

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

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

LAW OFFICES  
ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C.

20006 REGISTRATION NO. Filed 1925

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

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RECORDATION TO... April 9, APR 9 1984 3 01 PM

APR 9 1984 3 01 PM

INTERSTATE COMMERCE COMMISSION

APR 9 1984

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H-0100 A09D

Mr. James Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Dear Mr. Bayne;

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are two fully executed copies each of 1) Bill of Sale dated February 16, 1983 and 2) Lease and Option to Purchase dated June 1, 1983 both primary documents under the provisions of the Commission's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed documents is:

One 85 foot lounge dining car commonly known as "Sonoma Valley".

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

Vendor: Sierra Western Rail Corporation  
10650 Woodside Drive  
Forestville, California 95436

Vendee/  
Lessor: Allan J. Hemphill and Sharon L. Hemphill  
16121 Watson Street  
Guerneville, California

Lessee: Chateau St. Jean  
Post Office Box 293  
Kenwood, California 95452

Kindly return the stamped copies of the enclosed documents not needed for your records to Charles T. Kappler,

APR 9 2 55 PM '84  
I.C.C.  
FEE OPERATION BR.

*Charles T. Kappler*

14306/A  
RECORDATION NO. \_\_\_\_\_ FILED 1425  
APR 9 1984 3 05 PM  
INTERSTATE COMMERCE COMMISSION

LEASE AND OPTION TO PURCHASE RAIL CAR

LEASE AGREEMENT, entered between ALLAN J. HEMPHILL and SHARON L. HEMPHILL, having a place of business at Guerneville, California (hereinafter called "Lessor"), and CHATEAU ST. JEAN (hereinafter called "Lessee").

It is hereby agreed by and between Lessor and Lessee as follows:

1. Lessor agrees to lease to the Lessee and Lessee agrees to hire from the Lessor the rail car described as follows:

87 foot lounge dining car commonly known as Car 154 "Sonoma Valley" but excluding any right, title or interest in the art work, glassware, silver, and other personal property located therein which shall remain the sole and separate property of of Lessor.

for a term beginning on June 1, 1983, and continuing for a period of three years but subject to the provisions hereinafter.

"Sonoma Valley" is a fully equipped Lounge-Dining car approved for use on all Amtrak routes. Rail car will be furnished appropriately to accommodate up to 30 people for entertaining or seminars, and dining room will accommodate 16 persons for "sit down" dinners. The galley will be fully equipped with stoves, ovens, refrigeration and utensils to support the uses described above. The rail car will be

maintained by lessee in Amtrak approved mechanical condition for the period of the lease.

2. In each year during the term of this lease, Lessee shall be entitled to sixty (60) days usage of the rail car. Lessee shall submit in writing to Lessor a schedule of dates of usage on or before June 1, of the particular year involved. Final confirmation of dates submitted or any requests for changes shall be submitted in writing at least thirty (30) days in advance thereof.

Additional days of usage over and above the aforementioned sixty (60) days per year may be requested by Lessee on a non-priority basis, if said dates are available, upon thirty (30) days prior written notice. Said additional days may be requested annually on or before June 1 of each year.

3. Lessee agrees to pay to Lessor, as rental for the use and privilege of use of said rail car for the first 60 days, the sum of \$300.00 per day of usage and, in all events, shall pay the minimum sum of \$18,000.00 per year due one-half on June 1 of each year of this lease, commencing on June 1, 1983, and the remaining one-half thereof on January 15 of each year and continuing each year on said date during the term of this lease. Additional sums for additional days' rental shall become due on the basis of \$100.00 per day of usage in excess of 60 days in any year, payable 20 days prior to the date of said additional usage.

This lease shall be for the rail car only and Lessee shall pay for all mileage charges from Amtrak or any railroads,

switching charges, kitchen and generator fuel, and all other utilities, services or supplies furnished to the rail car.

4. Lessee agrees that Lessor, in order to provide funds for financing the purchase or improvement of said rail car leased, may assign all of its right, title or interest in and to said rail car and all monies due or to become due hereunder to any lending institution and Lessee agrees to pay directly to such lending institution as and when assigned to it, all monies due or to become payable due hereunder and Lessee further agrees that the assignee's right to payment of assigned monies hereunder shall not be subject to any defense, counterclaim or set-off which Lessee may have against Lessor, but shall be limited to any defense Lessee or Lessor may have against the assignee. Upon payment to the Assignee, Lessee shall continue to have quiet possession and enjoyment of the rail car leased hereunder.

