

RECORDATION NO. 18076-F FILED

NOV 01 '07 -2 30 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

November 1, 2007

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Termination of Lease, dated as of October 15, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Commission and the Board under Recordation Number 18076.

The name and address of the party to the enclosed document are:

Lessor: Southern Rail Associates, Inc.
523 Turtle Hatch Lane
Naples, Florida 34103

[Lessee: BC Rail Ltd.
22 West Esplanade
North Vancouver British Columbia
Canada V7M 3J1]

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

203 flatcars within the series BCIT 871000 - BCIT 871951 as more particularly set forth in the equipment schedule attached to the document.

A short summary of the document to appear in the index is:

Termination of Lease.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

TERMINATION OF LEASE

NOV 01 '07

-2 30 PM

SURFACE TRANSPORTATION BOARD

THIS TERMINATION OF LEASE is made as of October 15, 2007 by Southern Rail Associates, Inc. (the "Lessor").

WITNESSETH:

1. **The First National Bank of Maryland** (the "Original Lessor") and **British Columbia Railway Company** (the "Original Lessee") entered into an Equipment Lease dated as of December 4, 1992, and Lease Supplement No. 1 dated as of December 4, 1992 thereto, (collectively, the "Original Lease") originally covering the two-hundred three (203) center beams bulkhead flatcars described therein and in Schedule A hereto (the "Equipment");
2. Original Lessor, Original Lessee and **BC Rail Ltd.** (the "Lessee") entered into an Assignment of Lease dated as of December 4, 1992 (the "Assignment") whereby Original Lessee assigned its interest in the Original Lease, and the Equipment thereunder, to Lessee;
3. On December 31, 1992 at 10:55 A.M., the Original Lease and the Assignment were filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) (the "STB") pursuant to 49 U.S.C. §11303 (now §11301) and assigned recordation numbers 18076 and 18076-A, respectively;
4. On December 23, 1992 at 1:10 P.M., the Original Lease and the Assignment were deposited at the Registrar General of Canada (the "RGC") pursuant to §90 of the Railway Act of Canada (now §105 of the Canada Transportation Act);
5. Pursuant to a Notice and Acknowledgment of Assignment dated May 10, 2004 between Original Lessor (then known as **Manufacturers and Traders Trust Company**) and **M&T Credit Corporation** (the "Second Lessor"), Original Lessor assigned all its right, title and interest in the Original Lease, and the Equipment thereunder, to Second Lessor;
6. Second Lessor and Lessee entered into a Renewal and Modification of Equipment Lease dated as of May 10, 2004 (the "Lease Modification") whereby the provisions of the Original Lease were modified to provide for, among other things, an extension of the term thereof;
7. On May 14, 2004 at 12:50 P.M., a Memorandum of Renewal of Equipment Lease dated as of May 10, 2004 (the "Lease Modification Memorandum") between Second Lessor and Lessee was filed with the STB and assigned recordation number 18076-B;
8. On May 19, 2004 at 3:03 P.M., the Lease Modification Memorandum was deposited with the RGC;
9. Pursuant to a Notice, Acknowledgment of Assignment and Amendment dated September 30, 2004 among Second Lessor, Lessee and Lessor, among other things, (i) Second Lessor

evidenced its assignment of all its right, title and interest in the Original Lease as amended by the Lease Modification, and the Equipment thereunder, to Lessor and (ii) the Original Lease, as amended by the Lease Modification, was further amended as specified in Exhibit B thereto (which collectively, with the Original Lease and the Lease Modification, being the "Lease");

10. On October 1, 2004 at 3:24 P.M., a Memorandum of Assignment of Equipment Lease dated as of September 30, 2004 (the "Assignment Memorandum") between Second Lessor and Lessor was filed with the STB and assigned recordation number 18076-C;
11. On October 1, 2004, the Assignment Memorandum was deposited with the RGC; and
12. Lessee has performed all of its obligations under the Lease.

NOW THEREFORE, for good and valuable consideration, Lessor agrees and acknowledges for the public record that the Lease is hereby terminated (except for such terms thereof which expressly survive termination).

IN WITNESS WHEREOF, the Lessor has caused this Termination of Lease to be executed as of the date first above written.

SOUTHERN RAIL ASSOCIATES, INC.,
Lessor

By: Walter L. Ballard, Jr.
Name: Walter L. Ballard, Jr.
Title: President

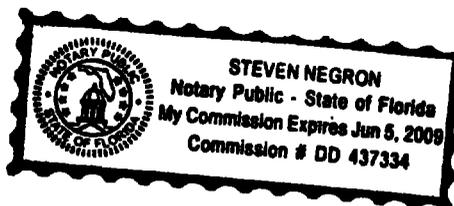
STATE OF FLORIDA, COUNTY OF COLLIER, TO WIT:

On this 15th day of October, 2007 before me personally appeared, Walter L. Ballard, Jr., to me personally known, who being by me duly sworn, says that he is the President of Southern Rail Associates, Inc., that said instrument was signed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Steven Negrón
Notary Public

[Notarial Seal]

My commission expires:



STEVEN M. GIRON
Notary Public - State of Florida
My Commission Expires Jun 2, 2008
Commission # DD 437334



Schedule A to Termination of Lease

Equipment Description

- 201 71' center beam bulkhead flat cars marked:
BCIT 871000 through BCIT 871149,
BCIT 871200 through BCIT 871259,
(but excluding BCIT 871005, BCIT 871030,
BCIT 871034, BCIT 871073, BCIT 871079,
BCIT 871094, BCIT 871104, BCIT 871219
and BCIT 871256); and
- 2 73' center beam bulkhead flat cars marked:
BCIT 871950 through BCIT 871951.