

RECORDATION NO. 22257 FILED
C, D, E, F

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.

AUG 17 '99

1-15PM

SUITE 200
WASHINGTON, D.C.

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

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

Kim J. Bartman

August 17, 1999

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 each of Lease Supplement No. 2, Acceptance Notice, Restated Lease Supplement, and Memorandum of Trust Indenture and Security Agreement Supplement No. 3, all dated August 17, 1999, and all being secondary documents as defined in the Board's Rules for the Recordation of Documents

The enclosed documents relate to the Equipment Leasing Agreement previously filed with the Board under Recordation Number 22257.

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

Lease Supplement No. 2, Acceptance Notice
and Restated Lease Supplement

Lessor: First Security Bank
79 South Main Street
Salt Lake City, Utah 84111

Lessee: Alabama Power Company
600 North 18th Street
Birmingham, Alabama 35203

Mr. Vernon A. Williams
August 17, 1999
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Memorandum of Trust Indenture and
Security Agreement Supplement No. 3

Owner Trustee: First Security Bank
79 South Main Street
Salt Lake City, Utah 84111

Indenture Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

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

for Lease Supplement No. 2 and the Acceptance Notice - - 80 railcars JHMX
991681 through JHMX 991760;

for the Restated Lease and Security Agreement Supplement No. 3 - - 440 railcars
JHMX 991561 through JHMX 99200

Also enclosed is a check in the amount of \$104.00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

AUG 17 '99

1-15PM

ACCEPTANCE NOTICE

Acceptance Date: August 17, 1999

This Acceptance Notice is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of July 21, 1999 between the undersigned as the Lessor and the Lessee (herein, as amended and supplemented from time to time, called the "Lease") and Lease Supplement No. 2, dated as of August 17, 1999.

The Lessee hereby (a) acknowledges and certifies that (i) each Item of Equipment described on Schedule 1 attached hereto has been selected by, delivered to, and inspected by, the Lessee, and (ii) the Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each such Item; and (b) accepts each such Item for lease under the Lease as of the date hereof.

The Lessor and the Lessee hereby agree that each Item of Equipment described on Schedule 1 attached hereto is hereby leased by the Lessee from the Lessor under and subject to all of the terms, conditions and provisions of the Lease and Lease Supplement No. 2; that the Term with respect to each such Item commences on the date hereof and that such date is the "Acceptance Date" thereof; and that Equipment Cost for all Items of Equipment covered by this Acceptance Notice is as set forth below.

Total Number of Items of Equipment listed on Schedule 1 hereto: 80

The total Equipment Cost of the Equipment delivered hereunder and listed in Schedule 1 hereto is \$5,177,534.40.

The Applicable Rate hereunder is N/A %.

The Interim Rent shall be: N/A

The Lessee hereby agrees to pay the Interim Rent and the Basic Rent for all Items of Equipment covered by this Acceptance Notice in the amounts and at the times specified in Lease Supplement No. 2, reaffirms its acknowledgments and agreements in Section 8 of the Lease and certifies that its representations and warranties set forth in Section 20 of the Lease and in any related certificate delivered to the Lessor are true and correct on the date hereof.

All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Acceptance Notice to be duly executed by their duly authorized representatives as of the 17th day of August, 1999.

Lessee:

ALABAMA POWER COMPANY

Attest:

By: Patsy B. Southerland
Name: PATSY B. SOUTHERLAND
Title: ASSISTANT SECRETARY

By: William B. Hutchins, III
Name: William B. Hutchins, III
Title: Executive Vice President, Chief
Financial Officer & Treasurer

(Corporate Seal)

Lessor:

FIRST SECURITY BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee, as the Lessor

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Corporate Seal)

STATE OF ALABAMA

COUNTY OF Jefferson, ss:

On this 17th day of August, 1999, before me personally appeared William B. Hutchins, III, to me personally known, who being by me duly sworn, says he is the Executive Vice President, Chief Financial Officer & Treasurer of **ALABAMA POWER COMPANY**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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 corporation.

Kimberly S. Skift
Notary Public

[NOTARIAL SEAL]

My Commission Expires: 11-25-2000

IN WITNESS WHEREOF, the parties hereto have caused this Acceptance Notice to be duly executed by their duly authorized representatives as of the 17th day of August, 1999.

Lessee:

Attest:

ALABAMA POWER COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: William B. Hutchins, III
Title: Executive Vice President, Chief
Financial Officer & Treasurer

(Corporate Seal)



Attest:

Lessor:

FIRST SECURITY BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee, as the Lessor

By: _____
Name: **C. Scott Nielsen**
Title: **Vice President**

By: _____
Name: **Brett R. King**
Title: **Assistant Vice President**

(Corporate Seal)

STATE OF ALABAMA

COUNTY OF _____, ss:

On this ___ day of _____, 1999, before me personally appeared William B. Hutchins, III, to me personally known, who being by me duly sworn, says he is the Executive Vice President, Chief Financial Officer & Treasurer of **ALABAMA POWER COMPANY**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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 corporation.

[NOTARIAL SEAL]

Notary Public

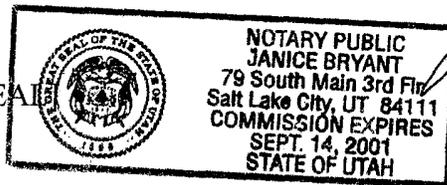
My Commission Expires: _____

STATE OF Utah

COUNTY OF Salt Lake, ss:

On this August day of 1999, before me personally appeared Brett R. King, to me personally known, who being by me duly sworn, says [s]he is Assistant Vice President of **FIRST SECURITY BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee, as the Lessor**, that the seal affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association, not in its individual capacity but solely as Owner Trustee, as the Lessor.

[NOTARIAL SEAL]



Janice Bryant
Notary Public

My Commission Expires: _____

SCHEDULE 1

<u>Car Numbers</u>	<u># of Cars</u>	<u>Cost per car</u>	<u>Additional Cost for Brakes per Car</u>	<u>Total Cost</u>
JHMX 991681-991760	80	\$61,719.18	\$3,000	\$5,177,534.40