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RECORDATION NO. 20698 FILED

MAY 30 '97

2-00PM

OF COUNSEL
URBANY LEST

RECORDATION NO. 20698-A, B FILED

MAY 30 '97

2-00PM

MAY 30 1 59 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

May 30, 1997

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 four (4) copies of a Memorandum of Master Equipment Lease Agreement, dated as of May 30, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and four (4) copies each of the following secondary documents related thereto: Memorandum of Lease Agreement, dated as of May 30, 1997, and an Assignment of Lease Agreement with Recourse, dated May 30, 1997.

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

Memorandum of Master Equipment Lease

Lessor: Fleet Capital Corporation
50 Kennedy Plaza
Providence, Rhode Island 02903

Lessee: Flex Leasing Corporation
234 Front Street, Suite 300
San Francisco, California 94111

Sp. L.
Enclosures -

Mr. Vernon A. Williams
May 30, 1997
Page 2

Memorandum of Lease Agreement [Sublease]

Sublessor: Flex Leasing Corporation
234 Front Street, Suite 300
San Francisco, California 94111

Sublessee: CSX Transportation, Inc.
500 Water Street
Jacksonville, Florida 32202

Assignment of Lease Agreement with Recourse

Assignor: Flex Leasing Corporation
234 Front Street, Suite 300
San Francisco, California 94111

Assignee: Fleet Capital Corporation
50 Kennedy Plaza
Providence, Rhode Island 02903

A description of the railroad equipment covered by the enclosed documents is:

one hundred eighty-five (185) railcars bearing reporting marks and road numbers FLCX 100 through FLCX 284

Also enclosed is a check in the amount of \$72.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

TO: SURFACE TRANSPORTATION BOARD
Rm. 704
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attn.: Vernon Williams, Secretary

RECORDATION NO. 20698-A FILED
MAY 30 '97 2-00PM

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT, dated as of May 30, 1997, is between FLEX LEASING CORPORATION, a corporation incorporated under the laws of the State of Delaware, having an address of 234 Front St., Suite 300, San Francisco, California 94111 ("*Flex*") and CSX TRANSPORTATION, INC. ("*CSX*"), having an address of 500 Water Street, J-220, Jacksonville, FL 32202.

WHEREAS, Flex and CSX have entered into a Lease Agreement dated as of May 1, 1997 (the "*Lease Agreement*") pursuant to which Flex leases to CSX 185 4,000 cu. ft. aluminum rapid discharge open-top hopper railcars manufactured by Thrall Car Manufacturing Company having reporting marks FLCX 100 through 284, inclusive, for an initial two (2) year term, with two 1 year renewal options.

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease Agreement, and accordingly have caused this Memorandum of Lease Agreement to be executed by their officers hereunto duly authorized, as of the date first above written. This Memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

FLEX LEASING CORPORATION

By: *D.P. Hayes*
Name: D.P. HAYES
Title: President

CSX TRANSPORTATION, INC.

By: _____
Name: _____
Title: _____

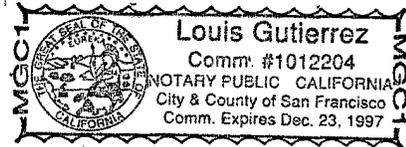
CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

State of California
County of San Francisco

On MAY 28, 1997 before me, LOUIS GUTIERREZ personally
appeared DESMOND HAYES

personally know to me OR _____ proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that
he/she/they/ executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Louis Gutierrez
Signature of Notary

TO: SURFACE TRANSPORTATION BOARD
Rm. 704
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attn.: Vernon Williams, Secretary

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FLEX LEASING CORPORATION

By: _____
Name: _____
Title: _____

CSX TRANSPORTATION, INC.

By: William P. Skillern
Name: William P. Skillern
Title: General Manager-Coal Service Operations

NY30/1A8L/135269.22

STATE OF FLORIDA)
) SS.
COUNTY OF DUVAL)

Be it remembered that on the 28th day of May, 1997, before me, the subscriber, a notary public within and for said County and State, personally appeared William P. Skillern, who is personally known to me as General Manager-Coal Service Operations of CSX Transportation, Inc. and did take an oath and represented that he is duly authorized to execute the Memorandum of Lease agreement between Flex Leasing Corporation and CSX Transportation, Inc., and acknowledged that he signed the foregoing Memorandum.

IN TESTIMONY WHEREOF, I hereto set my hand and official seal on the 28th day of May, 1997.

JANE S. OTRICH
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Mar. 7, 1998
Commission No. C C 3 4 0 5 8 9
Bonded thru Patterson Becht Agency

(OFFICIAL SEAL)

Jane S. Otrich

Signature of Notary

Jane S. Otrich

Stamp, Print or Type Name