



DONELAN CLEARY
WOOD & MASER, P.C.

July 20, 1999

Recordation No. 21092-R

RECORDATION NO. 21092-R FILED

JUL 20 '99

2-05 PM

Dear Mr. Williams:

On behalf of NationsBanc Leasing Corporation (successor to NationsBanc Leasing Corporation of North Carolina), I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Amendment to the Amended and Restated Memorandum of Security Agreement - Chattel Mortgage ("Amendment") made as of July 19, 1999.

The parties to the enclosed Amendment are:

NationsBanc Leasing Corporation (successor by merger to NationsBanc Leasing Corporation of North Carolina) - SECURED PARTY/for Indexing MORTGAGEE
Interstate Tower
NC1-005-15-05
121 West Trade Street
Charlotte, NC 28255-0001

Flex Leasing Corporation - BORROWER/for Indexing MORTGAGOR
Suite 300
234 Front Street
San Francisco, CA 94111

The said Amendment, among other things, grants a security interest by the Borrower to the Secured Party in the lease ("Replacement Lease") covered in Exhibit B to the Amendment, and terminates in full the security interest in the lease ("Replaced Lease") covered in Exhibit A to the Amendment. The Amendment should be recorded under the next available letter under Recordation No. 21092, which letter we believe is "R."

The equipment covered by the instant Amendment is as identified in the Replaced Lease (Recordation No. 21611) and likewise in the Replacement Lease (Recordation No. 22254), namely FLOX 983369-983393, 25 covered hopper cars.

A short summary of the Amendment to appear in the Surface Transportation Board Index is as follows:

ATTORNEYS AND COUNSELORS AT LAW

1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

Counterparts to G.H. Hannan

6412

"Full Release of security interest in lease (Recordation No. 21611)
and grant of security interest in lease (Recordation No. 22254)."

Please enter under this Recordation No. the following cross index reference:

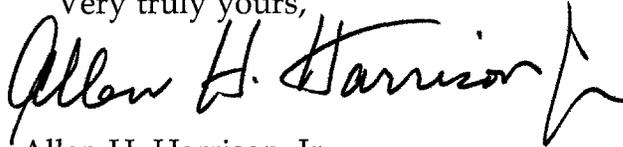
"See Recordation Nos. 21611-A and 22254."

Please index separately the name NationsBanc Leasing Corporation in the mortgagee side of the Surface Transportation Board Index (white pages), saying: "See Recordation No. 21092 -R."

Enclosed is a check in the amount of seventy-eight dollars, twenty-six dollars of which is in payment of the filing fee, and fifty-two of which is for the two requested extra indexings.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.
*Attorney for NationsBanc Leasing
Corporation, for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY HAND

8207-020

JUL 20 '99

2-05PM

AMENDMENT TO THE AMENDED AND RESTATED
MEMORANDUM OF SECURITY AGREEMENT - CHATTEL MORTGAGE

THIS AMENDMENT TO THE AMENDED AND RESTATED MEMORANDUM OF SECURITY AGREEMENT - CHATTEL MORTGAGE (this "Amendment") is made as of July 19, 1999 by and between NationsBanc Leasing Corporation, successor by merger to NationsBanc Leasing Corporation of North Carolina, located at Interstate Tower, NC1-005-15-05, 121 West Trade Street, Charlotte, North Carolina 28255-0001 ("Secured Party"), and Flex Leasing Corporation, a Delaware corporation, located at Suite 300, 234 Front Street, San Francisco, California 94111 ("Borrower").

WITNESSETH:

WHEREAS, the parties entered into that certain Loan Agreement among Borrower, as borrower, the Lenders listed on the signature pages thereof and Secured Party, as administrative agent, on December 19, 1997, as amended, and that certain Security Agreement - Chattel Mortgage between Borrower, as debtor, and Secured Party, as secured party, on December 19, 1997, as amended (collectively, the "Loan Documents"), whereby Borrower granted a security interest in certain railcars and leases related thereto to Secured Party as collateral for the Loan; and

WHEREAS, to evidence the grant of the security interest in such collateral, Secured Party and Borrower (the "Parties") entered into that certain Memorandum of Security Agreement - Chattel Mortgage dated as of December 19, 1997, recorded with the Surface Transportation Board ("STB") on December 19, 1997 under Recordation No. 21092 and with the Registrar General of Canada ("RGC") on December 22, 1997 at 3:40 p.m.; and

