

RECORDATION NO. 23967 FILED

MAY 9 '02

12-36 PM

**SURFACE TRANSPORTATION BOARD**

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

OF COUNSEL  
URBAN A. LESTER

May 9, 2002

Julia Farr, Esq.  
Office of Proceedings  
Surface Transportation Board  
Washington, D.C. 20423

Dear Ms. Farr:

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 May 9, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Debtor:                   The Freight Leasing Partnership, LLP  
                              c/o Train Leasing Limited  
                              P.O. Box 1093 GT  
                              Queensgate House  
                              South Church Street  
                              Grand Cayman  
                              Cayman Islands

Secured Party:       Lombard North Central plc  
                              Corporate Finance Division  
                              No 2 Waterhouse Square  
                              138-142 Holborn  
                              London EC1N 2th  
                              England

Julia Farr, Esq.  
May 9, 2002  
Page 2

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

One thousand one hundred and sixty-two (1162) railcars bearing CEFX, CHTT, JTSX and RGCX reporting marks and assorted road numbers, as particularly shown in Exhibit A attached to the Memorandum of Mortgage.

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

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 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

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MEMORANDUM OF MORTGAGE

**SURFACE TRANSPORTATION BOARD**

Memorandum of Mortgage, made and entered into as of May 9, 2002, between **THE FREIGHT LEASING PARTNERSHIP, LLP** (the "**Debtor**") and **LOMBARD NORTH CENTRAL plc**, as Indenture Trustee under the Trust Indenture referred to below (together with its successors and permitted assigns, the "**Indenture Trustee**"). Terms used in this instrument have the meanings assigned thereto in the Trust Indenture and Security Agreement (U.S. INTOL RAIL IV) dated as of May 9, 2002 among the Debtor, the Indenture Trustee, Blues Limited, Silentdale Limited, Train Leasing Limited, Lloyds TSB Leasing Limited and The Royal Bank of Scotland plc, New York Branch.

WITNESSETH:

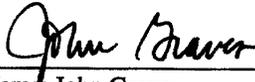
The undersigned has entered into the Trust Indenture, by which it has granted a first priority security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Indenture Trustee in order to secure the obligations as described in the Trust Indenture.

\* \* \*

[Memorandum of Mortgage]

**IN WITNESS WHEREOF**, the Debtor has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**THE FREIGHT LEASING PARTNERSHIP,  
LLP,**  
by **Train Leasing Limited**, its general partner

By:   
Name: John Graves  
Title: Attorney-in-fact

[Memorandum of Mortgage]

STATE OF NEW YORK     )  
  )  
COUNTY OF NEW YORK    )

On the 6th day of May in the year 2002 before me personally came John Graves to me known, who, being by me duly sworn, did depose and say that he resides at 978 Second Avenue, New York, NY 10022; that he is the attorney in fact duly appointed of The Freight Leasing Partnership, LLP, the partnership described in and which executed the above instrument; and that he signed his their name thereto by authority of the partners of said partnership.

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

[Notarial Seal]

**KAREN A. HOULIHAN**  
Notary Public, State of New York  
No. 01HO6051904  
Qualified in New York County  
Commission Expires December 4, 2002

