

*Counterparts - p. 2*

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

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.  
20006-2973  
(202) 393-2266  
FAX (202) 393-2156

RECORDATION NO. 18718-G FILED  
JUL 31 '98 2-00PM

OF COUNSEL  
URBAN A. LESTER

July 30, 1998

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 Partial Release of Collateral, dated as of July 27, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Amended, Restated and Consolidated Security Agreement which was previously filed with the Board under Recordation Number 18718-F.

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

Secured Party: NationsBank of Tennessee, N.A.  
550 Main Avenue  
Knoxville, Tennessee 37902

Debtor: Georgia & Florida Railroad Co., Inc.  
1019 Coastline Avenue  
Albany, Georgia 31706

A description of the railroad equipment covered by the enclosed document is:  
set forth on Exhibit A attached thereto

JUL 31 1 59 PM '98  
RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Mr. Vernon A. Williams  
July 30, 1998  
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the  
Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

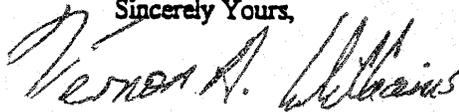
Robert W. Alvord  
Alvord and Alvord  
918 Sixteenth Street, NW., Ste. 200  
Washington, DC., 20006-2973

DATE: 7/31/98

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301  
and 49 CFR 1177.3 (c), on 7/31/98 at 2:00PM, and  
assigned recordation number(s). 18718-G.

Sincerely Yours,

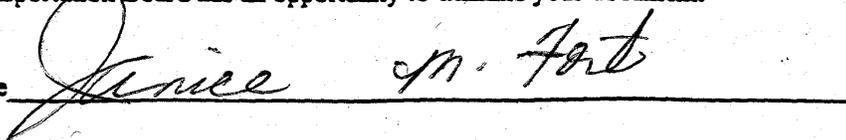


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 26.00 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.  
In the event of an error or any questions concerning this fee, you will receive a notification after  
the Surface Transportation Board has an opportunity to examine your document.

Signature



RECORDATION NO. 18718-G

FILED

JUL 31 '98

2-00PM

PARTIAL RELEASE OF COLLATERAL

**THIS PARTIAL RELEASE OF COLLATERAL**, dated as of the 27<sup>th</sup> day of July, 1998 ("Partial Release"), is executed by **NATIONSBANK OF TENNESSEE, N.A.**, a national banking association ("Secured Party"), in its capacity as the secured party under that certain Amended, Restated and Consolidated Security Agreement, dated as of March 13, 1998, by and among Secured Party, **GULF & OHIO RAILWAYS HOLDING CO., INC.** ("G&O Holdings"), a Tennessee corporation; **GULF & OHIO RAILWAYS, INC.**, a Tennessee corporation ("G&O"); **WIREGRASS CENTRAL RAILROAD COMPANY, INC.**, an Alabama corporation ("Wiregrass"); **PIEDMONT & ATLANTIC RAILROAD CO., INC.**, a Tennessee corporation ("P&A"); **ROCKY MOUNT & WESTERN RAILROAD CO., INC.**, a Tennessee corporation ("RMWR"); **ALBANY BRIDGE COMPANY, INC.**, a Georgia corporation ("Albany"); **GEORGIA & FLORIDA RAILROAD CO., INC.**, a Georgia Corporation ("GFRR"); **LIVE OAK, PERRY & GEORGIA RAILROAD COMPANY, INC.**, a Tennessee corporation ("LORR"); **KNOXVILLE & HOLSTON RIVER RAILROAD CO., INC.**, a Tennessee corporation ("KHRR"); and **KNOXVILLE LOCOMOTIVE WORKS, INC.**, a Tennessee corporation ("Knoxville Locomotive")(hereinafter G&O, Wiregrass, P&A, RMWR, Albany, GFRR, LORR, KHRR and Knoxville Locomotive, are referred to collectively as the "G&O Railroads"), recorded with the Surface Transportation Board on March 19, 1998 (Recordation Number 18718-F)(the "Consolidated Security Agreement").

