

RECORDATION NO. 26727-C FILED

DEC 21 '08 -2 4 5 PM

SURFACE TRANSPORTATION BOARD

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

December 21, 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 Security Assignment, dated as of December 21, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Car Lease Agreement being filed with the Board under Recordation Number 26727.

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

Assignor: Greenbrier Leasing Company LLC
One Centerpointe Drive
Suite 200
Lake Oswego, Oregon 97035

Assignee: ARH 2006-1, LLC
c/o AllCapital (US), LLC
780 Third Avenue, Suite 701
New York, New York 10017

Mr. Vernon A. Williams
December 21, 2006
Page 2

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

250 boxcars: AOK 111850 - AOK 111949 and AOK 112150 - AOK 112299 and the subleases with respect thereto, to wit:

(a) Rider No. 2 to Eastern Maine Lease between Greenbrier Leasing Company LLC as lessor and Eastern Maine Railway Company as lessee dated May 2, 2006 and effective March 22, 2006, with respect to railcars marked and numbered AOK 111850 through AOK 111949, inclusive, and

(b) Rider No. 12 to MDW Lease between Greenbrier Leasing Corporation as lessor and Minnesota, Dakota & Western Railway Company as lessee dated April 1, 2006, with respect to railcars marked and numbered AOK 112150 through AOK 112199, inclusive.

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

Security Assignment.

Also enclosed is a check in the amount of \$34.00 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

DEC 21 '06

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EXECUTION TEXT

SECURITY ASSIGNMENT

SURFACE TRANSPORTATION BOARD

This SECURITY ASSIGNMENT, dated as of December 21, 2006 (this "Assignment"), is made by GREENBRIER LEASING COMPANY LLC, an Oregon limited liability company ("Assignor"), in favor of ARH 2006-1, LLC, a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignor and Assignee have entered into the Master Lease Agreement, dated as of December 21, 2006 (the "Lease Agreement"), as supplemented by Schedules 01 and 02 thereto, each dated December 21, 2006 and each incorporating the terms of the Lease Agreement (the "Schedules"); the terms defined therein and not otherwise defined herein shall have the meaning as therein defined and the rules of usage set forth therein shall apply hereto;

WHEREAS, Assignor has previously entered into three distinct leases with respect to the Cars, which leases (and the Cars subject thereto) are described in Annex 1 hereto as Sublease 1, Sublease 2 and Sublease 3 (such leases, as from time to time amended, being hereinafter, with respect to the initial terms thereof, referred to collectively as the "Subleases"); and

WHEREAS, in order to secure further Assignee in relation to the performance by Assignor of Assignor's obligations under the Schedules, Assignor is willing to provide Assignee a security interest in the Collateral (as defined below);

NOW, THEREFORE, in consideration of the premises and in consideration of mutual covenants contained in the Schedules, Assignor hereby agrees as follows:

SECTION 1. Grant of Security. As security for the due and punctual performance by Assignor of the Secured Obligations (as defined in Section 2), Assignor hereby grants, pledges, transfers and conveys unto Assignee a security interest in and pledge of, all of Assignor's right, title and interest in, to and under (a) the Subleases, (b) all rents and other income of the Subleases and (c) all proceeds thereof including insurance and requisition proceeds (collectively, the "Collateral").

SECTION 2. Security for Secured Obligations. This Assignment secures the performance by Assignor of Assignor's obligations under the Schedules, including, without limitation, the obligations of Assignor to pay Rent and Additional Rent and to perform its non-monetary obligations thereunder (all such obligations of Assignor being the "Secured Obligations"). The security interest and pledge granted in respect of the Collateral pursuant to Section 1 may be enforced at any time during the continuance of a default specified in Section 15 of the Lease Agreement or of a default of Assignor hereunder. Without limiting the generality of the foregoing, this Assignment secures the performance of the Secured Obligations as the same would be due by Assignor to Assignee under the Schedules but for the fact that such Secured Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Assignor.

SECTION 3. Further Assurances. Assignor agrees that from time to time, at the expense of Assignee, Assignor will promptly execute and deliver all further instruments and documents, and take all further action in the United States, that may be necessary or that Assignee may reasonably request, in order to perfect and protect the security interest and pledge granted or purported to be granted hereby or to enable Assignee to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Without limiting the generality of the foregoing, Assignor will at Assignee's expense execute such financing or continuation statements, or amendments thereto, and such other instruments or notices, including with the Surface Transportation Board, as may be necessary or as Assignee may reasonably request, in order to perfect and preserve the security interest and pledge granted hereby.

