

RECORDATION NO. 23186-B FILED

OCT 23 '07 -3 35 PM

SURFACE TRANSPORTATION BOARD

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

October 23, 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 Mortgage, dated as of October 23, 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 23186-A.

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

Secured Party: Credit Industriel et Commercial, New York
Branch
520 Madison Avenue, 37th Floor
New York, New York 10022

Debtor: Compass Rail XI Corporation
750 Battery Street
Suite 430
San Francisco, California 94111

Mr. Vernon A. Williams
October 23, 2007
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A description of the railroad equipment covered by the enclosed document is:

149 coal hopper cars within the series DGHX 9100 - DGHX 9283 as more particularly set forth in the equipment schedule attached to the document.

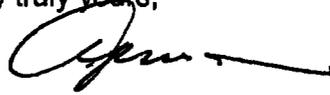
A short summary of the document to appear in the index is:

Memorandum of Mortgage,

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,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

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MEMORANDUM OF MORTGAGE

SURFACE TRANSPORTATION BOARD

Memorandum of Mortgage, made and entered into as of October 23, 2007 between COMPASS RAIL XI CORPORATION, (the "Debtor") and CREDIT INDUSTRIEL ET COMMERCIAL, NEW YORK BRANCH, as Security Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Security Agreement [Compass/Searles] dated as of October 23, 2007 (as supplemented, including by Security Agreement Supplement No. 1 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

Subject to the terms and conditions, covenants and agreements set forth in the Security Agreement and pursuant to the Security Agreement, the Debtor assigned, mortgaged, pledged, hypothecated, transferred and set over to the Secured Party and granted to the Secured Party a first priority lien on and security interest in all of the Debtor's right, title and interest in and to the Equipment as more fully described on Exhibit A attached hereto and in the Lease referred to on Exhibit B attached hereto and agreed that the Equipment and the Lease shall constitute Collateral subject to the grant of security by the Debtor set forth in Section 2.1 of the Security Agreement.

This memorandum may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this memorandum by signing such counterpart.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

COMPASS RAIL XI CORPORATION

CREDIT INDUSTRIEL ET COMMERCIAL,
NEW YORK BRANCH, as Security Agent

By 
Name: **Mark S. Maymar**
Title: **Executive Vice President**

By _____
Name:
Title:

By _____
Name:
Title:

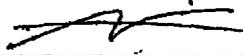
IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

COMPASS RAIL XI CORPORATION

CREDIT INDUSTRIEL ET COMMERCIAL,
NEW YORK BRANCH, as Security Agent

By _____
Name:
Title:

By 
Name: ADRIENNE MOLLOY
Title: VICE PRESIDENT

By 
Name: ALEX AUPAIAS
Title: VICE PRESIDENT

STATE OF CA)
) ss.:
COUNTY OF San Francisco)

On this 18th day of October, 2007, before me in and for said County and State personally appeared Mark S. Flaymar an Executive VP of Compass Rail XI Corporation, and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

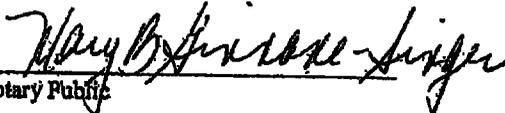


Jovina Havard
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 29th day of October, 2007, before me in and for said County and State personally appeared Alex Aubrey a vice president of Credit Industriel et Commercial, New York Branch, and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes contained therein.

IN WITNESS WHEREOF, I have heretofore set my hand and official seal on the date above mentioned.

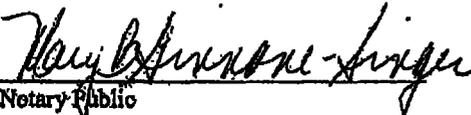

Notary Public

MARY B. GINNANE-SINGER
Notary Public, State of New York
No. 01G16058784
Qualified in Queens County
Commission Expires May 14, 2011

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 22nd day of October, 2007, before me in and for said County and State personally appeared Adrienne Molloy a vice President of Credit Industriel et Commercial, New York Branch, and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Notary Public

MARY B. GINNANE-SINGER
Notary Public, State of New York
No. 01G16056784
Qualified in Queens County
Commission Expires May 14, 2011

EXHIBIT A

The Equipment:

One hundred forty nine (149) 4,000 cubic foot non-rotary RD coal hopper cars, marked and numbered as follows:

