



DONELAN CLEARY  
WOOD & MASER, P.C.

RECORDATION NO. 21888-B FILED  
FEB 4 '99 3-10PM

February 4, 1999

Recordation No. 21888-B

Dear Mr. Williams:

On behalf of BTM Capital Corporation, 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 Security Agreement Supplement No. 2 ("Supplement") dated as of February 4, 1999.

The parties to the enclosed Supplement are:

BTM Capital Corporation, (as - SECURED PARTY/for Indexing  
collateral agent for the Secured Parties) MORTGAGEE  
125 Summer Street  
Boston, MA 02110

Flex Leasing I, 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 the leases of the said equipment. The specific units of equipment in the instant closing are covered in the Supplement.

The equipment covered by the instant Supplement is ALL EQUIPMENT NOW OWNED OR HEREAFTER ACQUIRED and the specific units of equipment in the instant closing are identified in Annex A to the Supplement (copy attached).

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

ATTORNEYS AND COUNSELORS AT LAW

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

*Counterparts - G.H. Harrison*

"Covers all equipment now owned or hereafter acquired and the leases thereof. The units of equipment in the instant closing are as listed in the Supplement."

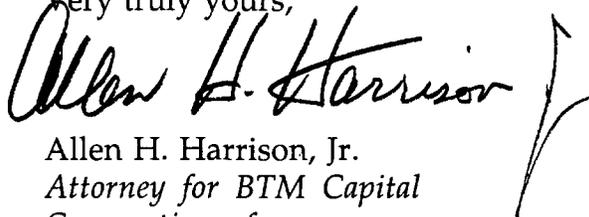
Please enter under this Recordation No. the following cross index reference:

"See Recordation Nos. 21097-D, 21097-E, 21208-D, 21209-D, 21243-B, 21438-C, 21610-A, 21687-A and 21889-A."

Enclosed is a check in the amount of fifty-two dollars, twenty-six dollars of which is in payment of the filing fees, and twenty-six of which is for the requested cross index reference.

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 BTM Capital  
Corporation, for  
the purpose of this filing.

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

*Enclosures*

BY HAND

8207-020

**Annex A**

DESCRIPTION OF CARS:	CAR NUMBERS:
One Hundred Eighty-Five (185) 4,000 Cu. Ft. Rapid Discharge Hoppers	FLCX 100 through 284 inclusive
One Hundred Forty-Nine (149) New Class FB352 bi-level Auto Racks	NS 22906 through 23054 inclusive
Twenty-Five (25) Newly-built 50'6" Plate "F" Boxcars (XP)	LW 9175 through 9199 inclusive
Twenty-Five (25) Newly-built 73' centerbeam flatcars, 110 ton, 286,000 LB gross rail load	LW 73000 through 73024 inclusive
Fifty-Seven (57) Newly-built 66' Mill gondolas, 6' sides, 110-ton capacity, 286,000 lb. gross rail load	SMPX 8001 through 8008 inclusive SMPX 8010 through 8021 inclusive SMPX 8024 through 8029 inclusive SMPX 8031 through 8037 inclusive SMPX 8040 through 8043 inclusive SMPX 8047 through 8048 inclusive SMPX 8051 through 8054 inclusive SMPX 8057 through 8059 inclusive SMPX 8062 SMPX 8064 through 8068 inclusive SMPX 8070 SMPX 8073 through 8075 inclusive SMPX 8079
Forty-nine (49) covered coil railcars	CSXT 495310 through 495333 inclusive CSXT 495335 through 495359 inclusive
Fifty (50) 50'6" Plate "F" Boxcars with 10' Single Plug Doors	CDAC 1050 through 1099 inclusive
Fifty (50) 50'6" Plate "F" Boxcars with 10' Single Plug Doors	LW 9500 through 9549 inclusive
Fifteen (15) 3,250 Cu. Ft. Covered Hoppers	FLOX 983400 through 98414 inclusive
One (1) 50'6" Plate "F" Boxcars with 10' Plug Doors	LW 9233

