

LAW OFFICES
NELSON MULLINS RILEY & SCARBOROUGH, L.L.P.
A REGISTERED LIMITED LIABILITY PARTNERSHIP

BRADLEY E. WAHL
(ADMITTED IN GA & NY)
(404) 817-6250
INTERNET ADDRESS: BEW@NMRS.COM

999 PEACHTREE STREET, N.E.
FIRST UNION PLAZA
SUITE 1400
ATLANTA, GEORGIA 30309
TELEPHONE (404) 817-6000
FACSIMILE (404) 817-6050
WWW.NMRS.COM

OTHER OFFICES:
CHARLESTON, SOUTH CAROLINA
CHARLOTTE, NORTH CAROLINA
COLUMBIA, SOUTH CAROLINA
GREENVILLE, SOUTH CAROLINA
MYRTLE BEACH, SOUTH CAROLINA

MUNICH, GERMANY

April 14, 2006

Via Federal Express

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-00001

REGISTRATION NO. 26317 FILED

MAY 01 06 2-55 PM

SURFACE TRANSPORTATION BOARD



Dear Sir:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. This document is a Memorandum of Mortgage and Security Agreement, a primary document, dated December 1, 2005.

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

Lender: Wachovia Bank, National Association
Attention: Credit Products Management
484 Mulberry Street
P O Box 6477
Macon, GA 31213

Pledgor: Georgia Southwestern Railroad, Inc.
216 Long Drive
Smithville, GA 31787

A description of the equipment covered by the document is listed below. A fee of \$33 per document is enclosed. Please return the original and extra copies not needed by the Board for recordation to me, Bradley E. Wahl, at the address listed above.

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

1. Memorandum of Mortgage and Security Agreement between Georgia Southwestern Railroad, Inc., as debtor, and Wachovia Bank, National Association, as secured party, dated March 15, 2006, and covering 2 locomotives described as follows:

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT
SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT (the "Agreement"), dated as of March 15, 2006 between GEORGIA SOUTHWESTERN RAILROAD, INC. (the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association ("Bank");

WITNESSETH:

1. Bank has made a loan in the amount of \$650,000 to Borrower, evidenced by a Promissory Note, dated as of even date herewith, in the original principal amount of \$650,000, as amended, modified, supplemented and restated from time to time (the "Note").

2. The Note and the Borrower's other Obligations are secured by, among other things, that certain Mortgage and Security Agreement, dated as of even date herewith, between Borrower and Bank (the "Security Agreement"), on two Locomotives and the related Collateral, as described herein.

3. As used in this Agreement, capitalized terms shall have the following meaning:

"Collateral" means the following property of Borrower, wherever located and whether now owned by Borrower or hereafter acquired: (a) the Locomotives; (b) all equipment comprising or attached to, or used by Borrower in connection with, the Locomotives; (c) all general intangibles relating to the Locomotives and equipment used in connection therewith, and (d) all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of any of the foregoing (including insurance proceeds payable by reason of loss or damage thereto) in any form and wherever located. Collateral shall include all written or electronically recorded books and records relating to any such Collateral and other rights relating thereto.

"Locomotives" means (i) the EMD locomotive model SD40-2, with 3,000 h.p. 645-E3 diesel engine, with "road number" GSWR 4000 (formerly EMDX 6313), manufactured in 1979, and (ii) the EMD locomotive model SD40-2, with 3,000 h.p. 645-E3 diesel engine, with "road number" GSWR 4001 (formerly EMDX 6346), manufactured in 1979.



MAY 01 '06

2-55 PM

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT
SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT (the "Agreement"), dated as of March 15, 2006 between GEORGIA SOUTHWESTERN RAILROAD, INC. (the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association ("Bank");

WITNESSETH:

1. Bank has made a loan in the amount of \$650,000 to Borrower, evidenced by a Promissory Note, dated as of even date herewith, in the original principal amount of \$650,000, as amended, modified, supplemented and restated from time to time (the "Note").

2. The Note and the Borrower's other Obligations are secured by, among other things, that certain Mortgage and Security Agreement, dated as of even date herewith, between Borrower and Bank (the "Security Agreement"), on two Locomotives and the related Collateral, as described herein.

3. As used in this Agreement, capitalized terms shall have the following meaning:

"Collateral" means the following property of Borrower, wherever located and whether now owned by Borrower or hereafter acquired: (a) the Locomotives; (b) all equipment comprising or attached to, or used by Borrower in connection with, the Locomotives; (c) all general intangibles relating to the Locomotives and equipment used in connection therewith, and (d) all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of any of the foregoing (including insurance proceeds payable by reason of loss or damage thereto) in any form and wherever located. Collateral shall include all written or electronically recorded books and records relating to any such Collateral and other rights relating thereto.

"Locomotives" means (i) the EMD locomotive model SD40-2, with 3,000 h.p. 645-E3 diesel engine, with "road number" GSWR 4000 (formerly EMDX 6313), manufactured in 1979, and (ii) the EMD locomotive model SD40-2, with 3,000 h.p. 645-E3 diesel engine, with "road number" GSWR 4001 (formerly EMDX 6346), manufactured in 1979.



Chief Executive Officer

I, Terry Small, certify that I am ~~President~~ of GEORGIA SOUTHWESTERN RAILROAD, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on March, 2006.

BORROWER:

GEORGIA SOUTHWESTERN RAILROAD, INC.

By: *Terry Small*
Title: Chief Executive Officer

Attest: *D. S. D.*
Title: SECRETARY / TREASURER

State of Georgia

County of Sumter :

On this 15 day of March, 2006 before me personally appeared Terry R. Small and David L. Smoot, to me personally known, who being by me duly sworn, says that they are the Chief Executive Officer and Secretary, respectively of GEORGIA SOUTHWESTERN RAILROAD, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Handwritten Signature]

Signature of Notary Public

My commission expires July 24, 2009

I, Scott Rossman, certify that I am a Vice President of WACHOVIA BANK, NATIONAL ASSOCIATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on March, 2006.

BANK:

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____

Title: Vice President

State of Georgia

County of Suwanee
~~Fulton~~:

On this 15 day of March, 2006 before me personally appeared Scott Rossman, to me personally known, who being by me duly sworn, says that he is a Vice President of WACHOVIA BANK, NATIONAL ASSOCIATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Deneise E. Coleman

Signature of Notary Public

My commission expires July 24, 2009