

LAW OFFICES
ALLEN H. HARRISON, JR.
SUITE 706
2009 NORTH 14TH STREET
ARLINGTON, VIRGINIA 22201
TELEPHONE (703) 524-8309
FAX (703) 524-3035

RECORDATION NO. 21093-C FILED
AUG 17 '04 12-20 PM
SURFACE TRANSPORTATION BOARD

August 17, 2004

Recordation No. 21093-C

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 Supplement ("Supplement") dated as of August 17, 2004.

The parties to the enclosed Supplement are:

Flex Leasing I, LLC Suite 730 221 Main Street San Francisco, CA 94105	-	LESSOR
Carolina Power & Light Company 410 South Wilmington Street Raleigh, NC 27602	-	LESSEE

The said Supplement, among other things, acts to lease the equipment listed in Annex A thereto by Flex Leasing I, LLC as Lessor to the Lessee under the lease recorded under Recordation No. 21093 and the said Supplement should be recorded under the next available letter under Recordation No. 21093, which letter we believe to be "-C."

The equipment covered by the instant Supplement is as identified in Annex A thereto, (copy attached), namely 173 coal cars, FLCX numbers.

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

"Lease of 173 coal cars, FLCX numbers, see Annex A."

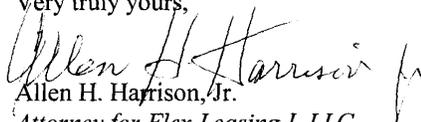
Please enter under this Recordation No. the following cross index reference:

“See Recordation No. 21888-EE.”

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,


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

One Hundred Seventy Three (173) 4,200 cu. ft., 118 ton capacity, aluminum rapid discharge coal cars, 286,000 gross rail load, numbered:

- FLCX 98002 through 98005 inclusive
- FLCX 98007
- FLCX 98010
- FLCX 98012 through 98014 inclusive
- FLCX 98017 through 98023 inclusive
- FLCX 98025 through 98027 inclusive
- FLCX 98029
- FLCX 98031
- FLCX 98033
- FLCX 98035 through 98041 inclusive
- FLCX 98043 through 98044 inclusive
- FLCX 98046 through 98053 inclusive
- FLCX 98055 through 98060 inclusive
- FLCX 98062 through 98063 inclusive
- FLCX 98067 through 98069 inclusive
- FLCX 98071 through 98072 inclusive
- FLCX 98075
- FLCX 98077 through 98080 inclusive
- FLCX 98082 through 98083 inclusive
- FLCX 98086 through 98088 inclusive
- FLCX 98090
- FLCX 98092 through 98096 inclusive
- FLCX 98098 through 98106 inclusive
- FLCX 98110 through 98113 inclusive
- FLCX 98115
- FLCX 98118 through 98121 inclusive
- FLCX 98123 through 98124 inclusive
- FLCX 98126
- FLCX 98128 through 98130 inclusive
- FLCX 98132
- FLCX 98135
- FLCX 98137 through 98139 inclusive
- FLCX 98141 through 98143 inclusive
- FLCX 98146
- FLCX 98148 through 98149 inclusive
- FLCX 98154 through 98155 inclusive
- FLCX 98159
- FLCX 98162 through 98164 inclusive
- FLCX 98166 through 98167 inclusive

FLCX 98174 through 98175 inclusive
 FLCX 98178
 FLCX 98181 through 98182 inclusive
 FLCX 98184
 FLCX 98186 through 98187 inclusive
 FLCX 98193
 FLCX 98197
 FLCX 98201
 FLCX 98204 through 98205 inclusive
 FLCX 98207 through 98209 inclusive
 FLCX 98213 through 98214 inclusive
 FLCX 98216
 FLCX 98218 through 98225 inclusive
 FLCX 98227
 FLCX 98230 through 98231 inclusive
 FLCX 98236 through 98243 inclusive
 FLCX 98245
 FLCX 98249 through 98251 inclusive
 FLCX 98254 through 98255 inclusive
 FLCX 98258 through 98259 inclusive
 FLCX 98262 through 98263 inclusive
 FLCX 98266 through 98270 inclusive
 FLCX 98272 through 98280 inclusive

