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August 21, 2003

RECORDATION NO. 24485-G FILED

AUG 21 '03 10-47 AM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W. - Room 704
Washington, D.C. 20423-0001

Re: Synthetic Lease Financing of Railcars
AEP Energy Services, Inc. - Lessee
American Electric Power Company, Inc. - Guarantor
Second Closing

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of the secondary document described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The secondary document is as follows:

Sublease Assignment and Security Agreement (Second Closing) dated as of August 21, 2003 between AEP Energy Services, Inc. and BTM Capital Corporation.

The document to which the Sublease Assignment and Security Agreement is connected is the Railcar Lease and Security Agreement, dated as of June 1, 2003, covering the new railroad rolling stock bearing the road numbers listed in the exhibit thereto, which was submitted for recording June 17, 2003.

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

**SUBLEASE ASSIGNMENT AND SECURITY AGREEMENT**

| | |
|---|---|
| As assignee and secured party: | BTM Capital Corporation<br>111 Huntington Avenue<br>Boston, Massachusetts 02199 |
| As assignor and debtor: | AEP Energy Services, Inc.<br>c/o American Electric Power Service Corporation<br>1 Riverside Plaza<br>Columbus, Ohio 43215 |

The description of the Equipment covered as of the date hereof by the aforesaid Sublease Assignment and Security Agreement (Second Closing) is as set forth on Exhibit A hereto.

A fee of thirty dollars ($30.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Richard J. DiLallo, Esq.
Chapman and Cutler
111 West Monroe
Chicago, IL 60603-4080

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

"SUBLEASE ASSIGNMENT AND SECURITY AGREEMENT (SECOND CLOSING)", dated as of August 21, 2003, covering new railroad rolling stock bearing the road numbers listed in the exhibit thereto. SUBLEASE ASSIGNMENT AND SECURITY AGREEMENT is related to the Railcar Lease and Security Agreement, dated as of June 1, 2003, which was filed June 17, 2003."

If you have any questions or need further information, please do not hesitate to contact the undersigned at (312) 845-3405.

Sincerely,

CHAPMAN AND CUTLER

By _____
Richard J. DiLallo

RJD
Enclosures

## DESCRIPTION OF EQUIPMENT

| DESCRIPTION | NUMBER OF CARS | MARKS | CAR NUMBERS |
|---|---|---|---|
| Johnstown America 4,520 cubic foot Aluminum BethGon II Coalports | 145 | COEH | 5956 - 6080 (inclusive) and 699132 - 699151 (inclusive) (Double Rotary) |

## SUBLEASE ASSIGNMENT AND SECURITY AGREEMENT - SECOND CLOSING

This Sublease Assignment and Security Agreement, dated as of August 21, 2003 (this *"Assignment"*), is by and between AEP Energy Services, Inc., an Ohio corporation (*"AEP Energy"*), as assignor and debtor, BTM CAPITAL CORPORATION, a Delaware corporation (the *"Lessor"*), as assignee and secured party.

### WITNESSETH:

WHEREAS, pursuant to that certain Railcar Lease and Security Agreement (the *"BTM Lease"*), dated as of June 1, 2003, between AEP Energy, as lessee, and the Lessor, as lessor, AEP Energy will lease those certain railcars described on Exhibit A hereto (the *"Equipment"*); and

WHEREAS, pursuant to that certain Security Agreement--Trust Deed, dated as of June 1, 2003, between the Lessor and Wilmington Trust Company (the *"Security Trustee"*), the Lessor will grant to the Security Trustee a first priority security interest in, among other things, the BTM Lease to secure the Lessor's obligations under its financing; and

WHEREAS, AEP Energy has agreed to sublease the Equipment to The Burlington Northern and Santa Fe Railway Company, a Delaware corporation (*"BNSF"*) pursuant to that certain Short Term Car Lease Agreement dated May 7, 2003 (the *"Sublease"*) between AEP Energy and BNSF; and

WHEREAS, the Lessor and the Security Trustee have requested that AEP Energy collaterally assign its interest in the Sublease to the Lessor to secure AEP's obligations under the BTM Lease; and

WHEREAS, AEP Energy now desires to assign its interest in the Sublease to the Lessor; and

WHEREAS, the Lessor intends assign its interest in the Sublease to the Security Trustee;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter contained, the parties agree as follows:

1. AEP Energy hereby assigns and grants a security interest to the Lessor in the Sublease, including all extensions of the term of the Sublease, together with all rights, powers, privileges, options and other benefits of the AEP Energy as lessor under the Sublease, including, without limitation:

(a) the immediate and continuing right to receive and collect all rent, including without limitation stipulated loss value payments, any insurance proceeds, condemnation awards, payments by BNSF in respect of warranty claims, and other payments, tenders and security now or hereafter payable to or receivable by the lessor under the Sublease pursuant thereto,

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(b) the right to make all waivers and agreements and to enter into any amendments relating to the Sublease and to give and receive duplicate copies of all notices and other instruments or communications, and

(c) the right to take such action upon the occurrence of an event of default under the Sublease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Sublease or by law, to give all notices of Default under the Sublease, and to do any and all other things whatsoever which AEP Energy or any lessor is or may be entitled to do under the Sublease.

