

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

AUG 17 '99

1-15PM

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

OF COUNSEL
URBAN A. LESTER

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
Page 2

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

RESTATED LEASE SUPPLEMENT

RECORDATION NO. 22257 - E FILED

AUG 17 '99

1-15PM

(This is counterpart no. 3 of five serially numbered manually executed counterparts)

This Restated Lease Supplement 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").

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

1. Description and Quantity of Items of Equipment covered by this Restated Lease Supplement: 440 railcars delivered between July 21, 1999, and August 17, 1999, described and also identified by identification number on Schedule 1 hereto.
2. Equipment Cost: The aggregate Equipment Cost for all Items of Equipment delivered pursuant to this Restated Lease Supplement shall be the sum of the aggregate Equipment Cost stated in Schedule II to this Restated Lease Supplement.
3. Basic Term: Seven years, commencing on the Basic Term Commencement Date.
4. Basic Rent: Basic Rent for each Item of Equipment shall be determined based on the Applicable Rate in effect two (2) Business Days prior to the Basic Term Commencement Date and shall be equal to the relevant Interest Component plus the Principal Component for such Item of Equipment, such components to be determined by dividing (x) such components for all Items of Equipment, as set forth on Schedule III of this Restated Lease Supplement, by (y) the total number of Items of Equipment covered by this Restated Lease Supplement. The Basic Rent shall be payable in semi-annual installments during the Basic Term on the Rent Payment Dates, as set forth on Schedule III of this Restated Lease Supplement.
7. Basic Term Commencement Date shall be August 17, 1999.
8. Casualty Loss Values: For any date, the amount determined by multiplying the Equipment Cost of the relevant Item of Equipment by the percentage set forth opposite each Casualty Loss Value Payment Date as set forth on Schedule I to this Restated Lease Supplement.

Casualty Loss Values for each Rent Payment Date during the Basic Term shall be determined two Business Days before the Basic Term Commencement Date using the same factors used to establish Basic Rent and will be stated in Schedule I to this Restated Lease Supplement.

9.	<u>Certain Values:</u>			
	<u>Expiration of:</u>	Maximum Lessee Risk Percentage:*	Maximum Lessor Risk Percentage:*	End-of-Term Purchase Option Amount:*
	Basic Term	51.50%	18.50%	70%

* Expressed as a percentage of the Equipment Cost of each Item of Equipment

10. Restated Lease Supplement. Upon its delivery, this Restated Lease Supplement shall supersede and replace Lease Supplement No. 1 and Lease Supplement No. 2 and each of the Acceptance Notices delivered thereunder and shall be the "Lease Supplement" for all purposes of the Lease.

The Lessor shall make such filings under Section 3 of the Lease as it shall reasonably determine are necessary or prudent of or with respect to this Restated Lease Supplement.

13. **THIS RESTATED LEASE SUPPLEMENT AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE LEASE.**

14. **THIS RESTATED LEASE SUPPLEMENT ALONG WITH A CERTIFIED COPY OF THE LEASE SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE. NO SECURITY INTEREST IN THE LEASE MAY BE CREATED THROUGH THE TRANSFER OF POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1 OF THIS RESTATED LEASE SUPPLEMENT.**

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

Lessee:

Attest:

ALABAMA POWER COMPANY

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:

Attest:

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

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Corporate Seal)

THIS IS COUNTERPART NO. 4 OF FIVE (5) SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF ALABAMA

COUNTY OF Jefferson, ss:

On this 16th day of August, 1999, before me personally appeared William B. Hutchins, III, to me personally known, who being by me duly sworn, says that 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 Skiff
Notary Public

[NOTARIAL SEAL]

My commission expires: 11-25-2000

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

Lessee:

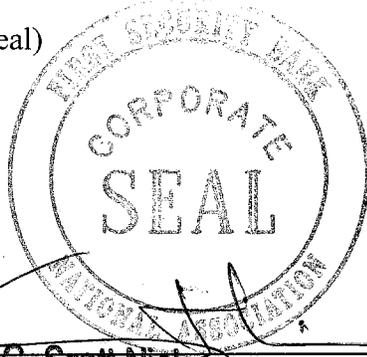
Attest:

By: _____
Name: _____
Title: _____

ALABAMA POWER COMPANY

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

(Corporate Seal)



Attest:

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

Lessor:

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

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

(Corporate Seal)

THIS IS COUNTERPART NO. 3 OF FIVE (5) SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF ALABAMA

COUNTY OF _____, ss:

On this ____ day of _____, _____, before me personally appeared William B. Hutchins, III, to me personally known, who being by me duly sworn, says that 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.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

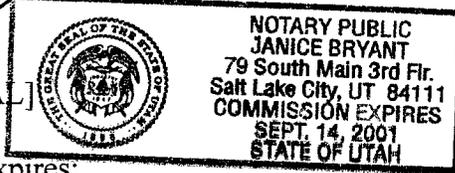
STATE OF Utah

COUNTY Salt Lake, SS:

On this day of August, 1999, before me personally appeared Brett R. King, to me personally known, who being by me duly sworn, says that [s]he is the 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 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.


Notary Public

[NOTARIAL SEAL]



My commission expires:

SCHEDULE 1 TO RESTATED LEASE SUPPLEMENT

TOTAL # OF CARS	APPROX. DELIVERY DATE	REPORTING #'S	RUNNING NOS.	# OF CARS	BRAKES	CARS	TOTAL COST PER APPROX. DELIVERY DATE	COST PER CAR
120	21-Jul	JHMX	991561-991680	120	\$ 3,000.00	\$ 61,719.18	\$ 7,796,301.00	\$ 64,719.18
360	21-Jul	JHMX	991781-992000	240	\$ 3,000.00	\$ 61,875.18	\$ 15,570,043.20	\$ 64,876.18
440	17-Aug	JHMX	991681-991760	80	\$ 3,000.00	\$ 61,719.18	\$ 5,177,534.40	\$ 64,719.18

TOTAL # OF CARS 440

TOTAL COST OF ALL CARS SUBJECT TO THIS SCHEDULE 1 TO RESTATED LEASE SUPPLEMENT \$ 28,513,879.20

SCHEDULE I
TO RESTATED LEASE SUPPLEMENT

CASUALTY LOSS VALUES

PERCENTAGE

CASUALTY LOSS VALUE
PAYMENT DATE

100%	17-Aug-99
100%	17-Feb-00
97.8	17-Aug-00
95.6	17-Feb-01
93.5	17-Aug-01
91.3	17-Feb-02
89.2	17-Aug-02
87.0	17-Feb-03
84.9	17-Aug-03
82.8	17-Feb-04
80.6	17-Aug-04
78.5	17-Feb-05
76.3	17-Aug-05
74.2	17-Feb-06
72.0	17-Aug-06

SCHEDULE II TO
RESTATED LEASE SUPPLEMENT

Equipment Costs

JHMX 991561-991680	120
JHMX 991761-992000	240
JHMX 991681-991760	80
	<u>440 cars</u>
TOTAL COST	<u>\$28,513,879.20</u>

