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July 31, 2002

Recordation No. 21687-G

RECORDATION NO. 21687-G (RST)

SEP 20 '02 3-8 6 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, 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 Partial Termination of Lease ("Partial Termination") dated as of July 31, 2002.

The party to the enclosed Partial Termination is:

Flex Leasing I, LLC
Suite 730
221 Main Street
San Francisco, CA 94105

- LESSOR/TERMINATOR

The said Partial Termination, among other things, acts to terminate ONLY those units in Annex A thereto (copy attached) from the lease between Flex Leasing I, LLC, as Lessor and Canadian American Railway, and Iron Road Railways, Inc., as Lessee, recorded under Recordation No. 21687 as supplemented, the units being terminated from the lease having been recorded under Recordation No. 21687-D and the Partial Termination should be recorded under the next available letter under Recordation No. 21687, which letter we believe to be "-G."

The equipment covered by the instant Partial Termination is as identified in Annex A thereto namely 35 centerbeam railcars, LW numbers within the series 75000-75052, see Annex A.

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

"Termination from lease 35 centerbeam railcars, LW numbers within the series 75000-75052. see Annex A."

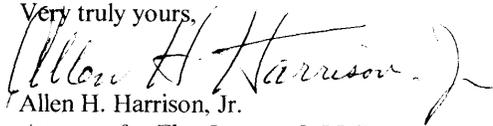
Please enter under this Recordation No. the following cross index reference:

“See Recordation No. 21888-U.”

Enclosed is a check in the amount of sixty dollars (\$60.00) in payment of the filing fee (\$30.00) and the cross indexing fee (\$30.00).

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 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 cursive script that reads "Allen H. Harrison, Jr." with a large, sweeping flourish at the end.

Allen H. Harrison, Jr.
*Attorney for Flex Leasing I, LLC,
for the purpose of the filing.*

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

Enclosures

BY HAND

8212-020

ANNEX A

Description of Equipment

Thirty-five (35) 73'0" centerbeam railcars, 110-ton capacity,
286,000 lb. gross rail load, numbered:

LW 75000 through LW 75021 inclusive
LW 75023 through LW 75024 inclusive
LW 75027
LW 75036 through LW 75038 inclusive
LW 75042
LW 75044 through LW 75046 inclusive
LW 75048
LW 75050
LW 75052

[Partial Termination – Canadian American]

11/1/01-02

MEMORANDUM OF PARTIAL TERMINATION OF LEASE

FLEX LEASING CORPORATION and **FLEX LEASING I, LLC** collectively (i) recorded that certain Memorandum of Lease with the Surface Transportation Board (the "STB"), Recordation No. 21687 on September 30, 1998, at 1:55 p.m., and deposited that certain Memorandum of Lease with the Registrar General of Canada (the "RGC") on the 1st day of October, A.D. 1998, at 3:22 p.m., (ii) recorded that certain Memorandum of Supplement with the STB, Recordation No. 21687-A on February 4, 1999, at 3:15 p.m., and deposited that certain Memorandum of Supplement with the RGC on the 5th day of February, A.D. 1999, at 1:06 p.m., (iii) recorded that certain Notice of Remarking with the STB, Recordation No. 21687-B on December 1, 1999 at 12:50 p.m. and deposited that certain Notice of Remarking with the RGC on the 8th day of December, A.D. 1999, at 10:02 a.m., (iv) recorded that certain Notice of Remarking with the STB, Recordation No. 21687-C on December 1, 1999 at 12:50 p.m. and deposited that certain Notice of Remarking with the RGC on the 8th day of December, A.D. 1999, at 10:01 a.m., (v) recorded that certain Memorandum of Partial Assignment of Lease with the STB, Recordation No. 21687-D on December 10, 1999 at 4:30 p.m. and deposited that certain Memorandum of Partial Assignment of Lease with the RGC on the 13th day of December, A.D. 1999, at 2:03 p.m., (vi) recorded that certain Memorandum of Partial Termination of Lease with the STB, Recordation No. 21687-E on October 30, 2000 at 11:29 a.m. and deposited that certain Memorandum of Partial Termination of Lease with the RGC on the 31st day of October, A.D. 2000, at 3:03 p.m., and (vii) recorded that certain Memorandum of Partial Termination of Lease with the STB, Recordation No. 21687-F on November 19, 2001 at 9:24 a.m. and deposited that certain Memorandum of Partial Termination of Lease with the RGC on the 20th day of November, A.D. 2001, at 10:37 a.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of August 25, 1998, between **FLEX LEASING CORPORATION**, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, **CANADIAN AMERICAN RAILWAY**, a Delaware corporation ("Lessee"), having its chief executive office at Northern Maine Jct. Park, RR#2, Box 45, Bangor, ME 04401, and **IRON ROAD RAILWAYS, INC.**, a Delaware corporation ("Guarantor"), having its chief executive office at 1300 Connecticut Avenue NW, Suite 903, Washington D.C. 20036.

The duties and obligations of the parties to the Lease have been satisfied and discharged only with respect to the railcars listed on Annex A attached hereto. The terms of the said Lease, only with respect to the railcars listed on Annex A attached hereto, have run, have not been renewed, and have therefore expired. Wherefore, this filing hereby partially terminates of record the Lease, only with respect to the railcars listed on Annex A attached hereto. The remainder of the Lease is in full force and effect as of the date hereof.

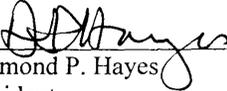
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RECORDATION NO. 21687-G FILED
SEP 20 '02 3-8 6 PM
SURFACE TRANSPORTATION BOARD

Dated as of July 31, 2002

FLEX LEASING I, LLC

By: 
Desmond P. Hayes
President

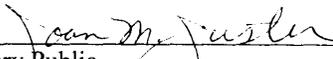
STATE OF CA)
) ss:
COUNTY OF SF)

On this 30th day of July, 2002, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of Flex Leasing I, LLC and that said writing was signed on the date hereof by him on behalf of said company by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 30th day of July, 2002.

SEAL




Notary Public
My Commission Expires: June 28, 2005

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[Partial Termination – Canadian American]