

SEP 25 '98

3-24 PM

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September 25, 1997

SEP 25 3 24 PM '98
RECEIVED
SURFACE TRANSPORTATION
BOARD

Counterparts - JEP

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

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement and Lease Assignment, a primary document, dated as of September 25, 1998. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Security Agreement and Lease Assignment are:

Lender:

Crestar Leasing Corporation
120 E. Baltimore Street, 23rd Floor
Baltimore, MD 21202

Borrower:

Southern Rail Leasing, Inc.
955 South Virginia Street
Reno, NV 895021771

A description of the equipment covered by the Memorandum of Security Agreement and Lease Assignment consists of 10 gondola cars numbered SRLX 2000-2009, inclusive (formerly numbered DEEX 9252, 9247, 9129, 9074, 9280, 9180, 9203, 9067, 9291, and 9231, respectively).

BALL JANIK LLP

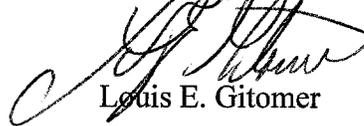
Honorable Vernon A. Williams
September 25, 1998
Page 2

A fee of \$26.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement and Lease Assignment between Crestar Leasing Corporation, 120 E. Baltimore Street, 23rd Floor, Baltimore, MD 21202, and Southern Rail Leasing, Inc., 955 South Virginia Street, Reno, NV 895021771, covering 10 gondola cars numbered SRLX 2000-2009, inclusive (formerly numbered DEEX 9252, 9247, 9129, 9074, 9280, 9180, 9203, 9067, 9291, and 9231, respectively).

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 21671 FILED

SEP 25 '98

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EXECUTION COPY

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASE ASSIGNMENT**

dated as of September 28, 1998

between

**SOUTHERN RAIL LEASING, INC.
as Borrower**

and

**CRESTAR LEASING CORPORATION
as Lender**

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on September __, 1998 at __: __.m.**

MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT

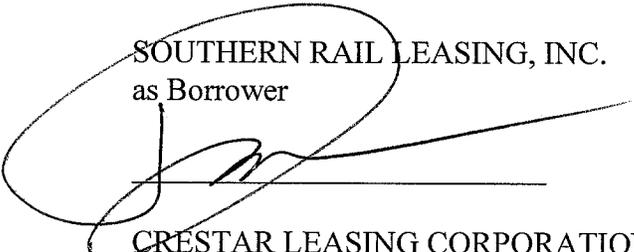
This Memorandum of Security Agreement and Lease Assignment, dated as of September 20, 1998, by and between SOUTHERN RAIL LEASING, INC. (the "Borrower"), and CRESTAR LEASING CORPORATION (the "Lender").

1. The Lender has made a loan to the Borrower pursuant to a Loan and Security Agreement, dated as of September 20, 1998 (the "Security Agreement").

2. Pursuant to the Security Agreement, Borrower grants to Lender a security interest in all of Borrower's right, title and interest in and to (but none of its obligations with respect to) (i) TEN (10) Oertner 4000 cubic foot gondola railcars, as modified by the Borrower or at its direction, having running numbers SRLX 2000 through SRLX 2009, inclusive (the "Railcars") as more fully described in attached Exhibit A, and all replacements, substitutions and alternatives therefor, and thereof and accessions thereto, now owned or hereafter acquired, (ii) that certain Lease Agreement dated as of January 20, 1998 (the "Agreement"), between Borrower, as Lessor and Plasser American Corporation, Inc. ("Lessee") and Schedule Number 142 thereto, dated as of JAN. 20, 1998 (the "Schedule"; and collectively with the Agreement, as amended and supplemented from time to time, the "Lease"), and (iii) all rent, insurance and other casualty payments, and all other sums due now or hereafter under or with respect to any or all of the Railcars or the Lease, and all other proceeds of the foregoing.

IN WITNESS WHEREOF, each of the parties hereto has caused this MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT to be executed by its duly authorized officer as of the date first above written.

SOUTHERN RAIL LEASING, INC.
as Borrower


CRESTAR LEASING CORPORATION
as Lender

By: Daniel McKew
Name: DANIEL MCKEW
Title: PRESIDENT

STATE OF CALIFORNIA)
) to wit:
COUNTY OF SAN DIEGO)

I hereby certify that on this 18th day of September, 1998, before me, the undersigned Notary Public of the State of CALIFORNIA, personally appeared Philip N. Hoffman, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

IN WITNESS MY Hand and Notarial Seal.



[Signature]
NOTARY PUBLIC

My Commission Expires: SEP. 4, 1999

STATE OF MARYLAND)
) to wit:
CITY OF BALTIMORE)

I hereby certify that on this ____ day of September, 1998, before me, the undersigned Notary Public of the State of Maryland, personally appeared DANIEL J. MCKEW, who acknowledged himself to be the President of CRESTAR LEASING CORPORATION, a Virginia corporation, and acknowledged that he, as such President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of CRESTAR LEASING CORPORATION by himself as President.

IN WITNESS MY Hand and Notarial Seal.

[Signature]
NOTARY PUBLIC

My Commission Expires: 1-14-99

EXHIBIT A

TO MEMORANDUM OF SECURITY AGREEMENT AND LEASE ASSIGNMENT

| <u>Quantity</u> | <u>Make/Model</u> | <u>Old Number</u> | <u>New Number</u> |
|-----------------|--|-------------------|-------------------|
| 10 | Oertner 4000 cubic foot Gondola railcars | DEEX009252 | SRLX2000 |
| | | DEEX009247 | SRLX2001 |
| | | DEEX009129 | SRLX2002 |
| | | DEEX009074 | SRLX2003 |
| | | DEEX009280 | SRLX2004 |
| | | DEEX009180 | SRLX2005 |
| | | DEEX009203 | SRLX2006 |
| | | DEEX009067 | SRLX2007 |
| | | DEEX009291 | SRLX2008 |
| | | DEEX009231 | SRLX2009 |