WHEREAS, the Parties thereafter entered into, executed and recorded with the STB and the RGC ten (10) documents, each entitled Amended and Restated Memorandum of Security Agreement - Chattel Mortgage, the final of such documents recorded with the STB on December 11, 1998 under Recordation No. 21092-J and with the RGC on December 14, 1998, as corrected by that certain Correction to Amended and Restated Memorandum of Security Agreement - Chattel Mortgage (the "Correction"), recorded with the STB on December 18, 1998 under Recordation No. 21092-K and with the RGC on December 23, 1998, which said final document restated and listed in its entirety all units of railcar collateral (Schedule A thereto) and all leases thereof (Schedule B thereto), subject to the aforesaid Memorandum of Security Agreement - Chattel Mortgage; and

WHEREAS, certain documents entitled Release of a Part of Security Collateral and Security Interest in Related Leases Thereof (the "Releases") have been recorded with the STB and RGC, the latest of said Releases recorded with the STB on May 28, 1999 under Recordation No. 21092-Q and with the RGC on May 31, 1999; and

WHEREAS, the lease listed on Exhibit A (the "Replaced Lease") is subject to the final Amended and Restated Memorandum of Security Agreement - Chattel Mortgage and Secured Party holds a first priority security interest in the Replaced Lease; and

WHEREAS, Borrower desires to substitute, under the final Amended and Restated Memorandum of Security Agreement - Chattel Mortgage, the lease listed on Exhibit B (the "Replacement Lease") for and in the place of the Replaced Lease, to which substitution the Secured Party is agreeable.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, the Secured Party and Borrower hereby agree as follows:

1. The Replaced Lease be and hereby is released from the final Amended and Restated Memorandum of Security Agreement - Chattel Mortgage and Secured Party hereby releases in full its security interest in the Replaced Lease.

2. The Replacement Lease is hereby subjected to the final Amended and Restated Memorandum of Security Agreement - Chattel Mortgage and Borrower hereby grants to Secured Party a first priority security interest in the Replacement Lease.

3. Except as amended by this Amendment, the final Amended and Restated Memorandum of Security Agreement - Chattel Mortgage, as subject to the Correction and the Releases, shall remain in full force and effect.

4. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

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

NATIONSBANC LEASING CORPORATION

(Successor by merger to NationsBanc Leasing Corporation of North Carolina.)

BY: Herbert T. Thurau

NAME: HERBERT T. THURAU

TITLE: SENIOR VICE PRESIDENT

FLEX LEASING CORPORATION

BY: Ross Sullivan

NAME: Ross Sullivan

TITLE: Treasurer

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) ss.

On this 19th day of July, 1999, before me personally appeared Herbert T. Thureau, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of NationsBanc Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

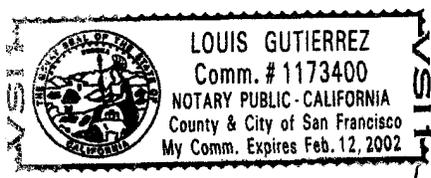


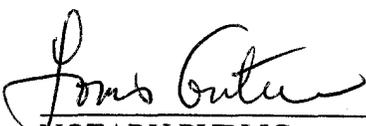
NOTARY PUBLIC

My commission expires: December 4, 1999

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) ss.

On this 15th day of July, 1999, before me personally appeared Ross Sullivan, to me personally known, who being by me duly sworn, says that he is the Treasurer of Flex Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.





NOTARY PUBLIC

My commission expires: 2/12/2002

EXHIBIT A

Lease Agreement

1. Master Car Lease Agreement dated as of February 24, 1998 by and between Flex Leasing Corporation ("Flex") and Ormiston Mining & Smelting Co. Ltd. ("Ormiston"), Schedule No. 01 to Master Car Lease Agreement dated as of February 24, 1998 by and between Flex and Ormiston and Schedule No. 02 to Master Car Lease Agreement dated as of February 24, 1998 by and between Lessor and Ormiston.

EXHIBIT B

Lease Agreements

1. Master Car Lease Agreement dated as of May 14, 1999 by and between Flex Leasing Corporation ("Flex") and Holnam, Inc. ("Holnam"), Schedule No. 1 to Master Car Lease Agreement dated as of May 14, 1999 between Flex and Holnam and Amendment No. 1 to Schedule No. 01 to Master Car Lease Agreement dated as of May 14, 1999 between Flex and Holnam.

\\CLT\8982\Old Flex Amendment - Ormiston\Amendment to A&R Memo of Security Agmt_Flex_3.doc