

BALCH & BINGHAM

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June 28, 1996

BY HAND DELIVERY

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th Street & Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

Dear Secretary:

We are enclosing an original and one copy of a certain Supplement to Lease of Railroad Equipment and Conditional Sale Agreement, dated as of June 28, 1996, between Alabama Power Company, as Lessee, Fleet Capital Corporation, as Lessor, and Compass Bank, as Agent, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a supplement to a conditional sale agreement previously filed with the Interstate Commerce Commission (Recordation No. 19112), a primary document, and a lease of railroad equipment previously filed with the Interstate Commerce Commission (Recordation No. 19112), a secondary document.

The names and addresses of the parties to these documents are as follows:

- (a) Lessor: Fleet Capital Corporation
50 Kennedy Plaza
Providence, Rhode Island 02903
- (b) Lessee: Alabama Power Company
600 North 18th Street
Birmingham, Alabama 35203
- (c) Agent: Compass Bank
701 South 32nd Street
Birmingham, Alabama 35233

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19112-D

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SURFACE TRANSPORTATION BOARD

Center part - Margaret Andrews

BALCH & BINGHAM

Mr. Vernon A. Williams
 June 28, 1996
 Page 2

A description of the equipment covered by the document filed herewith is as follows:

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>
Trinity 116-Ton Aluminum Body, Steel Under-Frame Coal Hopper Cars	HTS	10 Units	JHMX 96001 - 96010

A fee of \$21.00 is enclosed. Please return the originals and any extra copies not needed by the Board for recordation to the individual submitting these documents or to the undersigned.

The enclosed Supplement to Lease of Railroad Equipment and Conditional Sale Agreement, dated as of June 28, 1996, by and among Alabama Power Company, as Lessee, Fleet Capital Corporation, as Lessor, and Compass Bank, as Agent, is being entered into among the parties for the purpose of replacing 10 destroyed Trinity 116-Ton Aluminum Body, Steel Underframe Coal Hopper Cars with similar substitute railcars and of releasing the destroyed railcars from the existing conditional sale agreement and lease of railroad equipment. The following is a description of equipment which is being released from the above-referenced conditional sale agreement and lease of railroad equipment:

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>
116-Ton Aluminum Coal Hopper Cars	HTS	10	JHMX 95002 JHMX 95003 JHMX 95004 JHMX 95005 JHMX 95006 JHMX 95007 JHMX 95008 JHMX 95009 JHMX 95010 JHMX 95011

BALCH & BINGHAM

Mr. Vernon A. Williams
June 28, 1996
Page 3

Thank you very much for your assistance.

Yours very truly,


Gregory S. Curran
Counsel to Alabama Power Company

GSC:jhb
Enclosure

SURFACE TRANSPORTATION BOARD

7/2/96

Gregory S. Curran
Balch & Bingham
Post Office Box 306
Birmingham, Alabama 35201

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/2/96 at 10:50AM, and assigned recordation number(s). 19112- D.

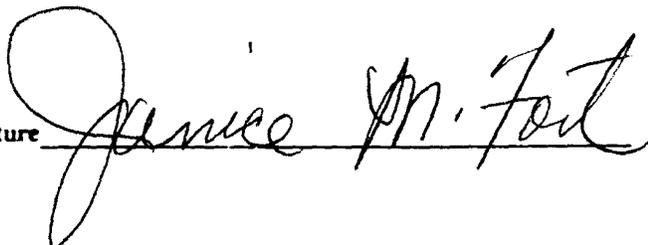
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



19112-D

JUL 1996 AM

SUPPLEMENT
TO
LEASE OF RAILROAD EQUIPMENT
AND
CONDITIONAL SALE AGREEMENT

Dated as of June 28, 1996

Between

ALABAMA POWER COMPANY,

as Lessee,

FLEET CAPITAL CORPORATION,

as Lessor,

AND

COMPASS BANK

as Agent.

Filed with the Surface Transportation Board pursuant to
49 U.S.C. § 11301 on _____, 1996, recordation number
_____.

This Supplement to Lease of Railroad Equipment and Conditional Sale Agreement (this "Supplement") is made as of June 28, 1996, by and among ALABAMA POWER COMPANY, an Alabama corporation ("Lessee"), FLEET CAPITAL CORPORATION, a Rhode Island corporation, formerly known as Fleet Credit Corporation ("Lessor"), and COMPASS BANK, an Alabama banking corporation ("Agent"), to that certain Lease of Railroad Equipment, dated as of December 22, 1994 ("Lease"), between the Lessee and Lessor, and that certain Conditional Sale Agreement, dated as of December 22, 1994 ("CSA"), between TRINITY INDUSTRIES, INC., a Delaware corporation ("Builder"), and Lessor.

WHEREAS, Lessor entered into the CSA with Builder providing for the sale to Lessor of certain railroad equipment (the "Units");

WHEREAS, Lessor and Lessee entered into the Lease, which provides for the lease by Lessor to Lessee of such Units;

WHEREAS, the Builder assigned its rights in, to and under the CSA to Agent pursuant to that certain Agreement and Assignment, dated as of December 22, 1994 ("CSA Assignment"), between the Builder and Agent;

WHEREAS, Lessor assigned for security purposes its rights in, to and under the Lease to Agent pursuant to that certain Assignment of Lease and Agreement, dated as of December 22, 1994 (the "Lease Assignment"), between Lessor and Agent;

WHEREAS, a Casualty Occurrence (as defined in the Lease) occurred with respect to fifteen (15) of the Units ("Casualty Units") as a result of a November 16, 1995 train derailment in Wessell, Kentucky, notice of which has previously been provided to Lessor and Agent;