Six (6) 50'6" Plate "F" Boxcars with 10'  
Single Plug Doors

CDAC 1031  
CDAC 1034  
CDAC 1035  
CDAC 1037  
CDAC 1039  
CDAC 1045

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001

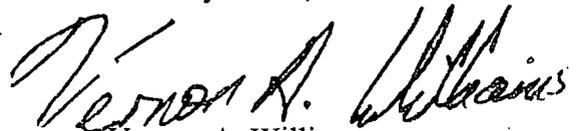
OFFICE OF THE SECRETARY

Allen H. Harrison, Jr.  
DCWM  
1100 New York Avenue, NW., Ste. 750  
Washington, DC., 20005-3934

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.  
11301 and CFR 1177.3 (c), on 2/4/99 at 3:10 PM, and  
assigned recordation numbers (s): 21888-B. ( 1 cross- index)

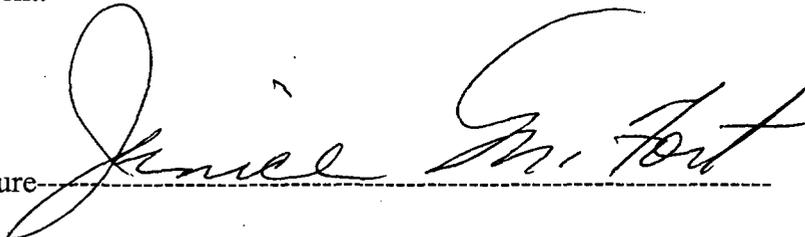
Sincerely Yours,

  
Vernon A. Williams

Enclosure(s)  
52.00

\$\_\_\_\_\_ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature \_\_\_\_\_



## SECURITY AGREEMENT SUPPLEMENT FEB 4 '99 3-10PM

This SECURITY AGREEMENT SUPPLEMENT NO. 2, dated as of February 4, 1999, to the Security Agreement dated as of December 22, 1998 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement") made by FLEX LEASING I, LLC (the "Borrower") to BTM CAPITAL CORPORATION, as collateral agent (the "Collateral Agent") for the Secured Parties.

A. Reference is made to that certain Loan Agreement dated as of December 22, 1998 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among the Borrower, BTM CAPITAL CORPORATION, as Agent, Loan Underwriter and a Lender and each other party that may be from time to time a party thereto as a Lender.

B. The Security Agreement was recorded with the Surface Transportation Board on December 22, 1998, under Recordation No. 21888, and with the Registrar General of Canada on December 23, 1998, at 11:05 a.m.

C. The Security Agreement provides for the execution and delivery of one or more supplements thereto substantially in the form hereof, which shall particularly describe the Rolling Stock Collateral included in the property covered by the Security Agreement.

C. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, as security for the payment or performance, as the case may be, in full of the Secured Obligations, the Borrower hereby confirms and acknowledges the assignment, pledge and grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, of a security interest in and lien on, all of the Borrower's right, title and interest in and to the Units of Rolling Stock Collateral described herein.

1. The Units of Rolling Stock Collateral covered by this Supplement are more specifically described on Annex A hereto (which is incorporated herein by this reference) shall be subject to the security interest and lien granted under and on the terms and conditions of the Security Agreement and Loan Agreement.

2. Together with all substitutions or replacements of and additions, improvements, accessories and accumulations to the property above described for which title vests in the Borrower and all property which shall hereafter become attached to or incorporated in the property above described, whether the same are now owned by the Borrower or shall hereafter be acquired by it.



**Annex A**

DESCRIPTION OF CARS:	CAR NUMBERS:
One Hundred Eighty-Five (185) 4,000 Cu. Ft. Rapid Discharge Hoppers	FLCX 100 through 284 inclusive
One Hundred Forty-Nine (149) New Class FB352 bi-level Auto Racks	NS 22906 through 23054 inclusive
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