**Exhibit A**

**Units**

**EQUIPMENT**

<b><u>Lease #</u></b>	<b><u># Cars</u></b>	<b><u>Year Built</u></b>	<b><u>Description</u></b>	<b><u>Reporting Marks</u></b>	<b><u>Casualty Marks</u></b>
1	117	49 in 1999 68 in 2000	5,150 CF covered hopper railcars with gravity gates and trough hatches, manufactured by Thrall.	1999 built: CEFX 12021, 12023, 12035, 12038-12040, inclusive; 12044, 12048, 12053, 12056, 12090, 12093, 12095, 12097, 12100-12101, inclusive; 12104, 12106, 12107, 12109, 12110, 12112, 12114, 12116, 12121, 13051-13052, inclusive; 13054, 13056, 13057, 13059, 13063, 13123, 13127, 13128, 13131-13135, inclusive; 13137, 13145, 13147-13148, inclusive; 13150, 13153, 13161, 13166, and 13185.  2000 built: 13711-13753, inclusive; and 13755-13779, inclusive.	None.
2	30	2000	5,660 CF P.D. covered hopper railcars, manufactured by Thrall.	CEFX 75711, 75715-75716, inclusive; 75725-75750, inclusive, and 75755.	None.
3	20	2000	5,660 CF P.D. covered hopper railcars lined with Sigma 5476, manufactured by Thrall.	CEFX 75768-75770, inclusive; 75781-75784, inclusive; 75787, 75793, 75796, 75799-75800, inclusive; 75803, 75811-75814, inclusive; 75816-75817, inclusive; and 75819.	None.

05/08/02

## EQUIPMENT

<u>Lease #</u>	<u># Cars</u>	<u>Year Built</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
4	200	1998	3,250 CF covered hopper railcars with gravity gates and round hatches, manufactured by Thrall.	CEFX 80000-80199, inclusive.	None.
5	100	2001	3,230 CF P.D. covered hopper railcars, manufactured by Thrall.	CEFX 95520-95619, inclusive.	None.
6	125	2 in 1995 123 in 1999	4,480 CF aluminum coal gondola railcars, manufactured by Johnstown America.	1995 built: CEFX 43191 and 43214. 1999 built: CEFX 40988, 41007, 41058, 41060, -41115, inclusive; 41117-41129, inclusive; 41133, 41136, 41143-41158, inclusive; 41160-41179, inclusive; 41181-41189, inclusive; 41227, 41255, and 41316-41317, inclusive.	None.
7	240	1998	Autoflood coal railcars, manufactured by Johnstown America.	CHTT 503001-503240, inclusive.	None.

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## EQUIPMENT

<u>Lease #</u>	<u># Cars</u>	<u>Year Built</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
8	195	1998	Bethgon coal gondola railcars, manufactured by Johnstown America.	CHTT 503241, 503246, 503248-503252, inclusive; 503255-503257, inclusive; 503261-503264, inclusive; 503268-503280, inclusive; 503282, 503284, 503285, 503287-503296, inclusive; 503298-503303, inclusive; 503309, 503312, 503313, 503316, 503318, 503319, 503321-503324, inclusive; 503326-503343, inclusive; 503345, 503348-503350, inclusive; 503354, 503357, 503362-503389, inclusive; 503391-503449, inclusive; 503451-503458, inclusive; 503460-503465, inclusive; and 503467-503480, inclusive.	CHTT 503242-503245, inclusive; 503247, 503253, 503254, 503258-503260, inclusive; 503265-503267, inclusive; 503281, 503283, 503286, 503297, 503304-503308, inclusive; 503310, 503311, 503314, 503315, 503317, 503320, 503325, 503344, 503346, 503347, 503351-503353, inclusive; 503355, 503356, 503358-503361, inclusive; 503390, 503450, 503459, and 503466.
9	25	1998	3,260 CF two-pocket covered hopper railcars, manufactured by Trinity Industries.	RGCX 1118-1142, inclusive.	None.
10	110	1993	4,000 CF 286,000 GRL aluminum open top hopper railcars, manufactured by Trinity Industries.	JTSX 300115-300224, inclusive.	None.

## **EXHIBIT B**

### Lease

#### **LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS**

##### Lease No. 1 – Louis Dreyfus Corporation

Master Railcar Lease made as of July 28, 2000 effective as of September 26, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Louis Dreyfus Corporation.

Schedule No. 02 to Master Railcar Lease made as of September 11, 2000.

Amendment No. 1 to Schedule No. 02 to Master Railcar Lease dated as of April 26, 2002.

Memorandum of Railcar Lease dated as of September 11, 2000, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Louis Dreyfus Corporation.

##### Lease No. 2 – ConAgra, Inc. #1

Master Railcar Lease made as of April 30, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

Schedule No. 08 to Master Railcar Lease made as of July 30, 2001.

