

RECORDATION NO. 25625-B FILED

JUN 22 '07 -2 4 0 PM

SURFACE TRANSPORTATION BOARD

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

June 22, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

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 June 22, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease previously filed with the Board under Recordation Number 25625.

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

Assignor: Compass Rail VIII Corporation
750 Battery Street, Suite 430
San Francisco, California 94111

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

· Mr. Vernon A. Williams
June 22, 2007
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A description of the railroad equipment covered by the enclosed document is:

17 flatcars within the series CW 1020 - CW 2060 (formerly within the series RAIX 102 - RAIX 206) 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 \$35.00 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

MEMORANDUM OF SECURITY INTEREST AND COLLATERAL ASSIGNMENT OF LEASE

As of June 2nd, 2007

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

1. COMPASS RAIL VIII CORPORATION, a California corporation ("Assignor") has granted as of the date hereof a security interest in the Cars specified on Schedule I 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 I hereto (the "Lease") between Assignor, as lessor, and the party specified on Schedule I 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 VIII Corporation

Ben J. Assaf
By Ben J. Assaf

By

Executive Vice President

Title

State of California)
County of San Francisco)

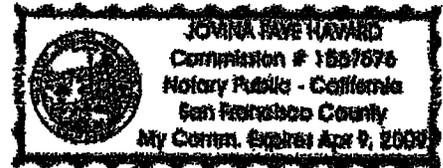
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SURFACE TRANSPORTATION BOARD

On this 11 day of June, 2007, before me personally appeared Ben J. Assaf, to me personally known, who being by me duly sworn says that such person is E.V.P. of Compass Rail VIII 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.

Jornia Hayward
Notary Public
My commission expires 4-9-09



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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.

SECURED PARTY:
DVB BANK AG, AS AGENT

By: [Signature]
Title: SVP

By: [Signature]
Title: VP

We, Martin Metz and Stefan Heimerl, certify that we are the SVP and VP, respectively, of DVB Bank AG, that the instrument was signed on behalf of the DVB Bank AG by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of DVB Bank AG. We further certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: [Signature]
Name: Martin Metz
Dated: 14 June 2007

Signature: [Signature]
Name: STEFAN HEIMERL
Dated: 14 JUNE 2007

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

The Lessee: Colorado and Wyoming Railway

The Lease:

- Railcar Lease Agreement dated as of March 1, 2005
- Rider No. 01 to the Railcar Lease Agreement dated as of March 1, 2005

As the same relate to the railcars referenced below.

The Cars: Seventeen (17) 100-ton 85' AAR Car Type L008 flatcars

Car No.	Old Car Marks		New Car Marks	
1	RAIX	102	CW	1020
2	RAIX	104	CW	1040
3	RAIX	136	CW	1360
4	RAIX	158	CW	1580
5	RAIX	161	CW	1610
6	RAIX	165	CW	1650
7	RAIX	170	CW	1700
8	RAIX	172	CW	1720
9	RAIX	176	CW	1760
10	RAIX	179	CW	1790
11	RAIX	180	CW	1800
12	RAIX	182	CW	1820
13	RAIX	183	CW	1830
14	RAIX	190	CW	1900
15	RAIX	193	CW	1930
16	RAIX	200	CW	2000
17	RAIX	206	CW	2060

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:

6/22/07



Robert W. Alvord