

RECORDATION NO. 27466-A FILED

APR 22 '08 -1 30 PM

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SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

April 22, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

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, dated as of April 21, 2008, 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 27466.

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

Debtor/Assignor: Infinity Rail II, LLC
1355 Peachtree Street,
Suite 750 - South Tower
Atlanta, GA 30308

Secured Party/
Assignee: The CIT Group/Equipment Financing, Inc.
30 South Wacker Drive
Suite 3000
Chicago, IL 60606

Anne K. Quinlan, Esquire
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A description of the railroad equipment covered by the enclosed document is:

20 open top hopper railcars within the series KO 78500 - KO 78870 (previously with IPSX reporting marks) as more particularly set forth in the schedule attached to the document).

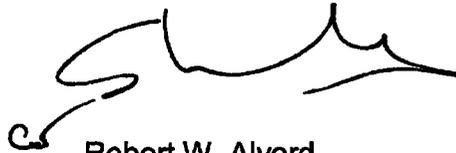
A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

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 stylized flourish at the end.

Robert W. Alvord

RWA/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

1. Pursuant to the Security Agreement identified below, Infinity Rail II, LLC, a Georgia limited liability company ("IR II"), has granted to The CIT Group/Equipment Financing, Inc. ("CIT"), as security for certain obligations of IR II to CIT, a security interest in all of IR II's right, title, and interest in and to the railroad equipment identified on the schedule attached hereto. "Security Agreement" means the Security Agreement dated as of June 29, 2006, between IR II and CIT, as amended to date.

2. The addresses of the parties are as follows:

Infinity Rail II, LLC (Debtor / Assignor)
1355 Peachtree Street
Suite 750, South Tower
Atlanta, Georgia 30309

The CIT Group/Equipment Financing, Inc. (Secured Party / Assignee)
30 South Wacker, Suite 3000
Chicago, Illinois 60606
Attention: Rail Resources, Vice President - Credit

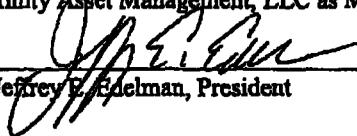
3. The terms and provisions of the above-referenced security interest are more particularly set forth in the above-referenced Security Agreement.

4. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on next page; remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of April 21, 2008.

INFINITY RAIL II, LLC
By Infinity Asset Management, LLC as Manager

By: 
Jeffrey E. Edelman, President

State of Georgia)
) ss:
County of Fulton)

On April 21, 2008, before me personally appeared Jeffrey E. Edelman, to me personally known, who being by me duly sworn says that he is President of Infinity Asset Management, LLC, Manager of Infinity Rail II, LLC, and that, as such officer, being duly authorized to do so, he executed the foregoing instrument on behalf of said limited liability company.


Notary Public
My commission expires:

[NOTARIAL SEAL]
Notary Public, DeKalb County, Georgia
My Commission Expires Aug. 2, 2009

[Execution continued on next page; remainder of this page intentionally left blank]

Schedule

Items relating to 20 cars (used 100 ton, 3850 cubic foot open top hopper railcars) leased to Watco Companies, Inc.:

Acquisition Agreement:

Purchase and Sale Agreement dated July 19, 2006 between Quality Railway Services & Supply Co. as seller and Infinity Rail II, LLC as buyer

Lease Agreement: the following documents, together with any and all exhibits, schedules, amendments, addenda, supplements, instruments, guarantees, and other agreements related thereto:

Lease Agreement dated July 18, 2006, between Infinity Rail II, LLC ("IR"), as lessor, and Watco Companies, Inc. ("Watco"), as lessee

Description of Cars:

used 100 ton, 3850 cubic foot open top hopper railcars

Quantity:

twenty (20)

Reporting marks and identifying numbers:

as listed on the following two pages of this Schedule.

Items relating to 20 cars (used 100 ton, 3850 cubic foot open top hopper railcars) leased to Watco Companies, Inc.:

Reporting marks and identifying numbers:

Unit Count	Previous Mark	Previous Number	Current Mark	Current Number
1	IPSX	78500	KO	78500
2	IPSX	78501	KO	78501
3	IPSX	78504	KO	78504
4	IPSX	78514	KO	78514
5	IPSX	78523	KO	78523
6	IPSX	78525	KO	78525
7	IPSX	78533	KO	78533
8	IPSX	78551	KO	78551
9	IPSX	78585	KO	78585
10	IPSX	78596	KO	78596
11	IPSX	78710	KO	78710
12	IPSX	78715	KO	78715
13	IPSX	78718	KO	78718
14	IPSX	78721	KO	78721
15	IPSX	78725	KO	78725
16	IPSX	78797	KO	78797
17	IPSX	78832	KO	78832
18	IPSX	78848	KO	78848
19	IPSX	78863	KO	78863
20	IPSX	78870	KO	78870

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: 4/22/08



Robert W. Alvord