

WINSTEAD

March 4, 2003

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MPL
MANAGEMENT
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direct dial: 713.650.2761
klee@winstead.com

VIA OVERNIGHT DELIVERY

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Suite 700
Washington, D.C. 20423-001

RECORDATION NO. 23471-A FILED

MAR 06 '03 12:07 PM

SURFACE TRANSPORTATION BOARD

Re: STERLING BANK/WARNER ABEL

Dear Mr. Williams:

On behalf of Sterling Bank, I hereby submit for filing and recording two (2) executed originals of a secondary document, entitled Ratification of Previously Executed Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement ("Ratification") dated as of February 24, 2003. The Ratification is an amendment and ratification to that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated March 19, 2001 between WARNER W. ABEL, JR., as Mortgagor, and STERLING BANK, as Mortgagee, which was duly filed on April 30, 2001 in accordance with 49 U.S.C. 11303 (a) under Recordation Number 23471.

The parties to the Ratification are:

WARNER W. ABEL, JR.
12210 Knobcrest
Houston, Texas 77070

STERLING BANK, as Mortgagee
2201 Mangum Road
Houston, Texas 77292-4009

2400 BANK ONE CENTER
910 TRAVIS STREET
HOUSTON, TEXAS 77002

PH 713.650.8400
FAX 713.650.2400
WINSTEAD.COM

WINSTEAD SECHREST & MINICK
Attorneys and Counselors
A Professional Corporation

Austin, Dallas, Fort Worth,
Houston, Mexico City,
The Woodlands, Washington DC

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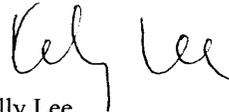
The said Ratification affects the following collateral:

GLNX #3447
GLNX #3449

Enclosed is a check in the amount of \$180.00 (\$30.00 of which is for this filing) in payment of the filing fee. The file-stamped copy of the Ratification should be returned to the undersigned at 910 Travis, Suite 2400, Houston, Texas 77002.

Thank you for your assistance and don't hesitate to contact me at (713) 650-2761 if you have any questions or need additional information.

Very truly yours,



Kelly Lee,
Paralegal

Enclosures

cc: Mitchell S. Schulman (w/o enclosures)
James W. Doyle, Esq. (Firm)

HOUSTON_1\633515\1
20233-7 03/03/2003

**RATIFICATION OF PREVIOUSLY EXECUTED RAILROAD CAR
MORTGAGE, SECURITY AGREEMENT, ASSIGNMENTS OF INTEREST
IN LEASES AND FINANCING STATEMENT**

This is a secondary document and is a ratification of that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated March 19, 2001 between WARNER W. ABEL, JR., as Debtor, and STERLING BANK, as Secured Party, which was duly filed on April 30, 2001 in accordance with 49 U.S.C. 11303 (a) under Recordation Number 23471.

MORTGAGOR: WARNER W. ABEL, JR.
 12210 Knobcrest
 Houston, Texas 77070

MORTGAGEE: STERLING BANK
 2201 Mangum Road
 Houston, Texas 77092

COLLATERAL: Railroad cars bearing the numbers described below:

 GLNX 3447
 GLNX 3449

HOUSTON_1\629840\1
20233-7 03/03/2003

RECORDATION NO. 23471-A **FILED**
MAR 06 '03 12:07 PM
SURFACE TRANSPORTATION BOARD

**RATIFICATION OF PREVIOUSLY EXECUTED
RAILROAD CAR MORTGAGE, SECURITY AGREEMENT, ASSIGNMENTS OF
INTEREST IN LEASES AND FINANCING STATEMENT**

This Ratification, dated as of the 24 day of February, 2003, is by and between WARNER W. ABEL, JR. (hereinafter referred to as the "Pledgor"), whose address for notice purposes is 12210 Knobcrest, Houston, Texas 77070, for the benefit of STERLING BANK, a Texas banking association (the "Secured Party") whose address is 2201 Mangum Road, Houston, Texas 77092.