Secured Party and GFRR are parties to an Amended and Restated Security Agreement dated April 29, 1997 by and among Secured Party, G&O, GFRR and several of the G&O Railroads (the "Prior Security Agreement"), as amended and restated by the Consolidated Security Agreement. The collateral provided as security under the Prior Security Agreement and the Consolidated Security Agreement includes two hundred twelve (212) railroad box cars, more particularly described in Exhibit A (the "Box Cars").

Secured Party hereby waives and releases all of its right, title and interest in the Box Cars created by the Prior Security Agreement, the Consolidated Security Agreement, and any other documents or agreements executed by G&O Holdings, GFRR, the G&O Railroads or any other party related to or affiliated with GFRR or G&O. Except as expressly modified and amended by this Partial Release, the provisions of the Consolidated Security Agreement shall remain in full force and effect in accordance with its original terms.

IN WITNESS WHEREOF, Secured Party has executed this Partial Release as of the day and year first above written.

NATIONSBANK OF TENNESSEE, N.A.

By:   
Name: **C. HOWARD CAPITO**  
**SENIOR VICE PRESIDENT**  
423-541-6108  
Its: COMMERCIAL/TENNESSEE/EAST/KNOXVILLE  
TN5-907-08-01

ACKNOWLEDGED AND AGREED TO BY:

**GEORGIA & FLORIDA RAILROAD CO.,  
INC.**

By:   
Name: H. Peter Clausen  
Its: CEO

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, a notary public of the state and county aforesaid, personally appeared **C. Howard Capito**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath acknowledged himself to be Senior Vice President of NationsBank of Tennessee, N.A., the within named bargainer, a national banking association organized under the laws of the United States of America (the "Bank") and that he as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the Bank by himself as Senior Vice President.

Witness my hand and seal, this 27th day of July, 1998.

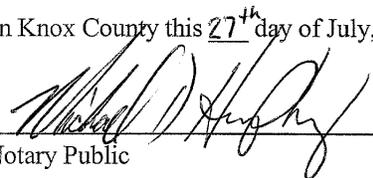
  
Notary Public

My Commission Expires: Sept. 27, 2008

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, a Notary Public of the State and County aforesaid, personally appeared **H. Peter Clausen**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be Chief Executive Officer of Georgia & Florida Railroad Co., Inc., the within named bargainer, a Tennessee corporation, and that he as such Chief Executive Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the corporation by himself as such Chief Executive Officer.

WITNESS my hand and seal, at office in Knox County this 27<sup>th</sup> day of July, 1998.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: August 29, 2001

