

RECORDATION NO. 25992 FILED

NOV 30 '05 1:56 PM

SURFACE TRANSPORTATION BOARD

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

November 30, 2005

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 a Memorandum of Net Railcar Lease, dated as of November 22, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor:	Babcock & Brown Rail Funding LLC 885 Second Avenue New York, NY 10017
Lessee:	Alabama Power Company 600 N 18th St/14N-8163 Birmingham, AL 35202

Mr. Vernon A. Williams
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Page Two

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

125 railcars: JHMX 05001 – JHMX 05125, inclusive.

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

Memorandum of Net Railcar Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF NET RAILCAR LEASE

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of this 22nd day of November, 2005, to that certain Master Net Railcar Lease dated as of November 22, 2005, and Schedule No. 01 thereto dated as of the same date, between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and ALABAMA POWER COMPANY an Alabama corporation (the "Lessee" and together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into that certain Master Net Railcar Lease and that certain Schedule No. 01 thereto effective as of November 22, 2005 (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

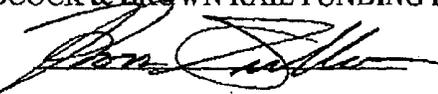
NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year first above written.

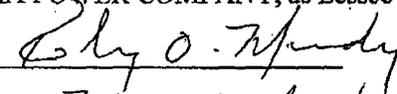
BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: 

Name: Ross Sullivan

Title: Vice President

ALABAMA POWER COMPANY, as Lessee

By: 

Name: Rodney O. Mundy

Title: Senior V.P.

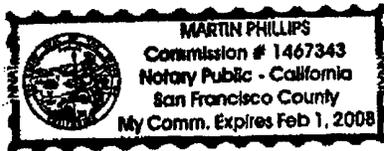
STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN FRANCISCO)

On this 22nd day of November, 2005 before me personally appears Ross Sullivan, to me personally known, who by me duly sworn, says that he is the Vice President of Babcock & Brown Rail Funding LLC (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Officers, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Martin Phillips

Notary Public

[SEAL]

My Commission expires:

STATE OF Alabama)

) SS:

COUNTY OF Jefferson)

On this 23rd day of November, 2005 before me personally appears Rodney O. Mundy, to me personally known, who by me duly sworn, says that he/she is the Senior Vice President of Alabama Power Company (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Ceila H. Sharts

Notary Public

[SEAL]

My Commission expires:

03/21/06

EXHIBIT A TO MEMORANDUM OF NET RAILCAR LEASE

<u>Quantity</u>	<u>Car Description</u>	<u>Reporting Marks and Numbers</u>
One Hundred Twenty-Five (125)	4200 CF Aluminum body Rotary Autoflood III™ open top coal hoppers, 286,000 lbs. GRL; AAR Car Type Code K341; built in 2005 by FreightCar America, Inc.	JHMX 05001-05125, inclusive.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 11/30/05



Robert W. Alvord