

RECORDATION NO. 25939-V FILED

MAR 20 '07 -2 35 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
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March 20, 2007

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 Security Interest and Collateral Assignment of Lease, dated as of March 20, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Assignment of Lease being filed with the Board under Recordation Number 25939-K.

The name and address of the party to the enclosed document are:

Assignor: Compass Rail VI Corporation
750 Battery Street, Suite 430
San Francisco, CA 94111

[Secured Party: DVB Bank AG
609 Fifth Avenue
New York, NY 10017]

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

30 covered hopper railcars: KBSR 111341 and within the series KBSR 11130 – KBSR 12657 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 Interest and Collateral Assignment of Lease.

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,

A handwritten signature in black ink, appearing to read "Edward M. Luria". The signature is written in a cursive style with a large, stylized initial "E".

Edward M. Luria

RWA/sem
Enclosures

MEMORANDUM OF SECURITY INTEREST AND COLLATERAL ASSIGNMENT OF LEASE

As of March 19 2007

THIS MEMORANDUM OF SECURITY INTEREST AND COLLATERAL ASSIGNMENT OF LEASE is intended to evidence that:

1. COMPASS RAIL VI CORPORATION, a California corporation ("Assignor") has granted as of the date hereof a security interest in the Cars specified on Schedule 1 hereto (the "Cars") to DVB BANK AG AS AGENT ("Secured Party"), pursuant to a Loan and Security Agreement of even date herewith between Assignor, as borrower, and Secured Party and DVB Bank AG as lender (the "Loan and Security Agreement").

2. Pursuant to the Loan and Security Agreement, Assignor has assigned to the Secured Party as of the date hereof the Lease specified on Schedule 1 hereto (the "Lease") between Assignor, as lessor, and the party specified on Schedule 1 hereto as Lessee (the "Lessee"), to the extent the Lease applies to the Cars, as collateral security.

This Memorandum is entered into for the purpose of satisfying the requirements of recordation with the United States Department of Transportation Surface Transportation Board ("STB") under 49 U.S.C. Section 11301 and with the Registrar General of Canada under applicable law.

IN WITNESS WHEREOF, Assignor has caused this Memorandum to be executed all as of the date first above written, and the undersigned hereby declare pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signatures. Execution in counterparts is permitted.

ASSIGNOR:

Compass Rail VI Corporation

By: Stephen C. Bieneman
Title: President

State of California)
County of San Francisco)

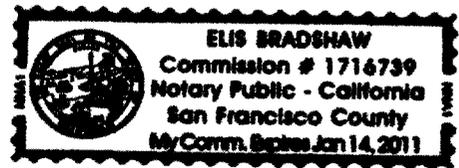
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SURFACE TRANSPORTATION BOARD

On this 19 day of March, 2007, before me personally appeared Stephen C. Bieneman to me personally known, who being by me duly sworn says that such person is President of Compass Rail VI Corporation, that execution of the foregoing Memorandum has been duly authorized, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elis Bradshaw
Notary Public
My commission expires Jan. 14, 2011



SCHEDULE 1
to Memorandum of Security Agreement and Collateral Assignment of Lease

The Lessee: Kankakee, Beaverville and Southern Railroad Company

The Lease:

- Lease Agreement for Railroad Cars dated as of November 15, 1992 by and between PLM Investment Management, Inc., as Lessor, and Kankakee, Beaverville & Southern Railroad Company, as Lessee [PLM # 5096-01]
- Rider 1 to Lease Agreement - undated.
- Amendment and Renewal Agreement to Rider 1 dated as of July 12, 1994.
- Amendment to Rider 1 dated as of September 20, 1994 (unsigned).
- Amendment to Rider 1 dated as of September 19, 1995.
- Renewal Agreement to Rider 1 dated as of June 19, 1996 (signed only by KSR).
- Amendment and Renewal Agreement to Rider 1 dated as of March 16, 1999.
- Renewal Agreement to Rider 1 dated as of May 6, 2000
- Renewal Agreement to Rider 1 dated as of June 26, 2001.
- Renewal Agreement to Rider 1 dated as of August 5, 2002
- Amendment and Renewal Agreement to Rider 1 dated as of July 12, 2004

As the same relate to the railcars referenced below.

The Cars: Thirty (30) 4,650-4,750 c.f. covered hopper cars

<u>Car</u> <u>Count</u>	<u>Car</u> <u>Mark</u>	<u>Car</u> <u>Numbers</u>	<u>Car</u> <u>Count</u>	<u>Car</u> <u>Mark</u>	<u>Car</u> <u>Numbers</u>
1	KBSR	11130	16	KBSR	12389
2	KBSR	11140	17	KBSR	12417
3	KBSR	11664	18	KBSR	12419
4	KBSR	11759	19	KBSR	12421
5	KBSR	11763	20	KBSR	12422
6	KBSR	11777	21	KBSR	12424
7	KBSR	11781	22	KBSR	12428
8	KBSR	11784	23	KBSR	12429
9	KBSR	11787	24	KBSR	12608
10	KBSR	11789	25	KBSR	12613
11	KBSR	11791	26	KBSR	12645
12	KBSR	11852	27	KBSR	12647
13	KBSR	11855	28	KBSR	12650
14	KBSR	11857	29	KBSR	12657
15	KBSR	11871	30	KBSR	111341