

RECORDATION NO. 27164-1 FILED

SEP 24 '08 -2 00 PM

SURFACE TRANSPORTATION BOARD

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

September 24, 2008

Anne K. Quinlan, Esquire
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 Memorandum of Net Railcar Lease, dated as of July 7, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memoranda of Mortgage previously filed with the Board under Recordation Numbers 27164 and 27205.

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: Ohio Power Company
1 Riverside Plaza
Columbus, OH 43215

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

30 railcars as follows:

Rec. No. 27164: AEPX 11251 - AEPX 11255 (previously marked
BNBX 121398, 121399, 121401, 121402 and 121456)

Rec. No. 27205: AEPX 11256 - AEPX 11280 (previously marked
BNBX 121620 - BNBX 121644)

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

Memorandum of Net Railcar Lease.

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

RWA/sem
Enclosures

SEP 24 '08 -2 00 PM

MEMORANDUM OF NET RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of this 7th day of July, 2008, to that certain Master Net Railcar Lease dated as of August 27, 2007, effective as of July 18, 2007 between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and OHIO POWER COMPANY, an Ohio corporation (the "Lessee"), is made by the Lessor and the Lessee (the Lessor and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties entered into that certain Master Net Railcar Lease dated as of August 27, 2007, effective as of July 18, 2007 (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement");

WHEREAS, the Parties have entered into an additional schedule covering the equipment listed on Exhibit A hereto (the "Cars") and wish to show for the public record the existence of Schedule No. 02 dated as of July 7, 2008, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers as of the date set forth above.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the date set forth above.

BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: 

Name: Larry Littlefield

Title: Vice President

OHIO POWER COMPANY, as Lessee 

By: 

Name: C. E. Zebula

Title: Vice President

STATE OF OHIO)

) SS:

COUNTY OF FRANKLIN)

On 8/21, 2008, before me, Diane P. Reichle Notary Public, personally appeared CS Zebula, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Diane P. Reichle



DIANE P. REICHLÉ
Notary Public, State of Ohio
COMMISSION EXPIRES 12/12/2009

STATE OF New York)
)
COUNTY OF New York)

SS:

On 9/11, 2008, before me, Indra Bedasie, Notary Public, personally appeared Larry Cottaford, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Indra Bedasie

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate Filed in New York County
Commission Expires October 19, 2010

EXHIBIT A

MEMORANDUM OF NET RAILCAR LEASE

<u>Quantity of Cars</u>	<u>Car Description</u>	<u>Reporting Mark and Numbers</u>
Thirty (30)	Aluminum body BethGon II gondolas, with a 4520 CF capacity, 286,000 GRL, AAR Car Type Code J311, built by Freight Car America in 2007	AEPX 11251 - 11280

Ohio Power

30 cars

Old Car		New Car	
Mark	Number	Mark	Number
BNBX	121398	AEPX	11251
BNBX	121399	AEPX	11252
BNBX	121401	AEPX	11253
BNBX	121402	AEPX	11254
BNBX	121456	AEPX	11255
BNBX	121620	AEPX	11256
BNBX	121621	AEPX	11257
BNBX	121622	AEPX	11258
BNBX	121623	AEPX	11259
BNBX	121624	AEPX	11260
BNBX	121625	AEPX	11261
BNBX	121626	AEPX	11262
BNBX	121627	AEPX	11263
BNBX	121628	AEPX	11264
BNBX	121629	AEPX	11265
BNBX	121630	AEPX	11266
BNBX	121631	AEPX	11267
BNBX	121632	AEPX	11268
BNBX	121633	AEPX	11269
BNBX	121634	AEPX	11270
BNBX	121635	AEPX	11271
BNBX	121636	AEPX	11272
BNBX	121637	AEPX	11273
BNBX	121638	AEPX	11274
BNBX	121639	AEPX	11275
BNBX	121640	AEPX	11276
BNBX	121641	AEPX	11277
BNBX	121642	AEPX	11278
BNBX	121643	AEPX	11279
BNBX	121644	AEPX	11280

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: 9/24/08



Robert W. Alvord