

RUDEN
McClosky
SMITH
SCHUSTER &
RUSSELL, P.A.
ATTORNEYS AT LAW

RECORDATION NO. 22704-A FILED
DEC 20 '01 12-07 PM
SURFACE TRANSPORTATION BOARD

200 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301

POST OFFICE BOX 1900
FORT LAUDERDALE, FLORIDA 33302

(954) 527-6227
FAX: (954) 333-4227
VICKY.SCALA@RUDEN.COM

December 13, 2001

VIA FEDERAL EXPRESS

Taledia Stokes
Surface Transportation Board
1925 K Street NW Suite 704
Attn: Recordation of Railroad Equipment
Washington DC 20423-0001



Re: Bank of America, N.A. Loan to Great Smoky Mountains Railroad, Inc. f/k/a The Great Smoky Mountains Railway, Inc.
Our File No. 21326-0350
Recordation No. 22704 filed January 12, 2000, at 12:10 P.M.

Dear Ladies and Gentlemen:

Enclosed herein please find one original and one copy of the First Amendment to Rolling Stock Security Agreement dated effective October 5, 2001. The parties to the Amendment Agreement are as follows:

Borrower: Great Smoky Mountains Railroad, Inc. f/k/a The Great Smoky Mountains Railway, Inc.
1390 South Dixie Highway #1203
Coral Gables, FL 33146

Lender: Bank of America, N.A.
One Financial Plaza
10th Floor
Fort Lauderdale, FL 33394

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

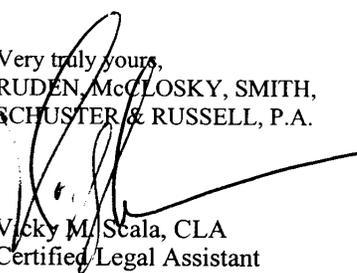
First Amendment between the lender and borrower covering 33 (thirty three) units of railroad locomotion.

The equipment involved in this transaction is as follows: See Exhibit A attached.

Please file this First Amendment to Rolling Stock Security Agreement as a secondary document to the Rolling Stock Security Agreement filed January 12, 2000, at 12:10 P.M. under Recordation No. 22704 and return one (1) stamped copy to my attention. A check in the amount of \$28.00 is enclosed for

the recording of same. Should you have any questions regarding the above matter, please do not hesitate to contact our office.

Very truly yours,
RUDEN, McCLOSKEY, SMITH,
SCHUSTER & RUSSELL, P.A.



Vicky M. Scala, CLA
Certified Legal Assistant

VMS/

FIRST AMENDMENT TO ROLLING STOCK SECURITY AGREEMENT

THIS FIRST AMENDMENT TO ROLLING STOCK SECURITY AGREEMENT is made as of the 5th day of October, 2001, by and between GREAT SMOKY MOUNTAINS RAILROAD, INC., f/k/a THE GREAT SMOKY MOUNTAINS RAILWAY, INC., a North Carolina corporation (the "Debtor"), and BANK OF AMERICA, N.A., a national banking association (the "Lender").

RECITALS:

A. Debtor and Lender previously entered into that certain Rolling Stock Security Agreement dated December 23, 1999, recorded with the Surface Transportation Board on January 12, 2000, at 12:10 p.m. under Recordation Number 22704 (the "Security Agreement").

B. The parties hereto wish to amend the Security Agreement as provided herein.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the loans or extensions of credit heretofore now or hereafter made or to be made for the benefit of the Debtor by the Lender, the parties do hereby agree as follows:

1. The Debtor and the Lender agree that the recitals set forth above are true, correct, and complete, and are hereby incorporated herein.

2. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Security Agreement.

3. The name of the "Lender" as set forth in the Security Agreement is hereby amended to read as follows:

BANK OF AMERICA, N.A., a national banking association.

4. The name of the "Debtor" as set forth in the Security Agreement is hereby amended to read as follows:

GREAT SMOKY MOUNTAINS RAILROAD, INC., a North Carolina corporation.

5. The definition of "Guaranty" as set forth in Article I of the Security Agreement is hereby amended to read as follows:

The "Guaranty" shall mean the Continuing and Unconditional Guaranty executed by Debtor in favor of Lender dated December 23, 1999, as reaffirmed by Reaffirmation Agreement dated as of October 5, 2001, as same may be amended, reaffirmed or restated.

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6. The definition of "Loan Agreement" as set forth in Article I of the Security Agreement is hereby amended to read as follows:

The "Loan Agreement" shall mean the Loan Agreement dated December 23, 1999, between the Borrower and Lender, as amended by First Amendment thereto dated as of October 5, 2001.

7. The definition of "Obligations" as set forth in Article I of the Security Agreement is hereby amended to read as follows:

The "Obligations" shall mean (i) any and all indebtedness (principal, interest, premium, fees, late fees and other amounts), liabilities and obligations of Borrower and Debtor to Lender, including, without limitation, all of Borrower's Obligations pursuant to the Loan Agreement and Debtor's obligations pursuant to the Guaranty, (ii) any and all indebtedness, liabilities and obligations of Debtor under this Agreement; and (iii) any and all costs of collection, attorneys' fees and expenses incurred by Lender upon the occurrence of an Event of Default under this Agreement, in collecting or enforcing payment of any such indebtedness, liabilities or obligations or in preserving, protecting or realizing on the Collateral hereunder or in representing Lender in connection with bankruptcy or insolvency proceedings.

Obligations shall also include, without limitation, all obligations of the Borrower incurred by Borrower under any agreement between Borrower and Lender or any affiliate now existing or hereafter entered into, which provides for an interest rate, currency, equity, credit or commodity swap, cap, floor or collar, spot or forward foreign exchange transaction, cross currency rate swap, currency option, any combination of, or option with respect to, any of the foregoing or any similar transactions, for the purpose of hedging Borrower's exposure to fluctuations in interest rates, exchange rates, currency, stock, portfolio or loan valuations or commodity prices (including any such or similar agreement or transaction entered into by Lender or any affiliate thereof in connection with any other agreement or transaction between Borrower and Lender or any affiliate thereof).

8. The name and address for notices as referenced in Article VIII of the Loan Agreement is amended to read as follows:

If to Debtor: Great Smoky Mountains Railroad, Inc.
1390 South Dixie Highway, #1203
Coral Gables, Florida 33146
Attention: Chief Financial Officer

With a copy to: Adorno & Zeder, P.A.
2601 South Bayshore Drive, #1600
Miami, Florida 33133
Attention: Dennis J. Olle, Esq.

If to Lender: Bank of America, N.A.
One Financial Plaza, 10th Floor
Fort Lauderdale, Florida 33394
Attention: Allen Brown, Senior Vice President

With a copy to: Ruden, McClosky, Smith, Schuster & Russell, P.A.
200 East Broward Boulevard, 15th Floor
Fort Lauderdale, Florida 33301
Attention: Mark K. Somerstein, Esq.

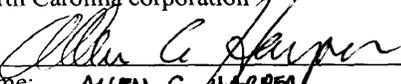
9. Reaffirmation by Debtor. THE DEBTOR ACKNOWLEDGES AND REAFFIRMS THAT ALL WARRANTIES, REPRESENTATIONS AFFIRMATIVE COVENANTS AND NEGATIVE COVENANTS SET FORTH IN THE SECURITY AGREEMENT AND THE SECURITY AGREEMENT REMAINS IN FULL FORCE AND EFFECT ON THE DATE HEREOF AS IF MADE ON THE DATE HEREOF. THE DEBTOR FURTHER REAFFIRMS ALL GRANTS OF SECURITY INTERESTS IN THE SECURITY AGREEMENT.

10. Except as modified hereby, the Security Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Security Agreement as of the day and year first above written.

BORROWER:

GREAT SMOKY MOUNTAINS RAILROAD, a
North Carolina corporation

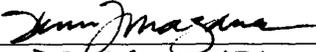
By:  (SEAL)

Name: ALLEN C. HARPER

Title: President and Chief Executive Officer

LENDER:

BANK OF AMERICA, N.A., a national banking
association

By: 

Name: DENNIS J. MAZANEC

Title: SR VICE PRESIDENT

EXHIBIT A

Description of Collateral:

All equipment, all accessories and parts that become a part of the equipment by accession, thirty-three (33) units of railroad locomotion, Railroad Rolling Stock, Maintenance Right of Way Equipment, railing and all parts and attachments that become a part of the railroad track described below, and all supplies used or to be used in connection therewith.

