

RECORDATION NO. 17156-C FILED

SEP 28 '01 4-08 PM

TC
SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

September 28, 2001

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 Chattel Mortgage on Railcar Equipment and Assignment of Security Interest in Railcar Equipment, dated as of September 28, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Railcar Equipment Lease which was previously filed with the Board under Recordation Number 17156.

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

Mortgagee: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York 10036

Mortgagor: Babcock & Brown Rail Funding, LLC
599 Lexington Avenue, 45th Floor
New York, New York 10022

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

One hundred and seven (107) gondola cars: CWEX 640000 - CWEX 640109 inclusive, but excluding CWEX 640007, CWEX 640036 and CWEX 640052.

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Mr. Vernon A. Williams
September 28, 2001
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A short summary of the document to appear in the index is:

Memorandum of Chattel Mortgage on Railcar Equipment and Assignment
of Security Interest in Railcar Equipment.

Also enclosed is a check in the amount of \$28.00 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

**MEMORANDUM OF CHATTEL MORTGAGE ON RAILCAR EQUIPMENT AND
ASSIGNMENT OF SECURITY INTEREST IN RAILCAR EQUIPMENT LEASE**

THIS MEMORANDUM OF CHATTEL MORTGAGE ON RAILCAR EQUIPMENT AND ASSIGNMENT OF SECURITY INTEREST IN RAILCAR EQUIPMENT LEASE, dated as of this 28th day of September, 2001, is made by The CIT Group/Equipment Financing, Inc., a Delaware corporation, with an office at 1211 Avenue of the Americas, New York, NY 10036 ("CIT"), and Babcock & Brown Rail Funding LLC, a Delaware limited liability company, with an office at 599 Lexington Avenue, New York, NY 10022 ("Babcock, and, together with CIT, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, CIT has this date sold its interest in certain railcars identified on Schedule 1 hereto to Babcock (the "Equipment"); and

WHEREAS, CIT has assigned to Babcock and Babcock has assumed from CIT all CIT's right, title and interest under that certain railcar equipment lease (as more fully described on Schedule 1 hereto, the "Lease") covering the Equipment currently on lease to Exelon Generation Company, LLC; and

WHEREAS, in order to secure payment of the purchase price for the Equipment and the Lease, Babcock has delivered a note and a chattel mortgage granting to CIT a security interest in all of Babcock's right, title and interest in and to the Equipment, the Lease and all rents and other proceeds thereof.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, by this instrument CIT and Babcock hereby confirm the grant to CIT of the chattel mortgage over the Equipment, the Lease and all rents and other proceeds thereof to CIT.

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: 
Name: GEORGE CASHMAN
Title: SENIOR VICE PRESIDENT

BABCOCK & BROWN RAIL FUNDING LLC

By: _____
Name: _____
Title: _____

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SURFACE TRANSPORTATION BOARD

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 27th day of September, 2001, before me personally appears _____
George Cashman, to me personally known, who by me duly sworn, says that
he/she is the SVP of THE CIT GROUP/EQUIPMENT FINANCING,
INC., ("CIT"), that the foregoing instrument was signed on behalf of said corporation by
authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Indra Bedasie
Notary Public

[SEAL]

My Commission expires: Oct 19, 2002

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate filed in New York County
Commission Expires Oct. 19, 2002

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ___ day of September, 2001, before me personally appears _____
_____, to me personally known, who by me duly sworn, says that
he/she is the _____ of BABCOCK & BROWN RAIL FUNDING LLC,
("Babcock"), that the foregoing instrument was signed on behalf of said limited liability
company by authority of _____, and he/she acknowledged that the execution of the
foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

[SEAL]

My Commission expires:

**MEMORANDUM OF CHATTEL MORTGAGE ON RAILCAR EQUIPMENT AND
ASSIGNMENT OF SECURITY INTEREST IN RAILCAR EQUIPMENT LEASE**

THIS MEMORANDUM OF CHATTEL MORTGAGE ON RAILCAR EQUIPMENT AND ASSIGNMENT OF SECURITY INTEREST IN RAILCAR EQUIPMENT LEASE, dated as of this 23rd day of September, 2001, is made by The CIT Group/Equipment Financing, Inc., a Delaware corporation, with an office at 1211 Avenue of the Americas, New York, NY 10036 ("CIT"), and Babcock & Brown Rail Funding LLC, a Delaware limited liability company, with an office at 599 Lexington Avenue, New York, NY 10022 ("Babcock, and, together with CIT, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, CIT has this date sold its interest in certain railcars identified on Schedule 1 hereto to Babcock (the "Equipment"); and

WHEREAS, CIT has assigned to Babcock and Babcock has assumed from CIT all CIT's right, title and interest under that certain railcar equipment lease (as more fully described on Schedule 1 hereto, the "Lease") covering the Equipment currently on lease to Exelon Generation Company, LLC; and

WHEREAS, in order to secure payment of the purchase price for the Equipment and the Lease, Babcock has delivered a note and a chattel mortgage granting to CIT a security interest in all of Babcock's right, title and interest in and to the Equipment, the Lease and all rents and other proceeds thereof.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, by this instrument CIT and Babcock hereby confirm the grant to CIT of the chattel mortgage over the Equipment, the Lease and all rents and other proceeds thereof to CIT.

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____
Name: _____
Title: _____

BABCOCK & BROWN RAIL FUNDING LLC

By: 
Name: Lawrence Littlefield
Title: Vice President

STATE OF NEW YORK)
)
) SS:
COUNTY OF NEW YORK)

On this ___ day of September, 2001, before me personally appears _____, to me personally known, who by me duly sworn, says that he/she is the _____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., ("CIT"), that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

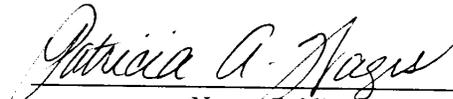
[SEAL]

My Commission expires:

STATE OF NEW YORK)
)
) SS:
COUNTY OF NEW YORK)

On this 27th day of September, 2001, before me personally appears Lawrence Littlefield, to me personally known, who by me duly sworn, says that he is the Vice President of BABCOCK & BROWN RAIL FUNDING LLC, ("Babcock"), that the foregoing instrument was signed on behalf of said limited liability company by authority of its officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

[SEAL]

My Commission expires:

PATRICIA A. WAGES
Notary Public, State of New York
No. 01WA6051049
Qualified in Queens County
Commission Expires: November 13, 20__ *W*

SCHEDULE 1
TO MEMORANDUM OF CHATTEL MORTGAGE ON RAILCAR EQUIPMENT
AND ASSIGNMENT OF SECURITY INTEREST IN RAILCAR EQUIPMENT
LEASE
DATED AS OF SEPTEMBER 28, 2001

EQUIPMENT

One hundred seven (107) 4270 CF Aluminum Gondola Railcars marked CWEX 640000 through 640006 (both inclusive), CWEX 640008 through 640035 (both inclusive), CWEX 640037 through 640051 (both inclusive) and CWEX 640053 through 640109 (both inclusive).

LEASE

Master Lease Agreement, dated December 27, 1990, between The CIT Group/Equipment Financing, Inc., and Exelon Generation Company, LLC (as successor in interest to Commonwealth Edison Company), as lessee.