

RECORDATION NO. 24213-D FILED

JUN 22 '06

1-44 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL  
URBAN A. LESTER

June 22, 2006

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 an Amendment, dated as of June 9, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Rolling Stock Security Agreement previously filed with the Board under Recordation Number 24213-C.

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

Debtor: The Durango & Silverton Narrow Gauge  
Railroad Company  
479 Main Avenue  
Durango, CO 81301

Lender: Colorado Housing and Finance Authority  
1981 Blake Street  
Denver, CO 80202

Mr. Vernon A. Williams  
June 22, 2006  
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A description of the railroad equipment covered by the enclosed document is:

3 railcars RELEASED: No. 313 (observation car), No. 1 (diesel locomotive) and No. 4 (diesel locomotive).

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

Amendment.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward M. Luria". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping tail.

Edward M. Luria

EML/sem  
Enclosures

JUN 22 '06

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## SURFACE TRANSPORTATION BOARD AMENDMENT

This AMENDMENT (the "Amendment") is executed this 9th day of June, 2006, by and between Durango & Silverton Narrow Gauge Railroad Company ("Debtor"), 479 Main Avenue, Durango, CO 81301, and Colorado Housing and Finance Authority ("Lender"), 1981 Blake Street, Denver, Colorado 80202.

## RECITALS

A. On November 30, 2004, Lender made a loan to Debtor evidenced by a promissory note (the "Note") in the original principal amount of \$16,500,000 (the "Loan"), which Note is secured by two Deeds of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases (the "Deeds of Trust") encumbering certain real property in San Juan and La Plata Counties, Colorado, a Security Agreement (the "Security Agreement") and a Rolling Stock Security Agreement (the "Rolling Stock Agreement") together encumbering the rolling stock and other personal property described therein (the "Collateral"), three Guaranty Agreement and Indemnities executed by a guarantor in favor of Lender, a Stock Pledge and Security Agreement, a Loan Agreement and all other documents evidencing and/or securing the Loan (collectively, the "Loan Documents").

B. Debtor has requested that Lender release certain of the Collateral encumbered by the Rolling Stock Agreement and the Security Agreement and replace such Collateral with alternate collateral.

## AGREEMENT

Now, therefore, in consideration of the mutual promises of the parties to this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Debtor and Lender agree as follows:

1. The description of the Collateral in the Rolling Stock Agreement and the Security Agreement is hereby amended to include the rolling stock described in Exhibit A-1 (the "Substituted Collateral") attached hereto and by this reference incorporated herein. Debtor hereby pledges, assigns, transfers and sets over to Lender, and grants to Lender a lien and security interest in the Substituted Collateral, and any and all parts thereof and therefore (including spare parts), attachments, accessories, equipment, appurtenances and additions that are appertaining, attached, affixed or related thereto, and all substitutions, renewals or replacements thereof and all additions, improvements accessions and accumulations thereto, all books and records (including computer records) in any way related thereto, and all proceeds thereof. Debtor hereby authorizes Lender to file the appropriate filings with the United States Surface Transportation Board ("STB") and the Colorado Secretary of State ("SOS") to evidence and perfect its security interest in the Substituted Collateral.

2. Debtor represents and warrants that Debtor is the sole and absolute owner of the Substituted Collateral free and clear of any and all liens, claims and encumbrances of every kind except for the lien and encumbrance hereby granted and, upon appropriate filings with the STB and SOS, the security interest contemplated hereby will at all times constitute a valid, perfected and enforceable not less than first priority security interest in favor of Lender, subject to no other security interest, mortgage, lien or encumbrance.

3. Lender hereby releases from the description of the Collateral in the Rolling Stock Agreement and the Security Agreement its security interest in the rolling stock described in Exhibit A-2 attached hereto and by this reference incorporated herein, and will file appropriate documentation evidencing such release with the STB and SOS.

4. Debtor affirms its grant to Lender of a security interest in the remaining Collateral as such term is defined in the Rolling Stock Agreement and the Security Agreement.

5. Debtor agrees to pay all costs and expenses, including attorneys' fees and recording fees, incurred by Lender in connection with this Amendment and the perfection of Lender's rights hereunder.

