



DONELAN CLEARY  
WOOD & MASER, P.C.

RECORDATION NO. 22380 FILED

August 30, 1999

AUG 31 '99

3-00 PM

22380

New Recordation No.

Dear Mr. Williams:

On behalf of Flex Leasing II, LLC, 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 Lease ("Lease"), dated as of August 30, 1999.

The parties to the enclosed Lease are:

Flex Leasing II, LLC - LESSOR  
Suite 300  
234 Front Street  
San Francisco, CA 94111

Southern Railway of British Columbia Limited - LESSEE  
2102 River Drive  
New Westminster, BC V3M 6S3  
Canada

The said Lease, among other things, acts to lease the equipment listed in Annex A to the Lessee by the Lessor.

The equipment covered by the instant Lease is as identified in Annex A thereto, copy attached.

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

"Covers 75 centerbeam railcars, SRY 286060-286134."

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

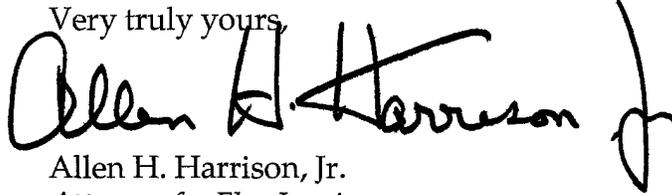
"See Recordation No. 22383."

Enclosed is a check in the amount of fifty-two dollars (\$52.00) in payment of the filing fee (\$26.00) and the cross indexing fee (\$26.00).

*Copy report to A. J. Hamm*

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 Flex Leasing  
II, LLC, 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 Equipment**

**Seventy-five (75) 73' centerbeam railcars, 110-ton capacity, 286,000 lb. GRL numbered:**

**SRY 286060 through 286134 inclusive**

**[Southern Railway of British Columbia]**

AUG 31 '99

3-00 PM

**MEMORANDUM OF LEASE**

**FLEX LEASING II, LLC**, a Delaware limited liability company ("Lessor") having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation ("Flex"), having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, is a party to a certain (unfiled) lease agreement dated as of December 8, 1998 (the "Lease") with **SOUTHERN RAILWAY OF BRITISH COLUMBIA LIMITED** ("Lessee"), covering the railcars listed on Annex A attached hereto.

Dated as of August 31, 1999

**FLEX LEASING II, LLC**

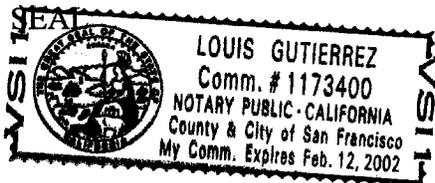
**By: FLEX Asset Management Corporation,  
as Asset Manager**

By: *Desmond P. Hayes*  
Desmond P. Hayes  
President

STATE OF CA )  
 ) ss:  
COUNTY OF SF )

On this 19th day of August, 1999, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of FLEX Asset Management Corporation and that said writing was signed on the date hereof by him on behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and notarial seal this 19th day of August, 1999.



*Louis Gutierrez*  
Notary Public  
My Commission Expires: 2/12/2002

**ANNEX A**

**Description of Equipment**

Seventy-five (75) 73' centerbeam railcars, 110-ton capacity, 286,000 lb. GRL numbered:

SRY 286060 through 286134 inclusive

[Southern Railway of British Columbia]