

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARL MORELL

kmorell@bjllp.com

November 14, 2002

The Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

RECORDATION NO. 24027-A **REC**

NOV 14 '02

2-50 PM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

Enclosed are the original and one certified copy of the document described below to be recorded pursuant to 49 U.S.C. § 11301.

The document is an Amendment To Memorandum of Note Indebtedness And Locomotive Sale Agreement ("Amendment"), a secondary document, dated as of November 1, 2002. The primary document to which the Amendment is connected is recorded under Recordation No. 24027. We request that this document be recorded under Recordation No. 24027-A.

The name and address of the parties to the Amendment are:

Secured Party:

RailTex, Inc.
5300 Broken Sound Boulevard, N.W.
2nd Floor
Boca Raton, FL 33487

Borrower:

Georgia Southwestern Railroad, Inc.
P.O. Box 69
216 Long Drive
Smithville, GA 31787

BALL JANIK LLP

The Honorable Vernon Williams
November 14, 2002
Page 2

A description of the equipment covered by the Amendment consists of: (1) eight locomotives being released from the Locomotive Liens in favor of the Secured Party [locomotives numbered SL 2207, CPDR 70, CSOR 2010, 2011, and 2012, and ISRR 3977, 3983 and 3988]; and (2) two substitute locomotives being added to the Locomotive Liens [locomotives numbered GSWR 6302 and 6308].

A fee of \$30.00 is enclosed. Please return the original to:

Karl Morell
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: an Amendment To Memorandum Of Note Indebtedness and Locomotives Sale Agreement between RailTex, Inc., 5300 Broken Sound Boulevard, N.W., 2nd Floor, Boca Raton, FL 33487 and Georgia Southwestern Railroad, Inc., P.O. Box 69, 216 Long Drive, Smithville, GA 31787, releasing eight locomotives numbered SL 2207, CPDR 70, CSOR 2010, 2011, and 2012, and ISRR 3977, 3983 and 3988 from the Locomotive Liens and adding two locomotives numbered GSWR 6302 and 6308 to the Locomotive Liens.

Sincerely,



Karl Morell

Enclosures

**AMENDMENT TO MEMORANDUM OF NOTE INDEBTEDNESS
AND LOCOMOTIVES SALE AGREEMENT**

THIS AMENDMENT TO MEMORANDUM OF NOTE OF INDEBTEDNESS AND LOCOMOTIVES SALE AGREEMENT, dated as of November 4, 2002 is by and between RAILTEX, INC., a Texas corporation ("RailTex") and GEORGIA SOUTHWESTERN RAILROAD, INC., a Delaware corporation ("GSWR").

R E C I T A L S:

1. RailTex and GSWR entered into a Locomotives Sale Agreement (the "Agreement") dated effective as of March 1, 2002, pursuant to which RailTex sold ten (10) locomotive units (the "Locomotives") to GSWR by Locomotives Bill of Sale, dated June 7, 2002, with the Locomotives being more particularly described in the Memorandum referred to below.

2. As part consideration for the Locomotives purchase, GSWR delivered its Purchase Money Promissory Note, dated June 7, 2002, in the amount of \$672,000 (the "Note"), which Note is secured by GSWR's granting of a security interest and lien upon the Locomotives in favor of RailTex (the "Locomotive Liens").

3. The Locomotive Liens were evidenced and perfected by the execution of a Memorandum of Note Indebtedness and Locomotives Sale Agreement (the "Memorandum"), filed with the Surface Transportation Board on July 8, 2002 and assigned recordation number 24027.

4. The security interests in the Locomotives and the Locomotive Liens are hereby amended by the release of eight (8) of those Locomotives and the addition of two (2) substitute locomotive units as follows:

(a) The following eight (8) Locomotives are hereby released from any and all liens in favor of RailTex and shall no longer be considered as part of the Locomotive Liens:

<u>Unit Designation</u>	<u>Type</u>
SL 2207	GP7
CPDR 70	GP8
CSOR 2010	B23
CSOR 2011	B23
CSOR 2012	B23
ISRR 3977	B23
ISRR 3983	B23
ISRR 3988	B23

These eight (8) Locomotives are hereby released from any and all liens perfected with the Surface Transportation Board established by the filing of the Memorandum.

RECORDATION NO. 24027-A FILED
NOV 14 2002 2-50 PM
SURFACE TRANSPORTATION BOARD

(b) The following two (2) newly-acquired FP9 locomotive units are hereby added to the security interests and liens granted by GSWR to RailTex and shall hereinafter be considered as part of the Locomotive Liens:

<u>Unit Description</u>	<u>Type</u>
GSWR 6302	FP9
GSWR 6308	FP9

These two (2) locomotives (the "Substitute Locomotives") shall be added to, and included in, the Locomotive Liens perfected with the Surface Transportation Board and considered to be substituted collateral. The filed Memorandum is hereby amended and modified to reflect this substitution of collateral.

5. GSWR represents and warrants to RailTex that the Substitute Locomotives are owned by GSWR free and clear of all liens, claims, demands, encumbrances, privileges, pledges and other charges, and that GSWR has good right, title and authority to encumber same in favor of RailTex.

6. Two (2) of the original Locomotives shall remain as security interests and Locomotive Liens in favor of RailTex. As such, the security interests and Locomotive Liens created in the following locomotive units shall be unaffected by the provisions of this Amendment and shall remain continuous and unchanged:

<u>Unit Designation</u>	<u>Type</u>
CSOR 2009	B23
CSOR 2013	B23

7. The terms defined in the Agreement and not otherwise defined herein have, as used herein, the respective meaning provided for in the Agreement.

8. This document may be signed in any number of counterparts, each of which shall be an original and all of which shall be part of this Amendment to Memorandum of Note Indebtedness and Locomotive Sale Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to Memorandum of Note Indebtedness and Locomotives Sale to be executed by its duly authorized officer as of the date first above written.

RAILTEX, INC., a Texas corporation

By: Walter S. Zorkers
Name: Walter S. Zorkers
Title: Senior Vice-President

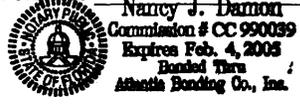
GEORGIA SOUTHWESTERN RAILROAD, INC.,
a Delaware corporation

By: Terry R. Small
Name: Terry Ray Small
Title: President

STATE OF FLORIDA)
) ss.
County of Palm Beach)

On this 6th day of November, 2002, before me, Nancy J. Damon, the undersigned Notary Public, personally appeared WALTER S. ZORKERS personally known to me to be the person who executed the within instrument as Senior Vice-President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Nancy J. Damon
Notary Public for _____
My Commission expires _____



STATE OF AK)
) ss.
County of Barbaruk)

On this 1st day of November, 2002, before me, GA Southwestern Railroad, the undersigned Notary Public, personally appeared Terry Ray Small personally known to me to be the person who executed the within instrument as President on behalf of the corporations therein named, and acknowledged to me that the corporations executed it.

Insa Beckand
Notary Public for Barbaruk
My Commission expires 10/28/06

CERTIFICATION

I, Karl Morell, have compared this copy with the original Amendment of Note Indebtedness And Locomotive Sale Agreement, dated as of November 1, 2002, and found the copy to be compete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.


Karl Morell
November 14, 2002