SECTION 4. Assignee's Duties. The powers conferred on Assignee hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.

SECTION 5. Remedies. If any default specified in Section 15 of the Lease Agreement or breach of Assignor hereunder shall have occurred and be continuing, all rents and other payments arising under the Subleases and proceeds thereof shall be turned over to Assignee (or as Assignee may direct), and Assignee will apply the same to any of the Secured Obligations in such order as it may elect; and, without limitation of the foregoing, Assignee may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it under applicable law, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time (the "UCC"), it being agreed for this purpose that, in connection with any public or private sale of the Collateral in connection with the exercise of such remedies, at least ten (10) days' notice to Assignor of the time and place of such sale shall constitute reasonable notification.

SECTION 6. Amendments, Etc. No amendment or waiver of any provision of this Assignment, and no consent to any departure by Assignor herefrom, shall in any event be effective unless the same shall be in writing and signed by Assignee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7. Addresses for Notices. All notices required or permitted by the terms hereof shall be in writing and shall be deemed to have been duly given if delivered or mailed by certified mail, return receipt requested, postage prepaid to the other party, or sent by facsimile (confirmed promptly in writing), at its address or facsimile number set out in the Lease Agreement or to any future address or facsimile number notified to the other party hereto.

SECTION 8. Continuing Security Interest; Sublease Term. This Assignment shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect with respect to the Collateral until the performance in full of the Secured Obligations, (ii) be binding upon Assignor, its successors and assigns and (iii) inure to the benefit of, and be enforceable by, Assignee and its successors, transferees and assigns. Without limitation of the foregoing, Assignor acknowledges that Assignee will grant a security interest in its right, title and interest hereunder and under the Collateral as additional security to Wells Fargo Bank Northwest, National Association, for its obligations under financings in connection with Assignee's purchase of the Cars. Upon the performance in full of the Secured Obligations, the security interest and pledge granted hereby shall terminate and all rights to the Collateral shall revert to Assignor. Upon any such termination, Assignee will, at Assignee's expense, execute and deliver to Assignor such documents as Assignor shall reasonably request to evidence such termination.

SECTION 9. Governing Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance. Unless otherwise defined, terms used in Article 9 of the UCC are used herein as therein defined.

SECTION 10. Certain Representations and Covenants. (a) Assignor hereby represents and warrants that it has delivered to Assignee Assignor's original of Rider No. 2 in connection with Sublease 1 and a true copy of the related documentation referenced in Annex 1 to this Assignment, its original of Rider No. 12 in connection with Sublease 2 and a true copy of the related documentation referenced in Annex 1 to this Assignment, and a true copy of the facsimile letter agreement in connection with Sublease 3 and a true copy of the related documentation referenced in Annex 1 to this Assignment, and in each case such documentation constitutes the complete documentation for the Subleases and has not been amended or waived except as indicated in Annex 1 to this Assignment; that it has the right as the lessor under the Subleases to pledge the Collateral; that the Collateral has not been encumbered; that no consent of any governmental body or other person is required in connection with the entry into and performance by Assignor of this Assignment; and that there has been no prepayment of any rentals under the Subleases. Assignor hereby covenants that, unless it shall have obtained the consent of Assignee

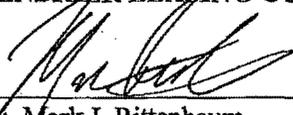
therefor, which consent shall not be unreasonably withheld, (i) it shall not amend or waive any term of any Sublease in a manner detrimental to Assignee or Assignee's financiers, and (ii) it shall not accept any prepayment of rentals under the Subleases.

(b) Assignee agrees that it shall not give any notice of this Assignment to any obligor under any of the Subleases unless Assignor shall be in default under this Assignment or the Schedules.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor has caused this Security Assignment to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GREENBRIER LEASING COMPANY LLC

By: 

Name: Mark J. Rittenbaum

Title: Vice President

ACCEPTED AND AGREED
AS OF THE DATE FIRST
ABOVE WRITTEN

ARH 2006-1, LLC

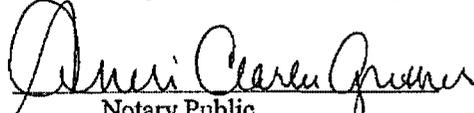
By: _____

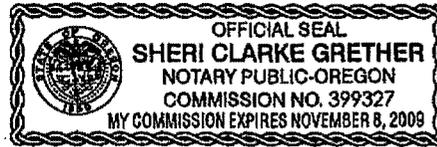
Name:

Title:

STATE OF OREGON)
) ss.:
COUNTY OF CLACKAMAS)

On this 20 day of December, 2006, before me appeared Mark J. Rittenbaum, the person who signed this instrument, who acknowledged that he is a Vice President of Greenbrier Leasing Company LLC (the "Company"), and that being duly authorized by the Company, s/he signed such instrument as a free act on behalf of the Company with the intention of binding the Company to the terms and provisions thereto.


