



DONELAN CLEARY
WOOD & MASER, P.C.

September 29, 1999

RECORDATION NO. 22383-A FILED

SEP 29 '99

2-10 PM

Recordation No. 22383-A

Dear Mr. Williams:

On behalf of First Security Bank, National Association, 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 Memorandum of Supplement ("Supplement") made and entered into as of September 29 1999.

The parties to the enclosed Supplement are:

First Security Bank, National Association, - SECURED PARTY/for Indexing
as trustee, as Administrative Agent for MORTGAGEE
the Lenders and as Secured Party.
79 South Main Street
Salt Lake City, UT 84111

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

The said Supplement, among other things, grants a security interest by the Borrower to the Secured Party in ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and in the leases of the said equipment. The specific units of equipment in the instant closing are covered in Schedule A to the Supplement, attached hereto, and the leases of the said equipment described in Schedule B to the Supplement.

The equipment covered by the instant Agreement is ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the specific units of equipment in the instant closing are as identified in Schedule A to the Supplement.

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

"Covers ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the leases thereof. The units of equipment in the instant closing are as listed in Schedule A and the leases thereof as listed in Schedule B to the Memorandum of Supplement."

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

Counterparty: G. H. Hansen

#20174

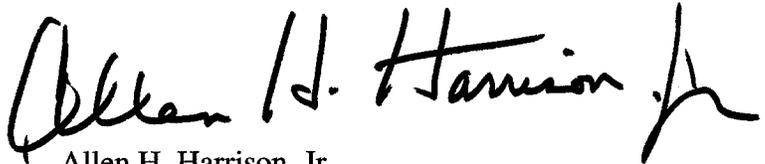
Please enter under this Recordation No. the following cross index references:

“See Recordation Nos. 21097-G, 21208-F, 21688-A, 21689-A, 21708-C, 21708-D, 21709-A, and 22381-A.”

Enclosed is a check in the amount of fifty-two dollars, twenty-six dollars of which is in payment of the filing fee, and twenty-six of which is for the 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,

A handwritten signature in black ink that reads "Allen H. Harrison, Jr." with a stylized flourish at the end.

Allen H. Harrison, Jr.
*Attorney for First Security Bank,
National Association, for the
purpose of this filing.*

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

Enclosures

BY HAND

8207-020

SCHEDULE A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
110 Ton 5150 cu. ft. Covered Hopper Cars	200	IC 798100 - IC 798299 f/k/a NSCX 3000-3199 and as CN 368200-368399
110 Ton 5200 cu. ft. Covered Hopper Cars	109	IC 798300 - IC 798399 f/k/a NSCX 3200-3299 and as CN 368400-368499
110 Ton 73' Centerbeam Flatcars	50	LW 74000 - LW 74049
110 Ton 73' Centerbeam Flatcars	60	LW 74165 - LW 74224
60' Plate "F" Boxcars	52	LW 50000 - LW 50651
50' Plate "F" Boxcars	24	LW 9225 - LW 9232 LW 9234 - LW 9249
110 Ton 73' Centerbeam Flatcars	40	LW 74125 - LW 74164
110 Ton 73' Centerbeam Flatcars	25	LW 74100 - LW 74124
4200 cu. ft. Aluminum Rapid Discharge Open Top Hoppers	115	FLCX 98536 - FLCX 98550

RECORDATION NO.

22383-A

FILED

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2-10PM

MEMORANDUM OF SUPPLEMENT

BETWEEN

**FIRST SECURITY BANK, NATIONAL ASSOCIATION
("SECURED PARTY")**

AND

**FLEX LEASING II, LLC
("BORROWER")**

September 29, 1999

FIRST SECURITY BANK, NATIONAL ASSOCIATION, a national banking association, as trustee under that certain trust agreement dated as of August 31, 1999 acting as Administrative Agent and as the agent for and representative (within the meaning of Section 9-105(m) of the Uniform Commercial Code ("UCC")) of the Lenders, filed that certain Memorandum of Security Agreement-Chattel Mortgage with (i) the Surface Transportation Board ("STB"), Recordation No. 22383 on the 31st day of August, 1999 at 3:15 p.m. and (ii) the Registrar General of Canada ("RGC") on the 1st day of September, 1999 at 1:15 p.m., in its entirety as follows:

Memorandum of Security Agreement-Chattel Mortgage made and entered into as of August 31, 1999, by and between First Security Bank, National Association ("Secured Party"), having its chief executive office at 79 South Main Street, Salt Lake City, Utah 84111, and Flex Leasing II, LLC, a limited liability company organized under the laws of Delaware ("Borrower"), having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111 (the "Memorandum of Security Agreement").

The Secured Party and the Borrower have added additional railcars and leases to the Security Agreement -Chattel Mortgage dated as of August 31, 1999 by and between Secured Party and Borrower and wish to supplement the Memorandum of Security Agreement.

WITNESSETH:

To secure all obligations of the Borrower under a certain Loan Agreement and certain Notes, Borrower hereby assigns to Secured Party all of Borrower's rights, title and interest in, the railcars described on Schedule A hereto, 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 accessories, equipment, parts and appurtenances appertaining or attached thereto, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations thereto or the proceeds thereof, 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.

[Remainder of page intentionally left blank.]

RECORDATION NO. _____ FILED

SEP 29 '99

2-10PM

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.

