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REGISTRATION NO. 27648 FILED

SEP 22 '08 -4 3 8 PM

**SURFACE TRANSPORTATION BOARD**

September 22, 2008

Ann Quinlan, Esq.  
Acting Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 20423

Dear Ms. Quinlan:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 9/16/08 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.  
Investors Building, Suite 700  
733 Marquette Avenue So.  
Minneapolis, MN 55402

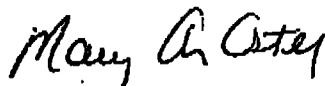
Debtor: Celtic Leasing Corp.  
4 Park Plaza, Suite 300  
Irvine, CA 92614

Equipment: 100, Coal Gondolas  
NELX 200-299

Please record this agreement as a primary document. The filing fee of \$41 is enclosed.

Summary: Memorandum of Security Agreement dated 9/16/08 between Wells Fargo Equipment Finance, Inc. as Secured Party and Celtic Leasing Corp. as Debtor including 100 Coal Gondolas, NELX 200-299.

Sincerely,



Mary Ann Oster  
Research Consultant

Enclosure

RECORDATION NO. 27648 FILED

SEP 22 '08 -4 3 8 PM

**MEMORANDUM OF SECURITY AGREEMENT**

**SURFACE TRANSPORTATION BOARD**

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 16<sup>th</sup> day of September, 2008, by and between Celtic Leasing Corp., a California corporation ("Celtic"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("WFEFI").

A. Celtic has assigned all of its right, title and interest in and to that certain Schedule No. 2279A04 to Master Equipment Lease Agreement No. CML-2279A dated November 7, 2007 between Newell Recycling of Atlanta, Inc., Newell Recycling of Gwinnett, LLC, and Newell Equipment Leasing, LLC, as Co-Lessees, and Celtic as Lessor to WFEFI pursuant to that certain Assignment of Lease - Without Recourse dated September 12, 2008 (the "Assignment") executed by the Celtic in favor of the WFEFI.

B. To secure the Celtic's obligations to the WFEFI, Celtic executed and delivered to the WFEFI an Assignment pursuant to which the Celtic granted to WFEFI a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) 100 100-Ton Cube Coal Gondola Railcars described on Exhibit A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which Celtic may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract of otherwise, in respect of any defect in the Railcars or any part thereof;

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

CELTIC LEASING CORP.

WELLS FARGO EQUIPMENT FINANCE, INC.

By: [Signature]  
Its: Vice President

By: [Signature]  
Its: [Signature]

EXHIBIT A  
TO  
MEMORANDUM OF SECURITY AGREEMENT

<u>ITEM</u>	<u>QTY</u>	<u>SERIAL NO.</u>	<u>DESCRIPTION</u>
1.	(21)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 205, 208, 210, 216, 217, 219, 241, 243, 245, 250, 264, 268, 269, 271, 274, 280, 282, 283, 285, 287, 293
2.	(10)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 203, 221, 223, 235, 248, 251, 258, 276, 277, 295
3.	(17)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 202, 213, 218, 226, 227, 228, 232, 234, 236, 240, 246, 247, 263, 275, 279, 288, 291
4.	(10)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 204, 206, 225, 256, 266, 267, 290, 294, 296, 297
5.	(10)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 214, 215, 224, 253, 254, 259, 260, 281, 289, 298
6.	(10)		Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars  Current Car Marks are: NELX Current Car Numbers are: 200, 209, 220, 231, 238, 242, 262, 272, 273, 292

**EXHIBIT A TO MEMORDANDUM OF SECURITY AGREEMENT**

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7. (10) Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars

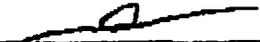
Current Car Marks are: NELX  
Current Car Numbers are: 207, 222, 229, 249, 252, 257, 265, 278, 286, 299

8. (12) Used 100-Ton All Steel 4,000 Cube Coal Gondola Railcars

Current Car Marks are: NELX  
Current Car Numbers are: 201, 211, 212, 230, 233, 237, 239, 244, 255, 261, 270, 284

Assignor: Celtic Leasing Corp.

Assignee: Wells Fargo Equipment Finance, Inc.

By: 

By: 

Name: Michael J. Purcell

Name: Jacqueline E. Baragan

Title: Vice President

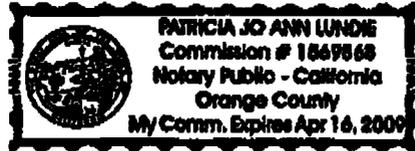
Title: AVP

State of California )  
County of Orange )

On Sept 16, 2008 before me, Patricia Jo Ann Lundie, Notary Public for the State of California, personally appeared Michael J. Purcell, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Patricia Jo Ann Lundie

(SEAL)

**STATE OF MINNESOTA  
COUNTY OF HENNEPIN**

On this 22nd day of September, 2008, before me a Notary Public of the County and State aforesaid, personally appeared Jacqueline Barragan, to me personally known who being by me duly sworn, says that she is an Assistant Vice President of Wells Fargo Equipment Finance, Inc., that foregoing instrument is signed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

*Linda M. Seierstad*  
\_\_\_\_\_  
Notary Public

My commission expires:

