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OF COUNSEL
URBAN A. LESTER

June 4, 1999

RECORDATION NO. 22180, A, B FILED

JUN 4 '99 2-20PM

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 an Equipment Leasing Agreement, dated as of June 4, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents, and two (2) copies of each of the following secondary documents related thereto: Lease Supplement No. 1 and Acceptance Notice, both dated as of June 4, 1999.

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

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

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

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

420 railcars bearing reporting marks and road numbers set forth on Schedule I attached hereto.

Also enclosed is a check in the amount of $78.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

SCHEDULE I

JHMX 991441-991500	60
JHMX 99841-991200	360
	420 cars

RECORDATION NO. 22180-A FILED

JUN 4 '99 2-20PM

LEASE SUPPLEMENT NO. 1

(This is counterpart no. 4 of five serially numbered manually executed counterparts)

This 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 June 4, 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 Lease Supplement: 420 railcars scheduled to be delivered on June 4, 1999, described and also identified by identification number on Schedule 1 hereto and Schedule 1 to the Restated Lease Supplement. The manufacturer, model numbers, specifications and serial numbers of all of the Equipment subject to this Lease Supplement will be listed in the Acceptance Notice(s). The actual number of Items of Equipment that the Lessor will purchase and lease under this Lease Supplement will be the total shown in all Acceptance Notices, as determined by the Lessee and the Lessor.

2. Lease Acceptance: Each Item of Equipment will be delivered by the Lessor to the Lessee under this Lease Supplement after delivery of the Equipment by the manufacturer. Such delivery will be evidenced by an Acceptance Notice which shall, among other things: (a) state the total number of Items of Equipment and the aggregate Equipment Cost of the Equipment being delivered pursuant thereto; (b) state the Interim Rent for each Item of Equipment being delivered (as further described below under Interim Rent); and (c) in Schedule 1 thereto, list the manufacturer, model number, serial number and other specifications of the Equipment being delivered and the Equipment Cost of each Item of Equipment. Upon its execution and delivery, each Acceptance Notice shall be incorporated by reference herein and form a part of this Lease Supplement. The date of the Acceptance Notice shall be the Acceptance Date of each Item of Equipment subject thereto.

3. Equipment Cost: The aggregate Equipment Cost for all Items of Equipment delivered pursuant to this Lease Supplement shall be the sum of the aggregate Equipment Cost stated in all Acceptance Notices with respect to Equipment subject to this Lease Supplement.

4. Funding Notice: Upon not less than two (2) Business Days' prior written notice from the Lessee, the Lessor will fund the Equipment Cost, in amounts not less than $2 million, provided that it has received a Bill of Sale and invoice from the manufacturer to the Lessor for such Items of Equipment and an Acceptance Notice and that the other terms and conditions stated in the Lease and this Lease Supplement to such funding have been satisfied.

5. Basic Term: Seven years, commencing on the Basic Term Commencement Date.

6. 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 the Restated Lease Supplement, by (y) the total number of Items of Equipment covered by the 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 in the Restated Lease Supplement.

7. Basic Term Commencement Date shall be _____ ____, 1999.

8. Interim Term: Commencing on the Funding Date and ending one (1) day prior to the Basic Term Commencement Date.

9. Interim Rent: For the Items of Equipment delivered under each Acceptance Notice, an amount equal to the sum of the product of the Applicable Rate stated in each Acceptance Notice times the total Equipment Cost of such Items of Equipment divided by 360, as calculated for each day of the Interim Term (such calculation to be made on the basis of actual days elapsed on the basis of a 30-day month).

10. Casualty Loss Values: For any date, the amount determined by multiplying the Equipment Cost of the relevant Item of Equipment (i) during the Interim Term, by 100% or (ii) during the Basic Term, by the percentage set forth opposite each Casualty Loss Value Payment Date as set forth on Schedule I to the 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 the Restated Lease Supplement.

11. Certain Values:

Expiration of:	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

12. Restated Lease Supplement. On or about the Basic Term Commencement Date, the Lessor shall deliver a Restated Lease Supplement to the Lessee, which will: (a) state in Schedule 1 the aggregate Equipment Cost for all of the Items of Equipment subject to this Lease Supplement; (b) state in Schedule III the relevant Interest Component and Principal Component for each installment of Basic Rent; and (c) state in Schedule I thereto the percentage used in determining the Casualty Loss Value for each Item of Equipment subject to this Lease Supplement for each Casualty Loss Value Payment Date. Schedules I and III to the Restated Lease Supplement shall be calculated as provided above under Basic Rent and Casualty Loss Values. Upon its delivery, the Restated Lease Supplement shall supersede and replace this Lease Supplement and each of the Acceptance Notices delivered hereunder 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 the Restated Lease Supplement.

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

14. **THIS 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 LEASE SUPPLEMENT.**

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement to be duly executed by their duly authorized representatives as of this 4th day of June, 1999.

Lessee:

Attest:

By: Patsy B. Southerland
Name: PATSY B. SOUTHERLAND
Title: Assistant Secretary

(Corporate Seal)

ALABAMA POWER COMPANY

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

Lessor:

Attest:

By:_____
Name:_____
Title:_____
(Corporate Seal)

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

By:_____
Name:_____
Title:_____

THIS IS COUNTERPART NO. 4 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 Jefferson, ss:

On this 3rd day of June, 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. Shift
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Nov. 25, 2000.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

[NOTARIAL SEAL]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement to be duly executed by their duly authorized representatives as of this 4th day of June, 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)

Lessor:

Attest:

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
(Corporate Seal)

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

FIRST SECURITY BANK NATIONAL ASSOCIATION CORPORATE SEAL

THIS IS COUNTERPART NO. 4 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]

STATE OF Utah

COUNTY Salt Lake, ss:

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

Kevin East

Notary Public

[NOTARIAL SEAL]

Notary Publ
KEVIN EAS
79 South Main Street, 3rd
Salt Lake City, Utah 84
My Commission Expire
September 10, 2002
State of Utah

My commission expires: _____

SCHEDULE 1
TO LEASE SUPPLEMENT NO. 1

Description of Equipment

Mechanized Rapid Discharge® V Coal Cars - 4418 Cubic Foot Capacity

Car Numbers: 991441-991500
99841-991200

SCHEDULE I
TO LEASE SUPPLEMENT NO. 1

Casualty Loss Values

Percentage	Casualty Loss Value Payment Date
100%	_____, 1999
_____	_____, 2000
_____	_____, 2000
_____	_____, 2001
_____	_____, 2001
_____	_____, 2002
_____	_____, 2002
_____	_____, 2003
_____	_____, 2003
_____	_____, 2004
_____	_____, 2004
_____	_____, 2005
_____	_____, 2005
_____	_____, 2006

SCHEDULE II TO
LEASE SUPPLEMENT NO. 1

Equipment Costs

See Acceptance Notice(s).

JHMX 991441-991500	60
JHMX 99841-991200	360
	420 cars
TOTAL COST	$27,238,215.60

SCHEDULE III
TO LEASE SUPPLEMENT NO. 1

Date	Principal Component	Unamortized Lease Balance
	$	$