

RECORDATION NO. 26860 FILED

MAR 15 '07 -1 5 0 PM

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SUITE 301
WASHINGTON, D.C.

SURFACE TRANSPORTATION BOARD

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

20036

OF COUNSEL
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March 15, 2007

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 March 15, 2007, 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
885 Second Avenue
49th Floor
New York, NY 10017

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

Mr. Vernon A. Williams
March 15, 2007
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A description of the railroad equipment covered by the enclosed document is:

480 railcars: GBRX 65000 – GBRX 65019; GBRX 65215 – GBRX 65289;
AOK 34300 – AOK 34374; and AOK 65500 – AOK 65809.

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

Memorandum of Mortgage.

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

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SURFACE TRANSPORTATION BOARD

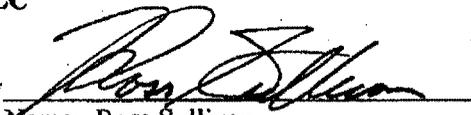
MEMORANDUM OF MORTGAGE

Memorandum of Mortgage, made and entered into as of March 15, 2007 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. 53 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 

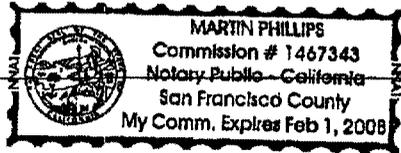
Name: Ross Sullivan

Title: Vice President

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

On March 13, 2007, before me, MARTIN PHILLIPS, 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.



Martin Phillips
Notary Public

Memorandum of Mortgage

**Exhibit A
to Memorandum of Mortgage**

EQUIPMENT

<u>Lease #</u>	<u># Cars</u>	<u>Year Built</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
1	35	2006	3281 CF Cement Covered Hopper Railcars with three (3) 30" circular loading hatches and two (2) Miner gravity discharge outlets with gaskets, 286,000 lbs. GRL, AAR Car Type Code C112, manufactured by Trinity North American Freight Car, Inc.	GBRX 65215-65249, inclusive.	None
2	40	2006	3281 CF Cement Covered Hopper Railcars with three (3) 30" circular loading hatches and two (2) Miner gravity discharge outlets with gaskets, 286,000 lbs. GRL, AAR Car Type Code C112, manufactured by Trinity North American Freight Car, Inc.	GBRX 65250-65289, inclusive.	None
3	20	2006	3230 CF Pressure Differential Covered Hopper Railcars, 286,000 lbs. GRL, AAR Car Type Code C612, manufactured by Trinity North American Freight Car, Inc.	GBRX 65000-65019, inclusive.	None
4	75	2006	42-foot Continuous Trough Covered Coil Gondola Railcars, 286,000 lbs. GRL, AAR	AOK 34300-34374, inclusive.	None

Car Type Code E241,
manufactured by Trinity
North American Freight
Car, Inc.

5	310	2006	5161 CF Through-Sill Triple Hopper Covered Grain Railcars, 286,000 lbs. GRL, AAR Car Type Code C114, manufactured by Trinity North American Freight Car, Inc.	AOK 65500-65809, inclusive.	None
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LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease # 1 – National Cement Company of Alabama, Inc.

Master Full Service Railcar Lease dated as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Schedule No. 1 to Master Full Service Railcar Lease dated as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Amendment No. 1 to Lease Schedule No. 1 dated as of January 15, 2007 and effective as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Memorandum of Full Service Railcar Lease dated as of December 6, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Certificate of Acceptance of Railroad Cars dated December 6, 2006, executed by National Cement Company of Alabama, Inc., in respect of the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Warranty Bills of Sale dated as of August 31, 2006 and September 15, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC in relation to the railcars identified in such Warranty Bills of Sale.

Purchase Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment under the caption "Lease #1" described in Exhibit A hereto.

Bill of Sale dated March 15, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit A hereto.

Assignment and Assumption Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Notice and Acknowledgement dated February 9, 2007, made by Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC to National

Cement Company of Alabama, Inc., in respect of the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Warranty Assignment dated as of January 26, 2007 and effective as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Manufacturer's Consent dated January 26, 2007, made by Trinity North American Freight Car, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment under the caption "Lease #1" described in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the purchase price for the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease #1" in Exhibit A hereto.

Lease # 2 – National Cement Company of Alabama, Inc.

Master Full Service Railcar Lease dated as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Schedule No. 2 to Master Full Service Railcar Lease dated as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Amendment No. 1 to Lease Schedule No. 2 dated as of January 15, 2007 and effective as of July 1, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Memorandum of Full Service Railcar Lease dated as of December 6, 2006, between Greenbrier Leasing Company LLC and National Cement Company of Alabama, Inc.

Certificate of Acceptance of Railroad Cars dated December 6, 2006, executed by National Cement Company of Alabama, Inc., in respect of the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Warranty Bills of Sale dated as of September 29, 2006, October 5, 2006 and October 24, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC in relation to the railcars identified in such Warranty Bills of Sale.

