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August 17, 2004

RECORDATION NO. 21892-G FILED

AUG 17 '04

12-50 PM

Recordation No. 21892-G

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 August 11, 2004.

The parties to the enclosed Partial Termination are:

Flex Leasing I, LLC Suite 730 221 Main Street San Francisco, CA 94105	-	LESSOR/TERMINATOR
Southern Railway of British Columbia Limited 2102 River Drive New Westminister, BC V3M Canada	-	LESSEE

The said Partial Termination, among other things, acts to terminate ONLY those units in Annex A thereto, namely 23 boxcars, SRY numbers as listed in Annex A (attached), from the Memorandum of Lease between the above parties, recorded under Recordation No. 21892. The Partial Termination should be recorded under the next available letter under Recordation No. 21892, which letter we believe to be "-G."

The equipment covered by the instant Partial Termination is as identified in Annex A thereto, namely 23 boxcars, SRY numbers.

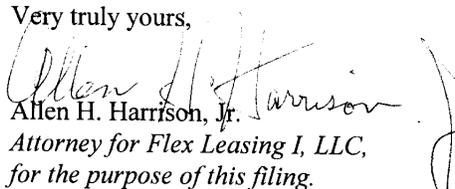
A short summary of the Partial Termination to appear in the Surface Transportation Board Index is as follows:

“Termination from Lease 23 boxcars, SRY6050-6072, see Annex A.”

Enclosed is a check in the amount of thirty dollars (\$30.00) in payment of the filing fee.

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,


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

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

Enclosures

BY HAND

8212-020

ANNEX A

Description of Equipment

Twenty Three (23) 60'9" Plate F boxcars with double 8' plug doors,
end of car cushioning and 286,000 gross rail load, numbered:

SRY 6050 through 6072 inclusive

[SRV]

MEMORANDUM OF PARTIAL TERMINATION OF LEASE

FLEX LEASING CORPORATION and **FLEX LEASING I, LLC** collectively filed (i) that certain Memorandum of Lease with (a) the Surface Transportation Board (the "STB"), Recordation No. 21892, on December 22, 1998 and (b) the Registrar General of Canada (the "RGC") on the 23rd day of December, A.D. 1998 at 11:05 a.m., (ii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21892-A, on September 30, 1999 and (b) the RGC on the 1st day of October, A.D. 1999 at 11:49 a.m., (iii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21892-B, on December 10, 1999 at 4:30 p.m. and (b) the RGC on the 13th day of December, A.D. 1999 at 2:02 p.m., (iv) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21892-C, on August 10, 2000 at 3:23 p.m. and (b) the RGC on the 14th day of August, A.D. 2000 at 9:01 a.m., (v) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21892-D, on November 6, 2000 at 3:37 p.m. and (b) the RGC on the 7th day of November, A.D. 2000 at 11:03 a.m., (vi) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21892-E, on October 19, 2001 at 2:00 p.m. and (b) the RGC on the 19th day of October, A.D. 2001 at 1:17 p.m., and (vii) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21892-F, on September 20, 2002 at 3:42 p.m. and (b) the RGC on the 25th day of September, A.D. 2002 at 10:15 a.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of December 8, 1998, between **FLEX LEASING CORPORATION**, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, and **SOUTHERN RAILWAY OF BRITISH COLUMBIA LIMITED**, a British Columbia corporation ("Lessee"), having its chief executive office at 2102 River Drive, New Westminster, BC V3M 6S3, Canada.

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.

Dated as of August 11, 2004

FLEX LEASING I, LLC

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By: Janice M Wickham
Name: Janice M. Wickham
Title: Vice President

SURFACE TRANSPORTATION BOARD

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 11th day of August, 2004, personally came before me, Janice M. Wickham, who, being by me duly sworn, says she is a Vice President of Flex Leasing I, LLC and that said writing was signed on the date hereof by her on behalf of said company by its authority duly given. The said Vice President acknowledged the execution of the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 11th day of August, 2004.

SEAL



Notary Public

My Commission Expires: _____

RICHARD D'ANNUNZIO
Notary Public, State of New York
No. 43-4693159
Qualified in Richmond County
Commission Expires March 30, 2007

ANNEX A

Description of Equipment

Twenty Three (23) 60'9" Plate F boxcars with double 8' plug doors,
end of car cushioning and 286,000 gross rail load, numbered:

SRY 6050 through 6072 inclusive

[SRV]