

RECORDATION NO. 29494-B

MAR 31 '11 -2 45 PM

SURFACE TRANSPORTATION BOARD

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

March 31, 2011

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S W.
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Lease Assignment, dated as of March 28, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the documents filed with the Board under Recordation Number 29494

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

Lender. Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue
Minneapolis, Minnesota 55479

Borrower: ALF II, Inc
c/o RESIDCO
70 West Madison Street, Suite 2340
Chicago, Illinois 60602

Chief, Section of Administration
March 31, 2011
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A description of the railroad equipment covered by the enclosed document
is:

134 coal gondola railcars: MBKX 300520 – MBKX 300653.

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

Memorandum of Security Agreement and Lease Assignment.

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,



Edward M Luria

RWA/EML/bhs
Enclosures

RECORDATION NO. 29494-B FILED

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of March 28, 2011,

between

**ALF II, INC.,
as Borrower**

and

**WELLS FARGO EQUIPMENT FINANCE, INC.,
as Lender**

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301**

MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT

THIS MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT, dated as of March 28, 2011, by and between ALF II, INC., an Illinois corporation ("Borrower"), and WELLS FARGO EQUIPMENT FINANCE, INC. ("Lender").

1. Lender has made a loan to Borrower pursuant to a Loan and Security Agreement dated as of the date hereof (as amended from time to time, the "Security Agreement").

2. Pursuant to the Security Agreement, Borrower grants to Lender a security interest in and assignment of all of Borrower's right, title and interest in, to and under (but none of its obligations with respect to), whether now owned or hereafter acquired:

(i) one hundred and thirty four (134) 2005 FreightCar America built Bethgon IIs aluminum coal gondolas, having Reporting marks and identifying numbers: MBKX 300520 – MBKX 300653 inclusive (all such railcars collectively, the "Railcars"), and all replacements and substitutions therefor and accessions thereto;

(ii) that certain Master Car Lease Agreement dated and effective as of April 20, 2000 (the "Master Lease") and Schedule No. 5 dated September 22, 2010 ("Schedule No. 5") (as further described in Annex A attached hereto, together with (x) any and all other exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, and (y) any other lease agreement from time to time entered into between Borrower and any lessee thereunder with respect to the Railcars, together with all related exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto) with respect to the Railcars, together with all related exhibits, amendments, addenda, instruments, guarantees, and other agreements related thereto, are referred to herein, collectively, the "Lease"), and the related lease documents;

(iii) any and all rent, casualty, indemnity and other payments due under the Lease and the related lease documents (other than any amounts payable to Borrower for its own account pursuant to any indemnity provisions in the Lease or related lease documents or any insurance proceeds payable under any public liability policies maintained by Lessee under the Lease that by their terms are payable directly to Borrower for its own account);

(iv) all of Borrower's rights and entitlements under the Lease and related lease documents, including, among other things, the right to receive notices and financial information, to give or withhold consents or waivers, to declare or waive any default and/or exercise all remedies thereunder and to take any and all other actions associated with the Lease and the related lease documents or the Railcars;

(v) all related accounts, chattel paper, guaranties, security deposits, collateral pledges, supporting obligations, deposit accounts and general intangibles; and

(vi) all proceeds of the foregoing.

3. This Memorandum of Security Agreement and Lease Assignment may be executed in any number of counterparts, each of which shall be an original, all of which when taken together

shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement and Lease Assignment to be executed by its duly authorized officer as of the date first above written.

ALF II, INC.
as Borrower

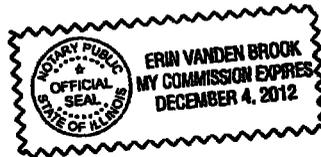
By: *[Signature]*
Name: Vincent A. Kotzer
Title: President

COUNTY OF Cook)
STATE OF Illinois)

to wit:

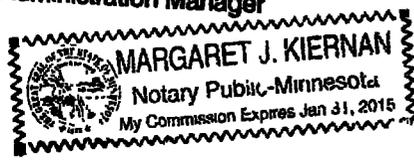
I hereby certify that on this 1st day of March, 2011, before me, personally appeared Vincent Kotzer, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the President of ALF II, INC., an Illinois corporation, and acknowledged that s/he, as such President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of ALF II, INC. by himself/herself as President.

[Signature]
Notary Public



WELLS FARGO EQUIPMENT FINANCE, INC.
as Lender

By: [Signature]
Name: **Jacqueline P. Barragan**
Title: **Vice President
Loan Administration Manager**



COUNTY OF Hennepin)
STATE OF Minnesota)

to wit:

I hereby certify that on this 28th day of March, 2011, before me, personally appeared Jacqueline Barragan to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the VP Loan Admin Mgr of Wells Fargo Equipment Finance, Inc., and acknowledged that s/he, as such VP Loan Admin Manager, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of Wells Fargo Equipment Finance, Inc. by himself/herself as VP Loan Admin Mgr.

[Signature]
Notary Public

EXHIBIT A

DESCRIPTION OF LEASE

- 1. Schedule No. 5 to Master Car Lease Agreement, dated September 22, 2010 ("Schedule No. 5"), between ALF II, Inc., as transferee of Mitsui Rail Capital, LLC ("Seller") (formerly known as MRC Rail Services, LLC), as lessor, and CSX Transportation, Inc. ("Lessee"), as lessee.**
- 2. Master Car Lease Agreement, dated and effective as of April 20, 2000, between Seller and Lessee.**

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: 3/31/11



Robert W Alvord