5. All equipment, attachments, accessories and repairs at any time made to or placed on the rail car leased shall become part thereof and become the property of the Lessor.

6. Upon each delivery of the rail car to Lessee and its acceptance by Lessee and until redelivery thereof to Lessor as provided herein, Lessor shall have no responsibility for its maintenance or care. During such time, Lessee shall maintain, service and keep in good repair said rail car at its own expense, normal wear, tear or depreciation excepted.

The rail car shall be available for delivery to Lessee from Amtrak-Oakland Yards and shall be returned to same by Lessee

following periods of use. By mutual written agreement the rail car may be picked up or returned by Lessee to other points.

7. Lessee agrees to indemnify, protect, save and keep harmless Lessor, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever nature, (a) arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by it), or operation of said rail car by whomsoever used or operated; or, in the event Lessee shall be in default hereunder as defined herein, (b) arising out of or resulting from the condition of said rail car sold or disposed of after use by Lessee. The indemnities and assumptions of liability herein provided for shall continue in full force and effect notwithstanding the termination of this Agreement, whether by expiration of time, by operation of law, or otherwise.

8. Lessor shall maintain first party insurance coverages for the rail car and the Lessor's contents therein. Lessee agrees to take out and keep in force during the life hereof at Lessee's expense public liability insurance in companies and through brokers licensed to do insurance business in the State of California, to protect against any liability to the public incident to the use of or resulting from any accident occurring in or about said rail car, the liability under such insurance to be not less than \$1,000,000.00 for any person injury and \$3,000,000.00 for any one accident, and \$1,000,000.00 for property damage. The said policy shall insure the contingent

liability of Lessor and said policy, or a certificate of insurance, is to be placed with Lessor, and Lessee is to obtain a written obligation on the part of the insurance carrier to notify Lessor in writing prior to any cancellation thereof, and Lessee agrees, if Lessee does not keep such insurance in full force and effect the Lessor may take out the necessary insurance and pay the premium and the repayment thereof shall be deemed to be a part of the rental and payable as such on the next day upon which rent becomes due. Owners shall be named as additional insured's under said policy of liability insurance.

9. Lessee may sublet said rail car to any of its present or future subsidiaries or affiliated companies, provided, however, that any such sublease shall in all respects be subject to all of the terms, covenants and conditions of this Agreement. No such subletting shall relieve Lessee of its obligations hereunder.

10. Title to said rail car leased hereunder shall remain in the Lessor during the term of the lease thereof and any extension or renewal thereof granted by Lessor and at all times thereafter. Upon the termination of the lease, the rail car shall, at the expense of the Lessee, be returned to Lessor at the place designated by Lessor for such disposition as Lessor shall determine, but this shall not be deemed to authorize Lessee or any other person to use said rail car or to incur any liability or obligation upon behalf of Lessor. As to said rail car leased hereunder, Lessor warrants that it is and will be the sole and absolute owner thereof, that the rail car is free of all encumbrances at the time of delivery to Lessee, except as

otherwise provided in Paragraph 4, that Lessor will keep said rail car free of all other liens and encumbrances, and that they will do nothing to disturb the exercise of all of Lessee's rights with respect thereto as provided by this Agreement.

11. Lessor shall be permitted to display notice of ownership of said rail car by means of stencil or plate affixed thereto.

12. Neither party hereto shall assign this Agreement without the written consent of the other party or, following an approved assignment, without the written consent of the assignee except as otherwise provided in Paragraph 4 and Paragraph 8 of this Agreement.

13. In the event Lessor fails or is unable to perform its obligations hereunder; or Lessor's interest in the rail car shall be levied upon, or taken in execution or subjected to other encumbrances; or Lessor becomes insolvent or bankrupt or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or a receiver, or a trustee or receiver is appointed for Lessor or a substantial part of its property without its consent, or if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings are instituted by or against Lessor; then, and in any such event, Lessee shall have the option, (a) to terminate this lease Agreement; or (b) notwithstanding such default or insolvency, to continue rental payments until the expiration of the term of each lease.

