

RECORDATION NO. 29242-B FILED

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 29242.

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 P-III, Inc.
c/o RESIDCO
70 West Madison Street, Suite 2340
Chicago, Illinois 60602

Chief, Section of Administration
March 31, 2011
Page 2

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

144 railcars within the respective series MBKX 6678 - MBKX 6778 and MBKX 301037 - MBKX 301292 as more particularly set forth in the equipment schedule attached to the document.

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
Enclosures

RECORDATION NO. 29242-B FILED

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of March 28, 2011,

between

**ALF P-III, 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 P-III, 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 forty four (144) 2006 FreightCar America built Bethgon IIs aluminum gondolas, as further described in Annex A attached hereto (all such railcars collectively, the "Railcars"), and all replacements and substitutions therefor and accessions thereto;

(ii) that certain Full Service Lease Agreement dated as of February 25, 2008 (the "Master Lease") and Schedule 2 dated March 23, 2010 ("Schedule 2") (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.

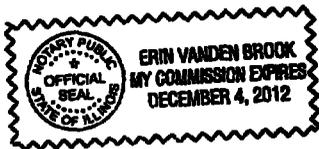
ALF P-III, INC.
as Borrower

By: *Vincent A. Kolva*
Name: Vincent A. Kolva
Title: President

COUNTY OF Cook)
STATE OF Illinois)

to wit:

I hereby certify that on this 3rd day of March, 2011, before me, personally appeared Vincent Kolva, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the President of ALF P-III, 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 P-III, INC. by himself/herself as President.



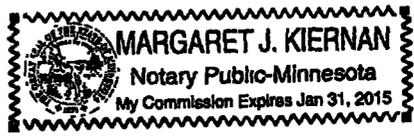
Erin Vandenberg
Notary Public

WELLS FARGO EQUIPMENT FINANCE, INC.
as Lender

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

COUNTY OF *Hennepin*)
STATE OF *Minnesota*)

to wit:



I hereby certify that on this *23rd* 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 *Vice President* of Wells Fargo Equipment Finance, Inc., and acknowledged that s/he, as such *VP, Loan Admin Mgr.* 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.*

Margaret J. Kiernan
Notary Public

EXHIBIT A

DESCRIPTION OF RAILCARS

One-hundred forty-four (144) railcars, bearing the following road marks and numbers:

<u>COUNT</u>	<u>MARK</u>	<u>NUMBER</u>	<u>COUNT</u>	<u>MARK</u>	<u>NUMBER</u>
1	MBKX	6678	36	MBKX	301172
2	MBKX	6691	37	MBKX	301174
3	MBKX	6709	38	MBKX	301175
4	MBKX	6746	39	MBKX	301176
5	MBKX	6778	40	MBKX	301177
6	MBKX	301037	41	MBKX	301178
7	MBKX	301071	42	MBKX	301179
8	MBKX	301096	43	MBKX	301180
9	MBKX	301114	44	MBKX	301181
10	MBKX	301118	45	MBKX	301182
11	MBKX	301123	46	MBKX	301183
12	MBKX	301125	47	MBKX	301184
13	MBKX	301126	48	MBKX	301185
14	MBKX	301127	49	MBKX	301186
15	MBKX	301128	50	MBKX	301187
16	MBKX	301129	51	MBKX	301188
17	MBKX	301130	52	MBKX	301189
18	MBKX	301141	53	MBKX	301190
19	MBKX	301151	54	MBKX	301191
20	MBKX	301155	55	MBKX	301192
21	MBKX	301156	56	MBKX	301193
22	MBKX	301157	57	MBKX	301194
23	MBKX	301158	58	MBKX	301195
24	MBKX	301159	59	MBKX	301196
25	MBKX	301160	60	MBKX	301197
26	MBKX	301162	61	MBKX	301198
27	MBKX	301163	62	MBKX	301199
28	MBKX	301164	63	MBKX	301200
29	MBKX	301165	64	MBKX	301201
30	MBKX	301166	65	MBKX	301202
31	MBKX	301167	66	MBKX	301203
32	MBKX	301168	67	MBKX	301204
33	MBKX	301169	68	MBKX	301205
34	MBKX	301170	69	MBKX	301206
35	MBKX	301171	70	MBKX	301207

<u>COUNT</u>	<u>MARK</u>	<u>NUMBER</u>	<u>COUNT</u>	<u>MARK</u>	<u>NUMBER</u>
71	MBKX	301208	111	MBKX	301256
72	MBKX	301209	112	MBKX	301257
73	MBKX	301210	113	MBKX	301258
74	MBKX	301212	114	MBKX	301259
75	MBKX	301213	115	MBKX	301260
76	MBKX	301215	116	MBKX	301261
77	MBKX	301217	117	MBKX	301262
78	MBKX	301218	118	MBKX	301263
79	MBKX	301219	119	MBKX	301264
80	MBKX	301220	120	MBKX	301265
81	MBKX	301221	121	MBKX	301266
82	MBKX	301222	122	MBKX	301267
83	MBKX	301224	123	MBKX	301268
84	MBKX	301225	124	MBKX	301269
85	MBKX	301226	125	MBKX	301270
86	MBKX	301227	126	MBKX	301271
87	MBKX	301229	127	MBKX	301272
88	MBKX	301230	128	MBKX	301273
89	MBKX	301231	129	MBKX	301274
90	MBKX	301232	130	MBKX	301275
91	MBKX	301233	131	MBKX	301276
92	MBKX	301234	132	MBKX	301277
93	MBKX	301235	133	MBKX	301278
94	MBKX	301236	134	MBKX	301279
95	MBKX	301237	135	MBKX	301280
96	MBKX	301238	136	MBKX	301281
97	MBKX	301239	137	MBKX	301282
98	MBKX	301240	138	MBKX	301283
99	MBKX	301241	139	MBKX	301284
100	MBKX	301242	140	MBKX	301286
101	MBKX	301243	141	MBKX	301287
102	MBKX	301244	142	MBKX	301288
103	MBKX	301245	143	MBKX	301291
104	MBKX	301247	144	MBKX	301292
105	MBKX	301248			
106	MBKX	301249			
107	MBKX	301250			
108	MBKX	301252			
109	MBKX	301254			
110	MBKX	301255			

DESCRIPTION OF LEASE

Full Service Lease Agreement dated as of February 25, 2008, between Seller and THE DETROIT EDISON COMPANY, a Michigan corporation ("DTE"), together with each of the exhibits and schedules thereunder, other than the Schedule. ("DTE Lease Agreement")

Schedule 2 to the DTE Lease Agreement, dated March 23, 2010, between DTE, as lessee and Seller, as lessor.

Memorandum of Lease filed with the STB under recordation No. 29242 on April 23, 2010

Letter dated April 13, 2010 from Seller to DTE confirming commencement date of DTE Lease.

Incumbency Certificate of DTE dated February 25, 2008

Certificate of Acceptance executed by DTE as of March 25, 2010

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