**EXHIBIT A**

List of Railroad Rolling Stock

Georgia & Florida Railroad  
 Schedule of 140 Beer Cars  
 July 24, 1998

Line Number	Car Number						
1	GFRR 584832	41	GFRR 585356	81	GFRR 585626	121	GFRR 585812
2	GFRR 584849	42	GFRR 585367	82	GFRR 585628	122	GFRR 585814
3	GFRR 584871	43	GFRR 585370	83	GFRR 585630	123	GFRR 585823
4	GFRR 584918	44	GFRR 585375	84	GFRR 585644	124	GFRR 585837
5	GFRR 584938	45	GFRR 585377	85	GFRR 585645	125	GFRR 585856
6	GFRR 584939	46	GFRR 585383	86	GFRR 585647	126	GFRR 585861
7	GFRR 584955	47	GFRR 585387	87	GFRR 585648	127	GFRR 585863
8	GFRR 585050	48	GFRR 585390	88	GFRR 585654	128	GFRR 585872
9	GFRR 585077	49	GFRR 585394	89	GFRR 585655	129	GFRR 585895
10	GFRR 585152	50	GFRR 585401	90	GFRR 585657	130	GFRR 585899
11	GFRR 585156	51	GFRR 585405	91	GFRR 585661	131	GFRR 585903
12	GFRR 585200	52	GFRR 585414	92	GFRR 585662	132	GFRR 585907
13	GFRR 585210	53	GFRR 585417	93	GFRR 585664	133	GFRR 585908
14	GFRR 585213	54	GFRR 585427	94	GFRR 585667	134	GFRR 585909
15	GFRR 585223	55	GFRR 585430	95	GFRR 585668	135	GFRR 585910
16	GFRR 585232	56	GFRR 585440	96	GFRR 585671	136	GFRR 585912
17	GFRR 585233	57	GFRR 585472	97	GFRR 585677	137	GFRR 585914
18	GFRR 585245	58	GFRR 585474	98	GFRR 585683	138	GFRR 585915
19	GFRR 585249	59	GFRR 585477	99	GFRR 585686	139	GFRR 585918
20	GFRR 585260	60	GFRR 585491	100	GFRR 585688	140	GFRR 585919
21	GFRR 585262	61	GFRR 585492	101	GFRR 585690		
22	GFRR 585264	62	GFRR 585501	102	GFRR 585694		
23	GFRR 585265	63	GFRR 585503	103	GFRR 585696		
24	GFRR 585266	64	GFRR 585515	104	GFRR 585703		
25	GFRR 585268	65	GFRR 585531	105	GFRR 585708		
26	GFRR 585273	66	GFRR 585533	106	GFRR 585715		
27	GFRR 585289	67	GFRR 585535	107	GFRR 585722		
28	GFRR 585290	68	GFRR 585536	108	GFRR 585723		
29	GFRR 585304	69	GFRR 585553	109	GFRR 585725		
30	GFRR 585306	70	GFRR 585556	110	GFRR 585737		
31	GFRR 585317	71	GFRR 585560	111	GFRR 585745		
32	GFRR 585319	72	GFRR 585590	112	GFRR 585746		
33	GFRR 585324	73	GFRR 585592	113	GFRR 585748		
34	GFRR 585325	74	GFRR 585596	114	GFRR 585759		
35	GFRR 585326	75	GFRR 585601	115	GFRR 585763		
36	GFRR 585340	76	GFRR 585607	116	GFRR 585764		
37	GFRR 585342	77	GFRR 585608	117	GFRR 585765		
38	GFRR 585343	78	GFRR 585609	118	GFRR 585775		
39	GFRR 585348	79	GFRR 585611	119	GFRR 585788		
40	GFRR 585351	80	GFRR 585613	120	GFRR 585798		

Laurinburg & Southern Railroad Co., Inc.  
Schedule of 72 Beer Cars Being Sold  
July 24, 1998

1	GFRR	585804	37	GFRR	585235
2	GFRR	585372	38	GFRR	585239
3	GFRR	585905	39	GFRR	585298
4	GFRR	585434	40	GFRR	585321
5	GFRR	585034	41	GFRR	585327
6	GFRR	585041	42	GFRR	585406
7	GFRR	585051	43	GFRR	585412
8	GFRR	585057	44	GFRR	585425
9	GFRR	585067	45	GFRR	585438
10	GFRR	585088	46	GFRR	585460
11	GFRR	585111	47	GFRR	585481
12	GFRR	585154	48	GFRR	585494
13	GFRR	585165	49	GFRR	585525
14	GFRR	585171	50	GFRR	585551
15	GFRR	585172	51	GFRR	585552
16	GFRR	585173	52	GFRR	585559
17	GFRR	585178	53	GFRR	585561
18	GFRR	585206	54	GFRR	585567
19	GFRR	585220	55	GFRR	585643
20	GFRR	585301	56	GFRR	585659
21	GFRR	585337	57	GFRR	585772
22	GFRR	585358	58	GFRR	585773
23	GFRR	585396	59	GFRR	585781
24	GFRR	585444	60	GFRR	585789
25	GFRR	585549	61	GFRR	585807
26	GFRR	585001	62	GFRR	585844
27	GFRR	585040	63	GFRR	585864
28	GFRR	585061	64	GFRR	585865
29	GFRR	585117	65	GFRR	585391
30	GFRR	585147	66	GFRR	585433
31	GFRR	585187	67	GFRR	585700
32	GFRR	585207	68	GFRR	585709
33	GFRR	585216	69	GFRR	585714
34	GFRR	585219	70	GFRR	585743
35	GFRR	585227	71	GFRR	585744
36	GFRR	585231	72	GFRR	585751