2. It is expressly agreed that, anything herein contained to the contrary notwithstanding, AEP Energy shall at all times remain liable to BNSF under and in accordance with the Sublease, and the Lessor shall not have any obligation or liability under the Sublease by reason of, or arising out of, this Assignment or be obligated to perform any of the obligations or duties of AEP Energy under the Sublease.

3. AEP Energy agrees that at any time and from time to time, upon the written request of the Lessor, AEP Energy shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Lessor may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

4. AEP Energy does hereby represent, warrant and covenant that (i) the Sublease is in full force and effect and enforceable in accordance with its terms and that AEP Energy is not in default thereunder; (ii) AEP Energy has not assigned or pledged, and hereby covenants that it shall not assign or pledge so long as this Assignment remains in effect, the whole or any part of the rights hereby assigned to anyone other than the Lessor; and (iii) AEP Energy shall not, so long as this Assignment remains in effect, enter into any agreement with BNSF which would amend, modify, rescind, cancel or terminate the Sublease without the prior written consent of the Lessor and the Security Trustee.

5. The Lessor agrees that it shall not enter into any agreement with BNSF which would amend, modify, rescind, cancel or terminate the Sublease without the prior written consent of AEP Energy, unless the Lessor has notified BNSF that a Default or Event of Default has occurred and is continuing.

6. Pursuant to a Security Agreement - Trust Deed dated as of June 1, 2003, the Lessor has reassigned and granted a security interest to Wilmington Trust Company, as Security Trustee, as security for the Notes to be issued thereunder, in all of the Lessor's right, title and interest in and to the Sublease and under this Assignment.

7. Without limiting the generality of its other respective remedies under the Operative Agreements (as defined in the BTM Lease), each of the Lessor and the Security Trustee shall have the respective rights of a secured party under the Uniform Commercial Code as respects the Sublease upon the occurrence of a Lease Event of Default (as defined in the BTM Lease).

8. This Assignment shall be governed by and construed in accordance with the internal laws of the State of Ohio (without regard to the conflict of law provisions of such State).

This Assignment may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Assignment.

IN WITNESS WHEREOF, the parties have hereunto set their hand as of the 21st day of August, 2003.

AEP ENERGY SERVICES, INC.

By _____
Its Vice President

BTM CAPITAL CORPORATION, as the Lessor

By _____
Its

STATE OF OHIO )
) SS.:
COUNTY OF FRANKLIN )

On this, the 18th day of August, before me, a Notary Public in and for said County and State, personally appeared Henry W. Fayne, a Vice President of AEP ENERGY SERVICES, INC., who acknowledged himself to be a duly authorized officer of AEP ENERGY SERVICES, INC., and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires:
Residing in Franklin County, Ohio

NOTARIAL SEAL

DAVID C. HOUSE, ATTORNEY AT LAW
NOTARY PUBLIC, STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

This Assignment may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Assignment.

IN WITNESS WHEREOF, the parties have hereunto set their hand as of the 21st day of August, 2003.

AEP ENERGY SERVICES, INC.

By _____
Its

BTM CAPITAL CORPORATION, as the Lessor

By John F. McCarthy
Its Vice President

STATE OF _____ )
) SS.:
COUNTY OF _____ )

On this, the _____ day of _____, 2003, before me, a Notary Public in and for said County and State, personally appeared _____, the _____ of AEP ENERGY SERVICES, INC., who acknowledged himself to be a duly authorized officer of AEP ENERGY SERVICES, INC., and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires:
Residing in _____

COMMONWEALTH OF MASSACHUSETTS )
) SS
COUNTY OF SUFFOLK )

On this, the 30th day of July, 2003, before me, a Notary Public in and for said County and State, personally appeared John F. McCarthy, the Vice Pres. of BTM CAPITAL CORPORATION who acknowledged himself to be a duly authorized officer of BTM CAPITAL CORPORATION and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Katherine Cassidy
Notary Public
My Commission Expires: August 21, 2009

## DESCRIPTION OF EQUIPMENT

| DESCRIPTION | NUMBER OF CARS | MARKS | CAR NUMBERS |
|---|---|---|---|
| Johnstown America 4,520 cubic foot Aluminum BethGon II Coalports | 145 | COEH | 5956 - 6080 (inclusive) and 699132 - 699151 (inclusive) (Double Rotary) |