FIRST SECURITY BANK,
NATIONAL ASSOCIATION,
as trustee, as Administrative Agent for the Lenders
and as Secured Party

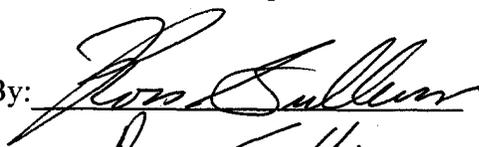
By: _____

Name: _____

Title: _____

FLEX LEASING II, LLC,
A Delaware limited liability company

By: Its Asset Manager
FLEX Asset Management Corporation,
a Delaware corporation

By:  _____

Name: Ross Sullivan

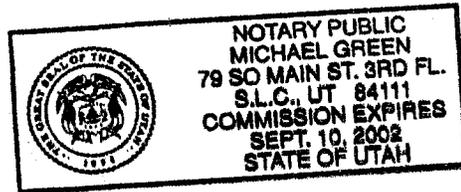
Title: Treasurer

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On this 27th day of September, 1999, before me personally appeared Val T. Orton, to me personally known, who being by me duly sworn, says that he is the Vice President of FIRST SECURITY BANK, NATIONAL ASSOCIATION, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.


NOTARY PUBLIC

My commission expires: _____



STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of September, 1999, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of FLEX ASSET MANAGEMENT CORPORATION, the asset manager of FLEX LEASING II, LLC, that the foregoing instrument was signed on behalf of said corporation as asset manager of FLEX LEASING II, LLC, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

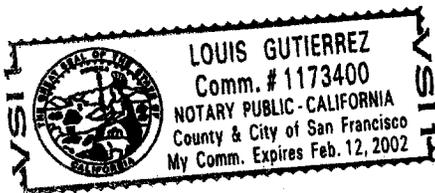
On this ____ day of September, 1999, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of FIRST SECURITY BANK, NATIONAL ASSOCIATION, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF California)
) ss.
COUNTY OF San Francisco)

On this 27th day of September, 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 ASSET MANAGEMENT CORPORATION, the asset manager of FLEX LEASING II, LLC, that the foregoing instrument was signed on behalf of said corporation as asset manager of FLEX LEASING II, LLC, and he acknowledged that the execution of the said instrument was his free act and deed.



Louis Gutierrez
NOTARY PUBLIC

My commission expires: 2/12/2002

SCHEDULE A

SCHEDULE OF EQUIPMENT

EQUIPMENT TYPE	NUMBER OF CARS	CAR MARKS
110 Ton 5150 cu. ft. Covered Hopper Cars	200	IC 798100 - IC 798299
110 Ton 5200 cu. ft. Covered Hopper Cars	100	IC 798300 - IC 798399
110 Ton 73' Centerbeam Flatcars	50	LW 74000- LW 74049
110 Ton 73' Centerbeam Flatcars	60	LW 74165 - LW 74224
60'9" Plate "F" Boxcars	52	LW 50000 - LW 50051
50'6" Plate "F" Boxcars	24	LW 9225 - LW 9232 LW 9234 - LW 9249
110 Ton 73' Centerbeam Flatcars	40	LW 74125 - LW 74164
110 Ton 73' Centerbeam Flatcars	25	LW 74100 - LW 74124
4200 cu. ft. Aluminum Rapid Discharge Open Top Hoppers	115	FLCX 98536 - FLCX 98650

SCHEDULE B

Lease Agreements

1. Master Car Lease Agreement dated as of October 8, 1998 by and between Flex Leasing Corporation ("Flex") and Illinois Central Railroad ("Illinois Central") and Schedule No. 01 to Master Car Lease Agreement dated as of October 8, 1998 by and between Flex and Illinois Central, which Master Car Lease Agreement and such Schedule, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to Flex Leasing II, LLC ("FLEX II").
2. Master Car Lease Agreement dated as of October 21, 1997 by and between Flex and Crown Pacific Limited Partnership ("Crown Pacific"), as amended by Master Car Lease Agreement Amendment Number 1 dated as of February 4, 1999 by and between Flex and Crown Pacific, and Schedule No. 02 to Master Car Lease Agreement dated as of October 21, 1997 by and between Flex and Crown Pacific, which Master Car Lease Agreement and such Schedule, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.
3. Master Car Lease Agreement dated as of October 8, 1998 by and between Flex and Le Groupe Forex, Inc. ("Forex"), Schedule No. 01 dated as of October 8, 1998 by and between Flex and Forex, Schedule No. 04 dated as of October 8, 1998 by and between Flex and Forex, which Master Car Lease Agreement and such Schedules, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.
4. Master Car Lease Agreement dated as of July 3, 1997 by and between Flex and Springfield Terminal Railway Co. ("Springfield"), as amended by Master Lease Amendment Number 1 dated as of December 14, 1998 by and between Flex and Springfield, and Schedule No. 03 to Master Car Lease Agreement dated as of July 3, 1997 by and between Flex and Springfield, which Master Car Lease Agreement and such Schedules, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.
5. Master Car Lease Agreement dated as of August 31, 1998 by and between Flex and Pope & Talbot, Inc. ("Pope & Talbot") and Schedule No. 01 to Master Car Lease Agreement dated as of August 31, 1998 by and between Flex and Pope & Talbot, which Master Car Lease Agreement and such Schedule, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.
6. Master Car Lease Agreement dated as of September 25, 1998 by and between Flex and RSG Forest Products Company ("RSG") and Schedule No. 01 to Master Car Lease Agreement dated as of September 25, 1998 by and between Flex and RSG, which Master Car Lease Agreement and such Schedule, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.
7. Master Car Lease Agreement dated as of July 30, 1999 by and between Flex and Georgia Power Company ("Georgia Power") and Schedule No. 02 to Master Car Lease

Agreement dated as of July 30, 1999 by and between Flex and Georgia Power, which Master Car Lease Agreement and such Schedule, insofar as they relate to the equipment listed on Schedule A, have been assigned by Flex to FLEX II.