ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

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

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 26061-K FILED

FEB 10 '06 12-17 PM

SURFACE TRANSPORTATION BOARD

February 10, 2006

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 February 10, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 26061-A.

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

Lender: DVB Bank AG
609 Fifth Avenue
New York, New York 10017

Borrower: PLM Financial Services, Inc.
1889 Sunset Boulevard
San Diego, California 92103

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

5 locomotives: KCS 4013, KCS 4016 - KCS 4018 and KCS 4029.

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

Memorandum of Mortgage.

Also enclosed is a check in the amount of $33.00 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

RECORDATION NO. 26061-K FILED

FEB 10 '06 12-17 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF MORTGAGE

Memorandum of Mortgage, made and entered into as of February 10, 2006 between **PLM FINANCIAL SERVICES, INC.** (the "**Borrower**") and **DVB BANK AG** (the "**Lender**"). Terms used in this instrument have the meanings assigned thereto in the Loan and Security Agreement dated as of December 23, 2005 (as supplemented, including by Security Agreement Supplement No. 6 dated the date hereof, the "**Security Agreement**") between the Lender and the Borrower.

WITNESSETH:

The undersigned and the Lender have entered into the Security Agreement, by which the Borrower 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 Lender in order to secure the Borrower'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.

PLM FINANCIAL SERVICES, INC.

By _____
Name: Paul M. Leand, Jr.
Title: President

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

On the 10th day of February in the year 2006 before me personally came Paul M. Leand, Jr. to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is the President (duly appointed) of PLM Financial Services, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said corporation.

Katia L. Sperduto
Notary Public

[Notarial Seal]

KATIA L. SPERDUTO
Notary Public, State of New York
No. 01SP6099088
Qualified in Queens County
Commission Expires September 22, 2007

Exhibit A
to Memorandum of Mortgage

EQUIPMENT

Lease #	# Locomotives	Year Built	Description	Reporting Marks	Casualty Marks
1	5	2006	SD70ACe Model 4300 Horsepower Six Motor AC Traction Diesel-Electric Locomotives	KCS 4013, 4016, 4017, 4018 and 4029	None

Exhibit B
to Memorandum of Mortgage

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease # 1

Equipment Lease Agreement, dated as of December 23, 2005, between the Borrower, as Lessor, and The Kansas City Southern Railway Company, as Lessee (the "**Lessee**"), to the extent the same relates to the Equipment described in Exhibit A hereto.

Memorandum of Lease, dated as of February 10, 2006, between the Borrower and the Lessee, in respect of the Equipment described in Exhibit A hereto.

Purchase Agreement, dated February 15, 2005, between Electro-Motive Diesel, Inc. (as successor to Electro-Motive Division of General Motors Corporation), as Seller (the "**Manufacturer**"), and the Lessee, as Buyer, to the extent the same relates to the Equipment described in Exhibit A hereto.

Assignment of Purchase Agreement, dated as of December 23, 2005, by the Lessee in favor of the Borrower, to the extent the same relates to the Equipment described in Exhibit A hereto.

Each Bill of Sale dated as of February 10, 2006, from the Manufacturer to the Borrower and each Certificate of Acceptance executed by the Borrower in relation to the railcars identified in such Bills of Sale.

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 Borrower 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: February 10, 2006

Robert W. Alvord