

RECORDATION NO. 21092 FILED

**DONELAN, CLEARY, WOOD & MASER, P.C.**

DEC 19 '97

2-47PM

ATTORNEYS AND COUNSELORS AT LAW  
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RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
DEC 19 2 47 PM '97

December 19, 1997

New Recordation No.

Dear Mr. Williams:

On behalf of 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 primary document, not previously recorded, entitled Memorandum of Security Agreement - Chattel Mortgage ("Agreement") made and entered into as of December 19, 1997.

The parties to the enclosed Agreement are:

NationsBanc Leasing Corporation - SECURED PARTY/for Indexing  
of North Carolina MORTGAGEE  
NationsBank Corporate Center  
100 North Tryon Street  
Charlotte, NC 28255-0001

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

The said Agreement, among other things, grants a security interest by the Borrower to the Secured Party in the equipment covered in Schedule A to the Agreement, attached hereto, and the leases of the said equipment described in Schedule B to the Agreement.

The equipment covered by the instant Agreement is as identified in Schedule A.

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

*Counterpart - A.H. [Signature]*

DONELAN, CLEARY, WOOD & MASER, P.C.

Vernon A. Williams

December/9, 1997

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"Covers the units of equipment as listed in Schedule A and the leases thereof as listed in Schedule B to the Memorandum of Security Agreement - Chattel Mortgage."

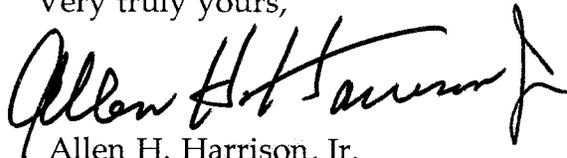
Please enter under this Recordation No. the following cross index references:

"See Recordation Nos. 20455, 21 093, 21 094,  
21 095, 21 096 and 21 097."

Enclosed is a check in the amount of one hundred sixty-eight dollars. Twenty-four dollars of which is in payment of the filing fee, and one hundred forty-four of which is for each of the six requested extra indexing.

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 of North Carolina, for  
the purpose of this filing.*

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

*Enclosures*

BY HAND

8357-020

Schedule A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
73' Center-beam Flat Railcars	25	CRLE 7575 - CRLE 7599
3250 Lined Cover Hopper Railcars	35	FLOX 3200 - FLOX 3234
50'6" plate F Boxcars	175	LW 9000 - LW 9174
3250 Lined Covered Hopper Railcars	7	FLOX 3235 - FLOX 3241
6245 Plastic Pellet Covered Hopper Railcars	125	FLOX 62100 - FLOX 62224
Rapid Discharge Coal Railcars	200	FLCX300-FLCX499

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**MEMORANDUM OF SECURITY AGREEMENT - CHATTEL MORTGAGE**

**BETWEEN**

**NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA  
("SECURED PARTY")**

**AND**

**FLEX LEASING CORPORATION  
("BORROWER")**

December 19, 1997

Memorandum of Security Agreement-ChatteI Mortgage made and entered into as of December 19, 1997, by and between NationsBanc Leasing Corporation of North Carolina, a North Carolina corporation ("Secured Party"), and Flex Leasing Corporation, a Delaware corporation ("Borrower").

**W I T N E S S E T H:**

To secure all obligations of the Borrower under a certain Loan Agreement and certain Secured Promissory Notes, Borrower hereby assigns to Secured Party all of Borrower's rights, title and interests in, whether now existing or hereafter arising, and grants to Secured Party a first priority security interest in the railcars described on Schedule A hereto, together with all improvements, replacements, substitutions accessories and additions thereto, plus those certain lease agreements more fully described on Schedule B hereto regarding the above railcars; and all accounts, contracts, contract rights, documents and instruments related to said leases and the railcars.

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

NATIONSBANC LEASING CORPORATION OF  
NORTH CAROLINA

By: Herbert T Thureau

Title: HERBERT T. THURAU  
SENIOR VICE PRESIDENT

Date: \_\_\_\_\_

FLEX LEASING CORPORATION

By: DD Hayes

Title: President

Date: \_\_\_\_\_

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

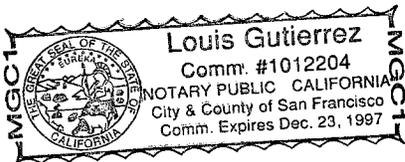
On this 17<sup>th</sup> day of December, 1997, before me personally appeared Herbert T. Thureau, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of NationsBanc Leasing Corporation of North Carolina that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Kay M. Keziah  
NOTARY PUBLIC

Kay M. Keziah, Notary Public  
Mecklenburg County, North Carolina  
My commission expires: My Commission Expires 9/1/2001

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

On this 15<sup>th</sup> day of December, 1997, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn, says that he is the President 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.



Louis Gutierrez  
NOTARY PUBLIC

My commission expires: 12/23/97

Schedule A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
73' Center-beam Flat Railcars	25	CRLE 7575 - CRLE 7599
3250 Lined Cover Hopper Railcars	35	FLOX 3200 - FLOX 3234
50'6" plate F Boxcars	175	LW 9000 - LW 9174
3250 Lined Covered Hopper Railcars	7	FLOX 3235 - FLOX 3241
6245 Plastic Pellet Covered Hopper Railcars	125	FLOX 62100 - FLOX 62224
Rapid Discharge Coal Railcars	200	FLCX300-FLCX499

## SCHEDULE B

### Lease Agreements

1. Lease Agreement dated as of December 5, 1996 by and between Greenbrier Leasing Corporation ("Greenbrier") and Cascade Warehouse Company, Inc. ("Cascade") and Schedule No. 1 dated as of December 5, 1996 by and between Greenbrier and Cascade and assigned to Flex Leasing Corporation ("Lessor") pursuant to the Assignment of Lease Agreement dated as of January 31, 1997 by and between Greenbrier Lessor.
2. Master Car Lease Agreement dated as of April 1, 1997 by and between Lessor and Cooper Natural Resources, Inc. ("Cooper"), Schedule No. 1 to Master Car Lease Agreement dated as of April 1, 1997 between Lessor and Cooper and Schedule No. 2 to Master Car Lease Agreement dated as of April 1, 1997 between Lessor and Cooper.
3. Master Car Lease Agreement dated as of July 3, 1997 by and between Lessor and Springfield Terminal Railway Co. ("Springfield") and Schedule No. 01 to Master Car Lease Agreement dated as of July 3, 1997 between Lessor and Springfield.
4. Master Car Lease Agreement dated as of June 1, 1997 by and between Lessor and Saskatchewan Minerals, a division of Goldcorp Inc. ("Saskatchewan") and Schedule No. 01 to Master Car Lease Agreement dated as of June 1, 1997 between Lessor and Saskatchewan.
5. Master Car Lease Agreement dated as of August 27, 1997 by and between Lessor and Fina Oil and Chemical Company ("Fina") and Schedule No. 01 to Master Car Lease Agreement dated as of August 27, 1997 between Lessor and Fina.
6. Master Car Lease Agreement dated as of December 17, 1997 by and between Lessor and Carolina Power & Light Company ("CP&L"), Schedule No. 01 to Master Car Lease Agreement dated as of December 17, 1997 between Lessor and CP&L and Schedule No. 02 to Master Car Lease Agreement dated as of December 17, 1997 between Lessor and CP&L.