Notary Public



STATE OF _____)
) ss.:
COUNTY OF _____)

On this ___ day of _____, 200_, before me appeared _____, the person who signed this instrument, who acknowledged that he is _____ of _____ (the "Company"), and that being duly authorized by the Company, s/he signed such instrument as a free act on behalf of the Company with the intention of binding the Company to the terms and provisions thereto.

Notary Public

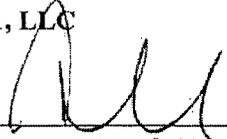
IN WITNESS WHEREOF, Assignor has caused this Security Assignment to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GREENBRIER LEASING COMPANY LLC

By: _____
Name:
Title:

ACCEPTED AND AGREED
AS OF THE DATE FIRST
ABOVE WRITTEN

ARH 2006-1, LLC

By:  _____
Name: **RAYMOND KWOK**
Title: **MANAGER**

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ___ day of _____, 200_, before me appeared _____, the person who signed this instrument, who acknowledged that he is _____ of _____ (the "Company"), and that being duly authorized by the Company, s/he signed such instrument as a free act on behalf of the Company with the intention of binding the Company to the terms and provisions thereto.

Notary Public

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

On this 20th day of DECEMBER, 2006, before me appeared RAYMOND KWOK, the person who signed this instrument, who acknowledged that he is MANAGER of ARH 2006-1, LLC (the "Company"), and that being duly authorized by the Company, s/he signed such instrument as a free act on behalf of the Company with the intention of binding the Company to the terms and provisions thereto.



Notary Public

CHARLES E. KNAPP
Notary Public, State of New York
No. 02KN4994768
Qualified in Westchester County
Commission Expires April 13, 2010

Subleases

Sublease 1

Rider No. 2 dated May 2, 2006, and effective March 22, 2006, to that certain Lease Agreement dated March 20, 2006 and effective as of August 1, 2005 (the "Lease Agreement"), by and between Greenbrier Leasing Company LLC ("GLC") as lessor and Eastern Maine Railway Company ("EMR") as lessee, pursuant to which EMR is leasing one hundred (100) 50-foot, 286,000 GRL, Plate F boxcars with 12-foot single plug doors and 60K nailable steel floors, built in 2006, and marked and numbered AOK 111850 through AOK 111949. The terms of the Lease Agreement are incorporated into Rider No. 2 by reference.

Sublease 2

Rider No. 12 dated April 1, 2006, to that certain Master Lease Agreement dated November 19, 1997 (the "Lease Agreement"), between Greenbrier Leasing Company LLC, formerly known as Greenbrier Leasing Corporation ("GLC"), as lessor and Minnesota, Dakota & Western Railway Company ("MDW") as lessee, pursuant to which MDW is leasing fifty (50) 60-foot, 286,000 GRL, Plate F boxcars with double 8-foot plug doors and 60K nailable steel floors, built in 2005, and marked and numbered AOK 112150 through AOK 112199. The terms of the Lease Agreement are incorporated into Rider No. 12 by reference.

Sublease 3

That certain letter agreement dated October 27, 2005, between Greenbrier Leasing Corporation ("GLC") as lessor and Minnesota, Dakota & Western Railway Company ("MDW") as lessee, pursuant to which MDW originally leased one hundred fifty (150) 60-foot, 286,000 GRL, Plate F boxcars with double 8-foot plug doors and 60K nailable steel floors, built in 2005, and marked and numbered AOK 112150 through AOK 112299 and is currently leasing one hundred (100) of such boxcars marked and numbered AOK 112200 through AOK 112299. MDW's lease of the railcars pursuant to the letter agreement is governed by the terms of that certain Master Lease Agreement dated November 19, 1997 between GLC and MDW with changes in points of detail as set forth in the letter agreement.

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:

12/21/06



Robert W. Alvord