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RECORDATION NO. 25323 FILED
DEC 07 '04 4-00PM
SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

December 7, 2004

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 Memorandum of Lease, dated as of December 6, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: ICX Corporation
2 Summit Park Drive
Suite 300
Cleveland, OH 44131

Lessee: Carolina Power & Light Company
D.B.A. Progress Energy Carolinas, Inc.
410 South Wilmington Street
Raleigh, NC 27601

Mr. Vernon A. Williams
December 7, 2004
Page Two

A description of the railroad equipment covered by the enclosed document is:

1,150 hopper railcars bearing PGNX reporting marks and road numbers attached hereto.

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

Memorandum of Lease

Also enclosed is a check in the amount of \$32.00 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,



Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 25323 FILED
DEC 07 '04 4-00PM
SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

This Memorandum of Lease is entered into as of December 6, 2004, by and between ICX Corporation, an Ohio corporation having its principal place of business at Two Summit Park Dr., Suite 300, Cleveland, OH 44131 ("Lessor") and Carolina Power & Light Company d.b.a. Progress Energy Carolinas, Inc., a North Carolina corporation having its principal place of business at 410 South Wilmington Street, Raleigh, North Carolina 27601 ("Lessee").

1. Lessor intends to purchase and lease to Lessee One Thousand One Hundred Fifty (1,150)-Johnstown America AutoFlood III Aluminum Hopper Railcars bearing identification numbers the identification marks set forth on the attached Exhibit A (collectively, the "Railcars").
2. Lessor and Lessee intend to enter into ten (10) separate Equipment Schedules, each issued pursuant to a Master Rail Lease Agreement having an effective date of October 11, 2004. Pursuant to each such Equipment Schedule, Lessor will lease the Railcars to Lessee for an initial term of 240 months commencing as of the Acceptance Date (as such term is defined in each such Equipment Schedule).

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first written above.

ICX CORPORATION, Lessor

**CAROLINA POWER & LIGHT
COMPANY D.B.A. PROGRESS
ENERGY CAROLINAS, INC., Lessee**

By: *Dennis J. Dierner*
Name: Dennis J. Dierner
Vice President
Title: _____

By: _____
Name: _____
Title: _____

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ICX CORPORATION, Lessor

**CAROLINA POWER & LIGHT
COMPANY D.B.A. PROGRESS
ENERGY CAROLINAS, INC.**, Lessee

By: _____

By: Thomas R. Sullivan

Name: _____

Name: Thomas R. Sullivan

Title: _____

Title: Treasurer

State of Ohio)
) ss:
County of Cuyahoga)

BEFORE ME, a Notary Public in and for said County and State, personally appeared ICX Corporation, an Ohio corporation (the "Corporation"), by Dennis J. Diemer, its Vice President, who acknowledged that he signed the foregoing Memorandum of Lease and that the same is his free act and deed, individually and as an officer of the Corporation, and the free act and deed of the Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Cleveland, Ohio, this 6th day of December, 2004.

Albera A. Grim

Notary Public
ALBERA GRIM
NOTARY PUBLIC • STATE OF OHIO
My Commission Expires on Dec. 3, 2006

EXHIBIT A

<u>DESCRIPTION</u>	<u>AAR MARKINGS</u>
1,150 – Johnstown America AutoFlood III Aluminum Hopper Railcars	PGNX 0100 - 0214 1100 - 1214 2100 - 2214 3100 - 3214 4100 - 4214 5100 - 5214 6100 - 6214 7100 - 7214 8100 - 8214 9100 -9214