[CP&L]

NY01:STADD/764127.2

RECORDATION NO. 21093-C FILED

AUG 17 '04 12-20 PM

MEMORANDUM OF SUPPLEMENT

SURFACE TRANSPORTATION BOARD

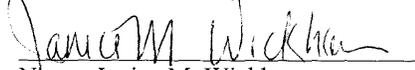
FLEX LEASING CORPORATION and **FLEX LEASING I, LLC** collectively filed (i) that certain Memorandum of Lease with (a) the Surface Transportation Board (the "STB"), Recordation No. 21093, on December 19, 1997 at 3:07 p.m. and (b) the Registrar General of Canada (the "RGC") on the 22nd day of December, A.D. 1997 at 3:40 p.m., and (ii) that certain Memorandum of Full Assignment of Lease with (a) the STB, Recordation No. 21093-A, on December 22, 1998 at 2:46 p.m. and (b) the RGC on the 23rd day of December, A.D. 1998 at 11:05 a.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of December 15, 1997, between **FLEX LEASING I, LLC**, a Delaware limited liability company ("Lessor"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation, having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, and **CAROLINA POWER & LIGHT COMPANY**, a North Carolina corporation ("Lessee"), having its chief executive office at 410 South Wilmington Street, Raleigh, North Carolina 27602.

The Lessor and Lessee have added the additional railcars listed on Annex A attached hereto to the Lease and wish to amend the Memorandum of Lease.

Dated as of August 11, 2004

FLEX LEASING I, LLC


Name: Janice M. Wickham
Title: Vice President

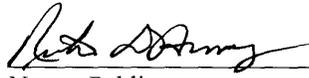
[Remainder of Page Intentionally Left Blank]

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

One Hundred Seventy Three (173) 4,200 cu. ft., 118 ton capacity, aluminum rapid discharge coal cars; 286,000 gross rail load, numbered:

FLCX 98002 through 98005 inclusive
FLCX 98007
FLCX 98010
FLCX 98012 through 98014 inclusive
FLCX 98017 through 98023 inclusive
FLCX 98025 through 98027 inclusive
FLCX 98029
FLCX 98031
FLCX 98033
FLCX 98035 through 98041 inclusive
FLCX 98043 through 98044 inclusive
FLCX 98046 through 98053 inclusive
FLCX 98055 through 98060 inclusive
FLCX 98062 through 98063 inclusive
FLCX 98067 through 98069 inclusive
FLCX 98071 through 98072 inclusive
FLCX 98075
FLCX 98077 through 98080 inclusive
FLCX 98082 through 98083 inclusive
FLCX 98086 through 98088 inclusive
FLCX 98090
FLCX 98092 through 98096 inclusive
FLCX 98098 through 98106 inclusive
FLCX 98110 through 98113 inclusive
FLCX 98115
FLCX 98118 through 98121 inclusive
FLCX 98123 through 98124 inclusive
FLCX 98126
FLCX 98128 through 98130 inclusive
FLCX 98132
FLCX 98135
FLCX 98137 through 98139 inclusive
FLCX 98141 through 98143 inclusive
FLCX 98146
FLCX 98148 through 98149 inclusive
FLCX 98154 through 98155 inclusive
FLCX 98159
FLCX 98162 through 98164 inclusive
FLCX 98166 through 98167 inclusive

FLCX 98174 through 98175 inclusive
FLCX 98178
FLCX 98181 through 98182 inclusive
FLCX 98184
FLCX 98186 through 98187 inclusive
FLCX 98193
FLCX 98197
FLCX 98201
FLCX 98204 through 98205 inclusive
FLCX 98207 through 98209 inclusive
FLCX 98213 through 98214 inclusive
FLCX 98216
FLCX 98218 through 98225 inclusive
FLCX 98227
FLCX 98230 through 98231 inclusive
FLCX 98236 through 98243 inclusive
FLCX 98245
FLCX 98249 through 98251 inclusive
FLCX 98254 through 98255 inclusive
FLCX 98258 through 98259 inclusive
FLCX 98262 through 98263 inclusive
FLCX 98266 through 98270 inclusive
FLCX 98272 through 98280 inclusive

[CP&L]