supplemented from time to time, the "Lease") and the railcars subject thereto as specified on Schedule 1 hereto (the "Units"); and

WHEREAS, the Lessor has sold the Units to BNSF Equipment Acquisition Company, LLC on September 20, 21, 22, 25 and 26, October 17, 27 and 28 and November 9, 2006 (each, a "Transfer Date") and the Lessor and the Lessee have agreed to terminate the Lease as of the relevant Transfer Date with respect to each Unit transferred on such Transfer Date, and wish to record such termination with the STB.

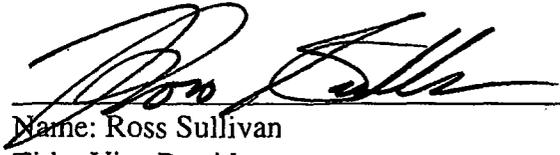
NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have caused this Termination to be executed by their respective duly authorized officers as of the date first above written and, intending to be legally bound, agree as follows:

1. Effective on each Transfer Date as listed on Schedule 1 hereto:
 - (a) the Lease is terminated as to the Units transferred on such Transfer Date;
and
 - (b) the Lessor and the Lessee shall have no further obligations under the Lease in respect of such Units as of such Transfer Date except for those obligations which the Lessor and the Lessee have agreed shall expressly survive the termination thereof (including, without limitation, the indemnity provisions thereof).
2. 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.
3. 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.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Termination in Respect of Lease to be duly executed and delivered as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC,
as Lessor

By: 
Name: Ross Sullivan
Title: Vice President

BNSF RAILWAY COMPANY, as Lessee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have each caused this Termination in Respect of Lease to be duly executed and delivered as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC,
as Lessor

By: _____
Name:
Title:

BNSF RAILWAY COMPANY, as Lessee

By: *Linda J. Hurt*
Name: *Linda J. Hurt*
Title: *Assistant Vice President - Finance*

STATE OF CALIFORNIA)
) ss.:
COUNTY OF SAN FRANCISCO)

On the 31st day of October, 2006, before me, Heidi Wagner, Notary Public, personally appeared Ross Sullivan, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Heidi Wagner



State of Texas)

)

County of Tarrant)

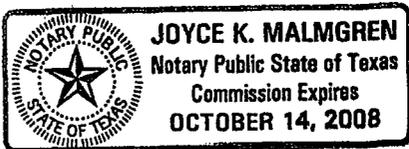
On this, the 10 day of Nov, 2006, before me, a Notary Public in and for said County and State, personally appeared LINDA J. HURT, who acknowledged himself/herself to be a duly authorized person of BNSF Railway Company, and that, as such duly authorized person, he/she executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Joyce K. Malmgren
Notary Public

My Commission Expires: Oct. 14, 2008

Residing in: Tarrant County, Tx



**Schedule 1
(to Termination in
Respect of Lease)**

UNITS

Reporting Marks of Railcars Transferred on September 20, 2006:

1. BNSF 238385
2. BNSF 238455
3. BNSF 238527
4. BNSF 238531
5. BNSF 238549

Reporting Marks of Railcars Transferred on September 21, 2006:

1. BNSF 238396

Reporting Marks of Railcars Transferred on September 22, 2006:

1. BNSF 238441
2. BNSF 238530

Reporting Marks of Railcars Transferred on September 25, 2006

1. BNSF 238345
2. BNSF 238393

Reporting Marks of Railcars Transferred on September 26, 2006

1. BNSF 238300
2. BNSF 238302
3. BNSF 238318
4. BNSF 238435
5. BNSF 238507
6. BNSF 238552
7. BNSF 238558
8. BNSF 238560

Reporting Marks of Railcars Transferred on October 17, 2006

1. BNSF 238405
2. BNSF 238491

Reporting Marks of Railcars Transferred on October 27, 2006

1. BNSF 238417
2. BNSF 238501

Reporting Marks of Railcars Transferred on October 28, 2006

1. BNSF 238465

Reporting Marks of Railcars Transferred on November 9, 2006

1. BNSF 238550

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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:

11/15/06



Robert W. Alvord