

RECORDATION NO. 26621-B FILED

OCT 13 '06 -3 27 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

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

OF COUNSEL
URBAN A. LESTER

October 13, 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 Memorandum of Collateral Assignment of Lease, dated as of October 13, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

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

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

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

Assignee: Alliance Leasing, Inc.
120 Madison Street
Tower II, 17th Floor
Syracuse, NY 13202

Mr. Vernon A. Williams
October 13, 2006
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A description of the railroad equipment covered by the enclosed document
is:

71 railcars: EAGX 19001 – EAGX 19071.

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

Memorandum of 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 "Robert W. Alvord" followed by a stylized flourish or initials.

Robert W. Alvord

RWA/sem
Enclosures

OCT 13 '06

-3 27 PM

MEMORANDUM OF COLLATERAL ASSIGNMENT OF LEASE

SURFACE TRANSPORTATION BOARD

This Memorandum of Collateral Assignment of Lease, is made and entered into effective as of October 13, 2006, by and between "Compass Rail VII Corporation", ("Assignor"), and "Alliance Leasing, Inc." ("Assignee").

W I T N E S S E T H:

1. Assignor, as Borrower, and Assignee, as Lender, have entered into that certain Loan and Security Agreement dated as of October 13, 2006 (the "Loan Agreement").
2. As security for the payment of any and all obligations and liabilities of Assignor under the Loan Agreement, Assignor has granted a security interest in and to the Lease identified on Exhibit I attached hereto and to all rentals payable or receivable thereunder but only to the extent that the Lease relates to the railcars identified on Exhibit I attached hereto, effective as of the date first above written.
3. This Memorandum of Collateral Assignment of Lease may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto, have caused this instrument to be signed by their respective corporate officers as of the date and year first above written.

ASSIGNOR:

ASSIGNEE:

"COMPASS RAIL VII CORPORATION"

"ALLIANCE LEASING, INC."

By: Ben J. Assaf
 Name: Ben J. Assaf
 Title: Executive Vice President

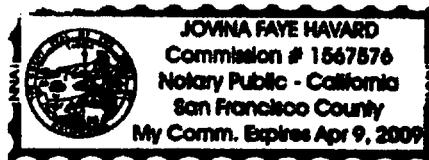
By: Jonna Dennen-Muir
 Name: Jonna Dennen-Muir
 Title: Lease Administration Support/Accounting Officer

STATE OF CALIFORNIA)
) ss:
COUNTY OF San Francisco)

On this 10th day of Oct., 2006, before me personally appeared Ben J. Assaf, to me personally known, who, being by me duly sworn, says that he/she is E.V.P. of "Compass Rail VII Corporation", and that he/she executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

My commission expires: 4-9-09

Jovina Havard
NOTARY PUBLIC



STATE OF New York)
) ss:
COUNTY OF Onondaga)

On this 12th day of October, 2006, before me personally appeared Jonna Dawn Miner, to me personally known, who, being by me duly sworn, says that he/she is Lease Administrator / Bankin. Officer of "Alliance Leasing, Inc.", and that he/she executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

My commission expires:

Lisa W. Prusinowski
NOTARY PUBLIC

LISA W. PRUSINOWSKI
Notary Public, State of New York
No: 01PR6105908
Qualified In Onondaga County
Commission Expires February 23 2008

EXHIBIT I

This is Exhibit I to the Memorandum of Collateral Assignment of Lease between "Compass Rail Corporation" and "Alliance".

Railcars: 71 tank railcars EAGX 19001 – EAGX 19071

Lease: Lease Agreement, dated October 13, 2006, between "COMPASS RAIL VII CORPORATION", Lessor, and "KEMIRON-TRANS, INC.," 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: 10/13/06



Robert W. Alvord