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SURFACE TRANSPORTATION BOARD

OF COUNSEL  
URBAN A LESTER

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

January 7, 2009

Anne K. Quinlan, Esq.  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

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 January 7, 2009, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a partial termination and relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 27295.

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

Borrower: Babcock & Brown Rail Funding LLC  
885 Second Avenue  
49<sup>th</sup> 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

Anne K. Quinlan, Esq  
January 7, 2009  
Page 2

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

169 railcars within the series CTRN 600001 - CTRN 600204 as more particularly set forth in the attachment 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 \$41.00 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

EML/sem  
Enclosures

JAN 07 '09

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SURFACE TRANSPORTATION BOARD

**TERMINATION OF SECURITY INTEREST**

**THIS TERMINATION OF SECURITY INTEREST** (this "Termination") is made this 7<sup>th</sup> day of January, 2009 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "Borrower") and **BAYERISCHE HYPO- UND VEREINSBANK AG**, as agent (the "Agent") for the banks under the Second Amended and Restated Security Agreement dated as of September 21, 2007 (as amended, supplemented or otherwise modified through the date hereof, 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 is party to those certain Memoranda of Mortgage described in Exhibit I hereto, each copy of which was duly filed with the Surface Transportation Board (the "STB") (the "Memoranda 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 and II to each of the Security Agreement Supplements and Exhibits A and B to each of the Memoranda 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 and II to each of the Security Agreement Supplements and Exhibits A and B to each of the Memoranda 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 and II to each of the Security Agreement Supplements and Exhibits A and B to each of the Memoranda 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 and II to each of the Security Agreement Supplements and Exhibits A and B to each of the Memoranda 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 and II to each of the Security Agreement Supplements and Exhibits A and B to each of the

[Termination of Security Interest]

Memoranda of Mortgage, as specified in Exhibit I hereto, created by or arising out of the Security Agreement.

3. The Borrower and the Agent agree and reaffirm that 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 and II to the Security Agreements and Exhibits A and B to the Memorandum of Mortgage that is not specified in Exhibit I hereto shall remain in full force and effect and shall not be released, terminated or cancelled by this Termination.

4. 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.

5. 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: George J. Stone  
Name: George Stone  
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 January 1<sup>st</sup> 2009, before me, Indra Bedasie, Notary Public, personally appeared George Stone, 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.

\_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

INDRA BEDASIE  
Notary Public, State of New York  
No. 018E6014602  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires October 19, 2012

[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: Markus Pransky  
Title: Director

By:  \_\_\_\_\_  
Name: Brigit Gellmeier  
Title: Director

[Termination of Security Interest]

STATE OF NEW YORK    )  
                                  ) ss.:  
COUNTY OF NEW YORK )

Subscribed to me on this 9th day of January, 2009 by Markus Pransky, Director of Bayerische Hypo- und Vereinsbank AG and Wolfgang Schmidt, Director of Bayerische Hypo- und Vereinsbank AG.

Annette Bunzel  
Notary Public

[Notarial Seal]

**ANNETTE BUNZEL**  
Notary Public, State of New York  
No. 24-4800660  
Qualified in Nassau County  
Certificate Filed in New York County  
Commission Expires April 30, 2011

[Termination of Security Interest]

Exhibit I to  
Termination of Security Interest

Equipment

SA Supp #/Memo Mortgage #	# of Units	Year Built/Manufacturer	Description	Reporting Marks	Casualty Marks
67	94	1993	4,000 cubic foot, 100 ton aluminum quadruple coal hopper cars, manufactured by Johnstown America.	CTRN 600001, 600003 – 600014, inclusive; 600016-600021, inclusive; 600027, 600029, 600034, 600035, 600071 – 600124, inclusive; 600126 – 600139, inclusive; 600141, 600144 - 600156, inclusive and 600158 – 600167, inclusive	CTRN 600001, 600102, 600013, 600016, 600034, 600035, 600071, 600072, 600099, 600103, 600115, 600117, 600119, 600124, 600132, 600146, 600153, 600154, 600158, 600159, 600163
67	75	1993	4,000 cubic foot, 100 ton aluminum quadruple coal hopper cars, manufactured by Johnstown America.	CTRN 600002, 600015, 600022 – 600026, inclusive; 600028, 600030 – 600033, inclusive; 600036 – 600070, inclusive; 600125, 600140, 600142, 600143, 600157, 600168 – 600204, inclusive	CTRN 600002, 600015, 600031, 600043, 600045, 600060, 600065, 600168, 600178, 600185, 600190, 600191, 600193, 600204

This Termination shall affect and pertain only to the Equipment described above and the terms and conditions of the Security Agreement shall remain in full force and effect upon all other Equipment and property described in the Security Agreement and not subsequently released.

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: 1/7/09



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