6. All references in the Loan Documents to the Collateral shall refer to the Collateral as modified by this Amendment, and all references in the Loan documents to the Rolling Stock Agreement and the Security Agreement shall hereafter refer to the Rolling Stock Agreement and the Security Agreement as modified herein. Except as expressly modified in this Amendment, the Debtor hereby ratifies confirms, adopts and approves all of the other terms and conditions set forth in the Loan Documents.

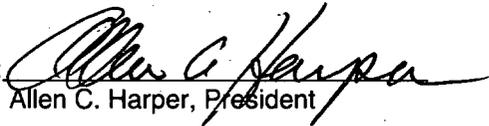
7. To the extent this Amendment conflicts with the Loan Documents, this Amendment shall control and prevail.

8. This Amendment constitutes the complete and final expression of the agreement of the parties relating to the subject matter hereof, and supercedes all previous contracts, agreements and understandings of the parties, either oral or written, relating to such subject matter.

DEBTOR:

DURANGO & SILVERTON NARROW GAUGE  
RAILROAD COMPANY, a Colorado corporation

By:

  
Allen C. Harper, President

LENDER:

COLORADO HOUSING AND FINANCE  
AUTHORITY

By:

  
Name: Charles L. Borgman

Title: General Counsel

By executing below, the undersigned guarantors consent to the substitution of the Collateral as described herein.

American Heritage Railways, Inc., a Florida corporation

By: Carol E. Harper  
Carol E. Harper, President

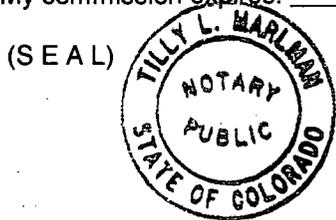
Allen C. Harper  
Allen C. Harper, Individually

Carol E. Harper  
Carol E. Harper, Individually

STATE OF Colorado )  
COUNTY OF La Plata ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2006, by Allen C. Harper as President of Durango & Silverton Narrow Gauge Railroad Company, a Colorado corporation.

My commission expires: 4-29-2009



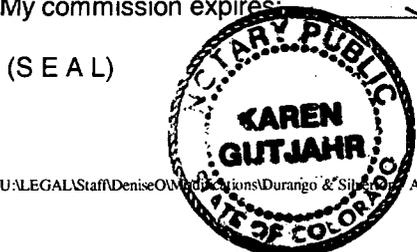
Tilly L. Marland  
Notary Public

My Commission Expires 04/29/2009

STATE OF COLORADO )  
CITY AND COUNTY OF DENVER ) ss.

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of June, 2006, by Charles L. Bergman as General Counsel of Colorado Housing and Finance Authority.

My commission expires: June 24, 2006



Karen Gutjahr  
Notary Public

STATE OF Colorado )  
COUNTY OF La Plata ) ss.

The foregoing instrument was acknowledged before me this 9th day of June, 2006, by Carol E. Harper as President of American Heritage Railways, Inc., a Florida corporation.

My commission expires: 4-29-2009

(SEAL)



Tilly L. Harlman  
Notary Public

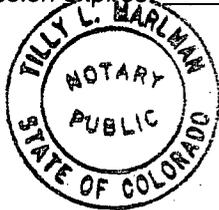
My Commission Expires 04/29/2009

STATE OF Colorado )  
COUNTY OF La Plata ) ss.

The foregoing instrument was acknowledged before me this 9th day of June, 2006, by Allen C. Harper, individually.

My commission expires: 4-29-2009

(SEAL)



Tilly L. Harlman  
Notary Public

My Commission Expires 04/29/2009

STATE OF Colorado )  
COUNTY OF La Plata ) ss.

The foregoing instrument was acknowledged before me this 9th day of June, 2006, by Carol E. Harper, individually.

My commission expires: 4-29-2009

(SEAL)



Tilly L. Harlman  
Notary Public

My Commission Expires 04/29/2009

(Attached to and forming a part of the Amendment between Durango & Silverton  
Narrow Gauge Railroad Company and Colorado Housing and Finance Authority)

**EXHIBIT A-1**

<u>Number</u>	<u>Type</u>	<u>Description</u>
313	Observation Car	Silver Vista

**EXHIBIT A-2**

<u>Number</u>	<u>Type</u>	<u>Description</u>
1	Diesel	East Broadtop
4	Diesel	East Broadtop