RECITALS:

WHEREAS, the Pledgor has heretofore executed that certain Railroad Car Mortgage, Security Agreement, Assignment of Interest in Leases and Financing Statement dated as of March 19, 2001 (as the same may have been previously ratified and amended, the "Security Agreement") covering and describing two (2) rail cars and management agreements related thereto (the "Collateral");

WHEREAS, the Security Agreement was executed and delivered to secure the payment of certain obligations of the Pledgor, including (i) that certain promissory note dated as of December 22, 1998, in the maximum principal sum of \$300,000.00, as renewed, amended, restated, increased by that certain promissory note dated as of December 17, 1999, in the maximum principal sum of \$340,000.00, and as further renewed, amended and restated by that certain promissory note dated as of December 17, 2000, in the maximum principal sum of \$328,571.42 ("Note A"); (ii) that certain promissory note dated as of December 22, 1998 in the maximum principal sum of \$185,000.00 ("Note B"); and (iii) that certain promissory note dated as of March 19, 2001 in the maximum principal sum of \$39,200.00 ("Note C") (Note A, Note B and Note "C" are collectively referred to herein as the "Notes");

WHEREAS, the benefits of the Secured Party under the Security Agreement and the Notes are still owned and held by the Secured Party;

WHEREAS, Pledgor has previously obtained additional funds from Secured Party, as evidenced by a Promissory Note dated October 11, 2001 in the original principal amount of \$239,000.00 ("Note D"), executed by the Pledgor and Kathryn A. Abel, and payable to the order of the Secured Party, and Pledgor desires to amend the Security Agreement to include Note D in the definition of Indebtedness (as defined in the Security Agreement); and

WHEREAS, as of the date hereof, the Pledgor has obtained additional funds from Secured Party, as evidenced by a Term Promissory Note in the original principal amount of \$225,000.00 ("Note E"), executed by the Pledgor, and payable to the order of the Secured Party, and Pledgor desires to amend the Security Agreement to include Note E in the definition of Indebtedness (as defined in the Security Agreement); and

WHEREAS, in connection therewith, Pledgor desires to ratify the Security Agreement.

NOW, THEREFORE, in consideration of the foregoing, the benefits to be derived by the Pledgor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Pledgor, the Pledgor hereto agrees as follows:

1. NEW LOAN. Pledgor has requested a loan in the amount of \$225,000.00 from Secured Party, which shall be evidenced by Note E ("New Loan"). In partial consideration of the representation and warranties contained herein, the Secured Party has agreed to make the New Loan to the Pledgor.
2. PRIOR LOANS. Pledgor has previously executed Note D ("Prior Loan"). In partial consideration of the Secured Party agreeing to make the New Loan to the Pledgor, Pledgor has agreed to include in the definition of indebtedness in the Security Agreement, the indebtedness evidenced by the Prior Loan.
3. WARRANTIES, REPRESENTATIONS AND COVENANTS. The warranties, representations and covenants of Pledgor contained in the Security Agreement are hereby remade by the Pledgor to the Secured Party and are in full force and effect as of the date hereof.
4. REAFFIRMATION OF SECURITY AGREEMENT. To secure the secured indebtedness described in the Security Agreement, including the indebtedness evidenced by Note D and Note E (as added hereby), Pledgor has granted, assigned, transferred and conveyed and by these presents does grant, assign, transfer and convey a security interest in and to the Collateral for the benefit of Secured Party.
5. TERMS DEFINED. As used herein, all terms not defined herein shall have the meaning ascribed to them in the Security Agreement.
6. MISCELLANEOUS. This Agreement shall be considered as an amendment and ratification to the Security Agreement, and except as herein expressly amended, the Security Agreement is hereby ratified, approved and confirmed in every respect, all references to the foregoing Security Agreement and any documents heretofore executed or hereafter executed shall be deemed to refer to the Security Agreement as amended by this instrument.

[Signature pages to follow]

EXECUTED by the Pledgor as of the date first above written.



Warner W. Abel, Jr., Individually

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 24 day of February, 2003, before me personally appeared WARNER W. ABEL, JR., to me personally known, who being by me duly sworn, says that he acknowledged that the execution of the foregoing instrument was his free act and deed.



Notary Public in and for
the State of Texas

HOUSTON_1\629827\1
20233-7 02/21/2003