1	DGHX	9100	43	DGHX	9147
2	DGHX	9101	44	DGHX	9148
3	DGHX	9102	45	DGHX	9149
4	DGHX	9104	46	DGHX	9151
5	DGHX	9105	47	DGHX	9152
6	DGHX	9106	48	DGHX	9153
7	DGHX	9107	49	DGHX	9154
8	DGHX	9108	50	DGHX	9155
9	DGHX	9109	51	DGHX	9158
10	DGHX	9110	52	DGHX	9159
11	DGHX	9112	53	DGHX	9160
12	DGHX	9113	54	DGHX	9161
13	DGHX	9115	55	DGHX	9162
14	DGHX	9117	56	DGHX	9163
15	DGHX	9118	57	DGHX	9164
16	DGHX	9119	58	DGHX	9166
17	DGHX	9120	59	DGHX	9167
18	DGHX	9121	60	DGHX	9168
19	DGHX	9122	61	DGHX	9169
20	DGHX	9123	62	DGHX	9170
21	DGHX	9124	63	DGHX	9171
22	DGHX	9125	64	DGHX	9172
23	DGHX	9126	65	DGHX	9173
24	DGHX	9127	66	DGHX	9175
25	DGHX	9128	67	DGHX	9176
26	DGHX	9129	68	DGHX	9177
27	DGHX	9130	69	DGHX	9178
28	DGHX	9131	70	DGHX	9179
29	DGHX	9132	71	DGHX	9180
30	DGHX	9133	72	DGHX	9182
31	DGHX	9134	73	DGHX	9183
32	DGHX	9135	74	DGHX	9200
33	DGHX	9136	75	DGHX	9201
34	DGHX	9137	76	DGHX	9202
35	DGHX	9139	77	DGHX	9203
36	DGHX	9140	78	DGHX	9205
37	DGHX	9141	79	DGHX	9206
38	DGHX	9142	80	DGHX	9207
39	DGHX	9143	81	DGHX	9209
40	DGHX	9144	82	DGHX	9210
41	DGHX	9145	83	DGHX	9211
42	DGHX	9146	84	DGHX	9212

85	DGHX	9213	135	DGHX	9269
86	DGHX	9214	136	DGHX	9270
87	DGHX	9215	137	DGHX	9271
88	DGHX	9216	138	DGHX	9272
89	DGHX	9217	139	DGHX	9273
90	DGHX	9218	140	DGHX	9274
91	DGHX	9219	141	DGHX	9275
92	DGHX	9220	142	DGHX	9276
93	DGHX	9221	143	DGHX	9277
94	DGHX	9222	144	DGHX	9278
95	DGHX	9223	145	DGHX	9279
96	DGHX	9224	146	DGHX	9280
97	DGHX	9227	147	DGHX	9281
98	DGHX	9228	148	DGHX	9282
99	DGHX	9229	149	DGHX	9283
100	DGHX	9230			
101	DGHX	9231			
102	DGHX	9232			
103	DGHX	9233			
104	DGHX	9234			
105	DGHX	9236			
106	DGHX	9237			
107	DGHX	9238			
108	DGHX	9239			
109	DGHX	9240			
110	DGHX	9241			
111	DGHX	9242			
112	DGHX	9243			
113	DGHX	9245			
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123	DGHX	9256			
124	DGHX	9257			
125	DGHX	9258			
126	DGHX	9259			
127	DGHX	9260			
128	DGHX	9261			
129	DGHX	9262			
130	DGHX	9264			
131	DGHX	9265			
132	DGHX	9266			
133	DGHX	9267			
134	DGHX	9268			

EXHIBIT B

Railroad Car Net Lease Agreement dated May 14, 1992, between The CIT Group/Equipment Financing, Inc. (as assignee of Trinity Industries Leasing Company), as lessor, and Searles Valley Mineral Operations Inc. (f/k/a IMC Chemicals Inc. f/k/a North American Chemical Company), as lessee, as supplemented by Rider One (1) thereto dated May 14, 1992, as extended by that certain Extension to Rider One (1) dated as of April 20, 2005 and effective as of October 23, 2007, and as amended by Amendment No. 01 to Extension to Rider No. 01 dated as of September 25, 2007 and effective as of September 1, 2007.

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: _____

10/23/07



Robert W. Alvord