14. The following events shall constitute defaults on the part of the Lessee hereunder; the failure of Lessee to pay any

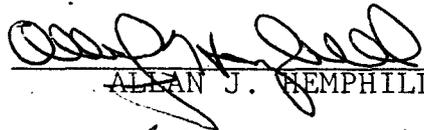
installment of rental within fifteen days after the date on which the same shall become due; any breach or failure of the Lessee to observe or perform any of its other obligations hereunder and such default shall continue for fifteen days after notice in writing to Lessee of the existence of such default; Lessee becoming insolvent or bankrupt, or making an assignment for the benefit of creditors, or consenting to the appointment of a trustee or receiver, or a trustee or receiver being appointed for Lessee or for a substantial part of its property without its consent, bankruptcy, reorganization, arrangement or insolvency proceedings being instituted by or against Lessee. Upon the occurrence of any such default, Lessor may, at its option and without notice or demand on Lessee, declare this Agreement in default and thereupon the rail car shall be surrendered to Lessor and all rights of the Lessee therein shall terminate. Lessor or agents may take possession of the rail car wherever found, with or without process of law, and for the purpose may enter upon any premises of Lessee and remove the same without liability for damages, suit, action or other proceeding by Lessee. Lessor may hold, use, sell, lease or otherwise dispose of all or any part of said rail car without affecting the obligation of Lessee.

15. So long as Lessee is in full compliance with all of the terms and conditions of this lease, Lessee shall have the option during the term of this lease only, to purchase the said rail car (excluding the personal property therein), for the sum of ~~\$100,000.00~~ <sup>\$140,000</sup> cash. Written notice of exercise shall be given to Lessor at 16121 Watson Road, Guerneville, California, by

certified mail, postage pre-paid, or Lessee may elect to hand deliver by messenger said exercise in which event the notice of exercise shall be deemed delivered upon leaving same at the premises.

16. Any provision hereof found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this agreement.

IN WITNESS WHEREOF, Lessor and Lessee have caused these presents to be duly executed the day and year first above written.

  
ALLAN J. HEMPHILL

  
SHARON L. HEMPHILL

Lessor

CHATEAU ST. JEAN

By  Secretary

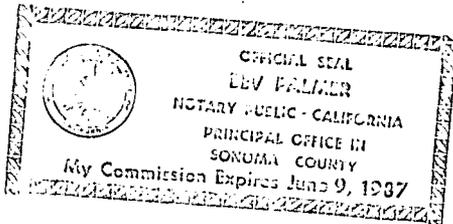
Lessee

INDIVIDUAL FORM OF ACKNOWLEDGMENT

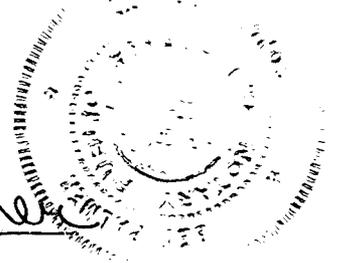
State of California

County of Sonoma, ss:

On this fifth day of April, 1984, before me, personally appeared Allan J. Hemphill, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.



Dev Palmer  
Notary Public



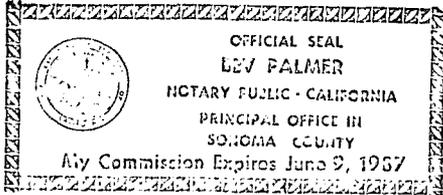
My commission expires June 9, 1987

INDIVIDUAL FORM OF ACKNOWLEDGMENT

State of California

County of Sonoma, ss:

On this fifth day of April, 1984, before me, personally appeared Sharon L. Hemphill, to me known to be the person described in and who executed the foregoing instrument and she acknowledged that she executed the same as her free act and deed.



*Lev Palmer*  
Notary Public

A faint, circular impression of a notary seal is visible in the background to the right of the signature. It appears to be a standard circular notary seal with text around the perimeter, though the details are too light to read clearly.

My commission expires June 9, 1987

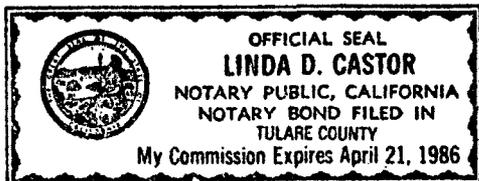
Corporate Form of Acknowledgement

State of CALIFORNIA  
County of TULARE, ss:

On this 30 day of MARCH, 1984, before me personally appeared ED MERZOLIAN, to me personally known, who being by me duly sworn, says that (s)he is the SECRETARY of CHATEAU ST JEAN, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Linda D. Castor  
Notary Public



7-21-86  
My commission expires

LEASE AND OPTION TO  
PURCHASE RAIL CAR

LAW OFFICES

DEMEO & DEMEO

DEMEO BUILDING 1022 MENDOCINO AVE.  
SANTA ROSA, CALIFORNIA 95401