WHEREAS, CSX Transportation, Inc. ("CSX"), the operator of the train involved in the above-referenced train derailment, has transferred to Lessee the insurance proceeds received by CSX under its insurance policies which covered this loss, and Lessee has held such funds for the benefit of Lessor for the purpose of applying such funds in accordance with the terms of the Lease; and

WHEREAS, pursuant to the terms of Section 7.1 of the Lease, Lessee has elected to replace ten (10) of the Casualty Units with Substitute Equipment meeting the conditions set forth in such Section.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor, Lessee and Agent do hereby agree as follows:

1. The Substitute Equipment (described below) is hereby added to, made a part of and made subject to the Lease and the CSA in replacement of the ten (10) Casualty Units, and the Substitute Equipment shall be included in the Units for purposes of determining the rights and/or obligations of the Lessor, Lessee and/or Agent in, to, under, regarding and on account of such Units pursuant to the Lease, CSA, CSA Assignment and/or Lease Assignment.

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>
116-Ton Aluminum Coal Hopper Cars	HTS	10	JHMX 96001 through 96010

2. Lessee hereby represents and warrants to Lessor that the Substitute Equipment

- (a) is similar to the Casualty Units;
- (b) is in the condition required by Section 11.1 of the Lease;
- (c) has a Fair Market Sale Value (as defined in Section 16.1 of the Lease) at least equal to the Fair Market Sale Value of ten (10) of the Casualty Units; and
- (d) has a coal carrying utility substantially the same as, and a remaining useful life and utility at least equal to, ten (10) of the Casualty Units.

3. All references in Appendix A to the Lease to the Identification Numbers of the railcar equipment shall be amended to reflect the addition of the Substitute Equipment and the release of the Casualty Units as provided herein.

4. All references in Annex B to the CSA to the Identification Numbers of the railcar equipment shall be amended to reflect the addition of the Substitute Equipment and the release of the Casualty Units as provided herein.

5. (a) The following Casualty Units are hereby released from the Lease and CSA, and all rights and/or obligations of the Lessor, Lessee and Agent in, to, under, regarding and on account of such Casualty Units pursuant to the Lease, CSA, CSA Assignment

and/or Lease Assignment are hereby released, waived, acquitted and surrendered:

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>
116-Ton Aluminum Coal Hopper Cars	HTS	10	JHMX 95002 JHMX 95003 JHMX 95004 JHMX 95005 JHMX 95006 JHMX 95007 JHMX 95008 JHMX 95009 JHMX 95010 JHMX 95011

(b) In furtherance of the foregoing, Lessor hereby agrees to execute a quitclaim bill of sale to CSX for the purpose of transferring all of its right, title and interest in and to the above-reference Casualty Units to CSX.

6. Lessee hereby agrees and covenants, with respect to the five (5) Casualty Units which are not being replaced by Substitute Equipment pursuant to this Supplement, (i) that it will, not later than December 31, 1996, either (A) make the required Casualty Payment in respect of such five (5) Casualty Units or (B) replace such five (5) Casualty Units with Substitute Equipment meeting the requirements set forth in Section 7.1 of the Lease, (ii) that it will continue to pay rents with respect to such Casualty Units until Lessee satisfies its obligations set forth in this paragraph 6, and (iii) that the failure of Lessee to comply with the foregoing shall constitute an event of default under the Lease.

7. Except as provided herein, the terms of the Lease and CSA shall remain in full force and effect.

8. This Supplement may be executed by the parties hereto in several counterparts and all such counterparts, when so executed and delivered, shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

ATTEST:

ALABAMA POWER COMPANY

Shelia E. Glass
Title: *Asst Secretary of Public Relations*

By: *James E. Orsett*
Its: *Vice President*

[CORPORATE SEAL]

ATTEST:

FLEET CAPITAL CORPORATION

Title: _____

By: _____
Its: _____

[CORPORATE SEAL]

ATTEST:

COMPASS BANK

[Signature]
Title: *Vice President*

By: *[Signature]*
Its: *Vice President*

[CORPORATE SEAL]

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

ATTEST:

ALABAMA POWER COMPANY

Title: _____

By: _____
Its: _____

[CORPORATE SEAL]

ATTEST:

FLEET CAPITAL CORPORATION



Title: SUPR Asst. Secretary

By: 
Its: AVP

[CORPORATE SEAL]

ATTEST:

COMPASS BANK

Title: _____

By: _____
Its: _____

[CORPORATE SEAL]

STATE OF Alabama)
COUNTY OF Jefferson)

SS.:

On this 28th day of June, 1996, before me personally appeared John E. Colvost to me personally known, who, being by me duly sworn, says that he is a Vice President of ALABAMA POWER COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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.

Elizabeth McBee
Notary Public

[NOTARIAL SEAL]

My commission expires: 3/5/98

STATE OF _____)
COUNTY OF _____)

SS.:

On this _____ day of _____, 1996, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he is a _____ of FLEET CAPITAL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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 Alabama)
COUNTY OF Jefferson)

ss.:

On this 28th day of June, 1996, before me personally appeared PHILIP M. ROLLINGS to me personally known, who, being by me duly sworn, says that he is a V.P. & Sr. Te. Adm. of COMPASS BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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.

W. Davis James Heard
Notary Public

[NOTARIAL SEAL]

My commission expires: 6/19/99

STATE OF _____)
)
COUNTY OF _____) ss.:

On this _____ day of _____, 1996, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he is a _____ of ALABAMA POWER COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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 Rhode Island)
)
COUNTY OF Providence) ss.:

On this 27th day of June, 1996, before me personally appeared Lina Ferruzza to me personally known, who, being by me duly sworn, says that she is a A.V.P. of FLEET CAPITAL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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]

Mary J. McFarland
Notary Public
My commission expires: 12/29/97