Purchase Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, to the extent the same

Exhibit B

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relates to the Equipment under the caption "Lease #2" described in Exhibit A hereto.

Bill of Sale dated March 15, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit A hereto.

Assignment and Assumption Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Notice and Acknowledgement dated February 9, 2007, made by Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC to National Cement Company of Alabama, Inc., in respect of the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Warranty Assignment dated as of January 26, 2007 and effective as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Manufacturer's Consent dated January 26, 2007, made by Trinity North American Freight Car, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment under the caption "Lease #2" described in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the purchase price for the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease #2" in Exhibit A hereto.

Lease # 3 – Riverside Cement Company

Master Full Service Railcar Lease dated as of February 16, 2007 and effective as of June 1, 2006, between Greenbrier Leasing Company LLC and Riverside Cement Company.

Schedule No. 1 to Master Full Service Railcar Lease dated as of February 16, 2007 and effective as of June 1, 2006, between Greenbrier Leasing Company LLC and Riverside Cement Company.

Memorandum of Schedule No. 1 dated as of February 16, 2007, between Greenbrier Leasing Company LLC and Riverside Cement Company.

Certificate of Acceptance of Railroad Cars dated July 28, 2006, executed by Riverside Cement Company, in respect of the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Warranty Bill of Sale dated as of June 19, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC in relation to the railcars identified in such Warranty Bills of Sale.

Purchase Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment under the caption "Lease #3" described in Exhibit A hereto.

Bill of Sale dated March 15, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit A hereto.

Assignment and Assumption Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Notice and Acknowledgement dated February 22, 2007, made by Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC to Riverside Cement Company in respect of the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Warranty Assignment dated as of February 27, 2007 and effective as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Manufacturer's Consent dated February 16, 2007, made by Trinity North American Freight Car, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment under the caption "Lease #3" described in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the purchase price for the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease #3" in Exhibit A hereto.

Lease # 4 – BNSF Railway Company

Master Full Service Railcar Lease dated as of February 20, 2007 and effective as of January 20, 2006, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Schedule No. 1 to Master Full Service Railcar Lease dated as of February 20, 2007 and effective as of January 20, 2006, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Amendment No. 1 to Lease Schedule No. 1 dated as of February 20, 2007 and effective as of February 2, 2007, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Memorandum of Master Full Service Railcar Lease dated as of February 20, 2007, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Certificate of Acceptance of Railroad Cars dated February 26, 2007, executed by BNSF Railway Company, in respect of the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Warranty Bills of Sale dated as of January 31, 2006, February 13, 2006 and February 20, 2006, from Trinity Rail Group, LLC to Greenbrier Leasing Company LLC in relation to the railcars identified in such Warranty Bills of Sale.

Purchase Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment under the caption "Lease #4" described in Exhibit A hereto.

Bill of Sale dated March 15, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit A hereto.

Assignment and Assumption Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Notice and Acknowledgement dated February 23, 2007, made by Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC to BNSF Railway Company, in respect of the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Warranty Assignment dated as of February 27, 2007 and effective as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Trinity Rail Group, LLC Consent dated February 16, 2007, made by Trinity Rail Group, LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment under the caption "Lease #4" described in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the purchase price for the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease #4" in Exhibit A hereto.

Lease # 5 – BNSF Railway Company

Master Full Service Railcar Lease dated as of October 12, 2006 and effective as of June 1, 2006, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Schedule No. 07 to Master Full Service Railcar Lease dated as of February 20, 2007 and effective as of October 24, 2006, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Memorandum of Master Full Service Railcar Lease dated as of February 20, 2007, between Greenbrier Leasing Company LLC and BNSF Railway Company.

Certificate of Acceptance of Railroad Cars dated February 23, 2007, executed by BNSF Railway Company, in respect of the Equipment described under the caption "Lease #5" in Exhibit A hereto.

Warranty Bills of Sale dated as of November 6, 2006, November 13, 2006, November 20, 2006, November 30, 2006, December 5, 2006, December 22, 2006, December 28, 2006, December 31, 2006 and January 13, 2007, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC in relation to the railcars identified in such Warranty Bills of Sale.

Purchase Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment under the caption "Lease #5" described in Exhibit A hereto.

Bill of Sale dated March 15, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the Equipment described in Exhibit A hereto.

Assignment and Assumption Agreement dated as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #5" in Exhibit A hereto.

Notice and Acknowledgement dated February 23, 2007, made by Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC to BNSF Railway Company, in respect of the Equipment described under the caption "Lease #5" in Exhibit A hereto.

Warranty Assignment dated as of February 27, 2007 and effective as of March 15, 2007, between Greenbrier Leasing Company LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease #5" in Exhibit A hereto.

Manufacturer's Consent dated February 16, 2007, made by Trinity North American Freight Car, Inc. to Babcock & Brown Rail Funding LLC, in respect of the Equipment under the caption "Lease #5" described in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the purchase price for the Equipment described under the caption "Lease #5" in Exhibit A hereto.

Side Letter dated March 15, 2007, from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease #5" 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:

3/15/07



Robert W. Alvord