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RECORDATION NO. 22377-D FILED

AUG 17 '04 12-30 PM

SURFACE TRANSPORTATION BOARD

August 17, 2004

Recordation No. 22377- D

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
Union Pacific Railroad Company 1416 Dodge Street Omaha, NE 68179	-	LESSEE

The said Supplement, among other things, acts to lease ONLY the equipment listed in Annex A thereto by Flex Leasing I, LLC as Lessor to the Lessee under the lease recorded under Recordation No. 22377 and the said Supplement should be recorded under the next available letter under Recordation No. 22377, which letter we believe to be "-D".

The equipment covered by the instant Supplement is as identified in Annex A thereto, (copy attached), namely 56 mill gondolas, MS numbers, and 100 sided mill gondolas CHTT 287000-287099.

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

"Lease ONLY of 156 gondolas, MS and CHTT numbers by Flex Leasing I, LLC, see Annex A."

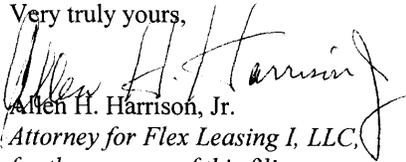
Please enter under this Recordation No. the following cross index reference:

“See Recordation No. 21888-U as amended.”

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

Fifty-Six (56) 52' mill gondolas, numbered:

**MS 3001 through MS 3010 inclusive
MS 3012 through MS 3013 inclusive
MS 3016 through MS 3029 inclusive
MS 3031 through MS 3034 inclusive
MS 3036 through MS 3038 inclusive
MS 3041 through MS 3045 inclusive
MS 3047
MS 3050
MS 3052 through MS 3056 inclusive
MS 3058 through MS 3062 inclusive
MS 3064 through MS 3065 inclusive
MS 3067 through MS 3070 inclusive**

One Hundred (100) 66'-6'0" sided mill gondolas, numbered:

CHTT 287000 through CHTT 287099 inclusive

[Union Pacific]

AUG 17 '04 12:30 PM

MEMORANDUM OF SUPPLEMENT SURFACE TRANSPORTATION BOARD

FLEX LEASING CORPORATION, FLEX LEASING II, LLC and FLEX LEASING I, LLC filed (i) that certain Memorandum of Lease with (a) the Surface Transportation Board (the "STB"), Recordation No. 22377, on August 31, 1999 at 3:00 p.m. and (b) the Registrar General of Canada (the "RGC") on the 1st day of September, A.D. 1999 at 1:20 p.m., and (ii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 22377-C, on January 28, 2004 at 2:19 p.m. and (b) the RGC on the 3rd day of February, A.D. 2004 at 1:13 p.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of June 29, 1999, between FLEX LEASING CORPORATION, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, and UNION PACIFIC RAILROAD COMPANY ("Lessee"), having its chief executive office at 1416 Dodge Street, Omaha, Nebraska 68179.

The new lessor, FLEX LEASING I, LLC, only as to the railcars listed on Annex A attached hereto, and Lessee have added the additional railcars listed on Annex A attached hereto to the Lease and wish to supplement the Memorandum of Lease.

Dated as of August 11, 2004

FLEX LEASING I, LLC


Name: Janice M. Wickham
Title: Vice President

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

On this 11 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 11 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, 20 07

ANNEX A

Description of Equipment

Fifty-Six (56) 52' mill gondolas, numbered:

MS 3001 through MS 3010 inclusive
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MS 3041 through MS 3045 inclusive
MS 3047
MS 3050
MS 3052 through MS 3056 inclusive
MS 3058 through MS 3062 inclusive
MS 3064 through MS 3065 inclusive
MS 3067 through MS 3070 inclusive

One Hundred (100) 66'-6'0" sided mill gondolas, numbered:

CHTT 287000 through CHTT 287099 inclusive

[Union Pacific]