Memorandum of Railcar Lease dated as of July, 30, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc., d/b/a ConAgra Foods, Inc.

##### Lease No. 3 – ConAgra, Inc. #2

Master Railcar Lease made as of April 30, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

Schedule No. 09 to Master Railcar Lease made as of December 6, 2001.

Memorandum of Railcar Lease dated as of December 6, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and ConAgra, Inc.

##### Lease No. 4 – GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation)

Master Railcar Lease made as of February 11, 1998, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Schedule No. 03 to Master Railcar Lease made as of June 26, 2001.

Memorandum of Railcar Lease dated as of June 26, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation).

Lease No. 5 – Boral Material Technologies, Inc.

Master Railcar Lease made as of April 23, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Boral Material Technologies, Inc.

Schedule No. 02 to Master Railcar Lease made as of February 14, 2001.

Memorandum of Railcar Lease dated as of February 14, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Boral Material Technologies, Inc.

Lease No. 6 – Kansas City Power and Light Company

Master Railcar Lease made as of May 2, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Kansas City Power and Light Company.

Schedule No. 01 to Master Railcar Lease dated as of May 2, 2001.

Amendment No. 1 to Schedule No. 01 to Master Railcar Lease dated as of April 25, 2002.

Memorandum of Railcar Lease dated as of May 2, 2001, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Kansas City Power and Light Company.

Lease No. 7 – Union Pacific Railroad Company #1

Master Railcar Lease made as of November 11, 198 and effective as of January 1, 1998, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Union Pacific Railroad Company.

Schedule No. 06 to Master Railcar Lease made as of November 12, 1999.

Memorandum of Railcar Lease dated as of November 12, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Union Pacific Railroad Company.

Lease No. 8 – Union Pacific Railroad Company #2

Master Railcar Lease made as of November 11, 1998 and effective as of January 1, 1998, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Union Pacific Railroad Company.

Schedule No. 07 to Master Railcar Lease made as of November 12, 1999.

Memorandum of Railcar Lease dated as of November 12, 1999, between Babcock & Brown Rail Funding LLC (as assignee of The CIT Group/Equipment Financing, Inc.) and Union Pacific Railroad Company.

Lease No. 9 – Lone Star Industries, Inc.

Railcar Net Leasing Agreement dated February 12, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Lone Star Industries, Inc.

Exhibit A Rider 2 to Railcar Net Leasing Agreement dated September 2, 1998.

Addendum #1 to Rider 2 to Railcar Net Leasing Agreement dated February 8, 1999.

Assignment and Assumption Agreement dated as of December 18, 2001, between Rio Grande Chemical Sales Company and Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.).

Memorandum of Assignment and Assumption Agreement made and entered into as of December 18, 2001, between Rio Grande Chemical Sales Company and Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.).

Bill of Sale dated as of December 20, 2001, by Rio Grande Chemical Sales Company in favor of Joseph Transportation Services.

Lease No. 10 – Marathon Ashland Petroleum, LLC

Railroad Equipment Lease dated as of January 23, 2002, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Marathon Ashland Petroleum, LLC.

Memorandum of Railroad Equipment Lease entered into January 23, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Joseph Transportation Services, Inc.) and Marathon Ashland Petroleum, LLC.

Bill of Sale dated as of January 25, 2002, by National City Leasing Corporation in favor of Joseph Transportation Services, Inc.

Certificate of Acceptance dated as of February 14, 2002, covering 29 Aluminum Open Top Hoppers.

Certificate of Acceptance dated as of March 1, 2002, covering 39 Aluminum Open Top Hoppers.

Certificate of Acceptance dated as of March 22, 2002, covering 40 Aluminum Open Top Hoppers.

Certificate of Acceptance dated as of March 27, 2002, covering 2 Aluminum Open Top Hoppers.

**CERTIFICATION**

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy of a Memorandum of Mortgage with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: May 9, 2002

Edward M. Luria  
Edward M. Luria