1942 Baldwin Locomotive Steam Engine, Type 2-8-0 and Accompanying Tender Numbered 1702.

Section I, Locomotives

1954 General Motors/EMD, Model GP-7 Locomotive, No. GSMR 711
1954 General Motors/EMD, Model GP-7 Locomotive, No. GSMR 777
1963 General Motors/EMD, Model GP-35 Locomotive, No. GSMR 210
1964 General Motors/EMD, Model GP-35 Locomotive, No. GSMR 223

Section II, Lightweight Passenger Cars

1940 Budd Company built dining car, GSMR 8015, known as the "Silver Meteor"
1949 Budd Company built tavern-lounge car, GSMR 8806, known as the "Dixie Flyer"
1949 Budd Company built dormitory-kitchen car, GSMR 8807, known as the "Conductor's Café"
1940 Budd Company built observation-lounge car, GSMR 3331, known as the "Champion"
1952 Pullman Company built dining car, GSM 4102, known as the "Panama Limited"
Circa 1950's Pullman built coach, GSMR 841, known as the "Royal Palm"
1952 Pullman built coach, GSMR 536, known as the "Powhatan Arrow"

Section III, Heavyweight Passenger Cars

1923/1985 Pullman Company built (CONRAIL rebuilt) coach, GSMR 25, known as the "Piedmont Limited"
1923/1985 Pullman built (CONRAIL rebuilt) coach, GSMR 26, known as the "Southland"
Circa 1935 Pullman built coach, GSMR 6118, known as the "Crescent Limited"
1952 Pullman built coach, GSMR 6514, known as the "Dillsboro"
1921/89 Pullman built coach, GSMR 320, known as the "Sylva"
1921/89 Pullman built coach, GSMR 322, known as the "Bryson City"
1921/89 Pullman built coach, GSMR 324, known as the "Pee Wee Watson"
Circa 1935 Canadian Car & Foundry built Coach, GSMR 522, known as the "Jackson County"
Circa 1935 Canadian Car & Foundry built coach, GSMR 523, known as the "Cherokee"

Section IV, Open-air Sightseeing Cars

1959 Pullman built baggage car (modified by GSM), GSMR 30, known as the "Whittier"
1959 Pullman built baggage car (modified by GSM), GSMR 31, known as the "Almond"
1959 Pullman built baggage car (modified by GSM), GSMR 32, known as the "James 'Sarge' Revis"
1959 Pullman built baggage car (modified by GSM), GSMR 33, known as the "Topton"
1959 Pullman built baggage car (modified by GSM), GSMR 34, known as the "Olivine Shop"
1946 Pullman built coach car (modified by GSM), GSMR 35, known as the "Fontana"
1946 Pullman built baggage car (modified by GSM), GSMR 36, known as the "Wildwater"
1946 Pullman built baggage car (modified by GSM) known as the "Nantahala" (not currently numbered)
1965 GSI built flat car (modified by GSM), GSMR 513, known as the "Oconaluftee"
1965 GSI built flat car (modified by GSM), GSMR 556, known as the "Tuckasegee"

LELAND F. BROWN, JR.
SECRETARY OF STATE
NORTH CAROLINA

126 PM 2:00

Section V, Miscellaneous Equipment

1996 Pandrol-Jackson Model 925 Tie Inserter
1996 Pandrol-Jackson Model 900 Tamper
1964 International Car Company Side-bay Caboose, C&O 3753

All railing, sidings, cross tie timbers, spikes, gravel, switch/signal facilities, signage, and all parts, accessories, attachments, replacements, and supplies used or to be used in connection therewith located at or affixed to property covering approximately 53 miles of railroad track located between Mile Post T-47.00 at Dillsboro, North Carolina and Mile Post T-100.0 at Andrews, North Carolina, wherein the record owner is The Great Smoky Mountains Railway, Inc. Said property is further described in a Deed of Trust to be recorded in Jackson County, Swain County, Macon County and Cherokee County, North Carolina.