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JUL 27 1995 10 48 PM
DONALD E. CROSS (1923-1986)

July 27, 1995

Office of the Secretary
Recordations Unit
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, D.C. 20423
Attention: Janice M. Fort

RECEIVED
OFFICE OF THE
SECRETARY
JUL 27 3 11 PM '95
LICENSING BRANCH

RE: Lease Agreement on Railroad Passenger Car
Lessor: Keokuk Junction Railway
Lessee: Grand Canyon Railway, Inc.

Dear Ms. Fort:

I have enclosed two copies of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document consists of a Lease Agreement (and three Exhibits thereto) on a railroad passenger car, and is a primary document. The Lease Agreement is dated January 31, 1992; Exhibits 1, 2 and 3 (amendments to the original contract) are dated November 10, 1992, March 4, 1993, and December 23, 1994, respectively. Neither the Keokuk Junction Railway nor the Grand Canyon Railway, Inc. has previously filed this Lease Agreement -- or any documents relating thereto -- with the Interstate Commerce Commission. The names and Addresses of the parties to the document are as follows:

Lessor

Keokuk Junction Railway
117 South Water Street
Keokuk, IA 52632

Lessee

Grand Canyon Railway, Inc.
518 E. Bill Williams Ave.
Williams, AZ 86046

Counterpart Robert C. Wimble

Office of the Secretary
July 27, 1995
Page Two

A description of the equipment covered by the document follows:

One (1) railroad passenger car (open observation parlor - drawing room car) bearing reporting number KJRY 1 (Amtrak I.D. Number 800014), and identified as the "Chief Keokuck" -- built by the Pullman Co. in April 1927 (Lot No. 6065, Plan No. 3975B).

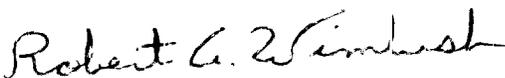
A short summary of the document to appear in the index follows:

A Lease Agreement on one (1) passenger railcar identified as KJRY 1, "Chief Keokuck," with Keokuk Junction Railway as Lessor and the Grand Canyon Railway, Inc. as Lessee.

Also attached is a notarized affidavit declaring that the enclosed copy of the Lease Agreement is identical to the original document.

A fee of \$21.00 is also enclosed.

Sincerely yours,


Robert A. Wimbish
Counsel for the Keokuk Junction
Railway

Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

Office Of The Secretary

Robert A. Wimbish
Rea, Cross & Auchincloss
1920 N Street, NW
Suite 420
Washington, DC. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7-27-95 at 3:15 PM, and assigned recordation number(s) 19541.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

AFFIDAVIT

CITY OF WASHINGTON
DISTRICT OF COLUMBIA

BEFORE ME, the undersigned, personally appeared Robert A. Wimbish, who, being first duly sworn, deposed and states as follows:

"My name is ROBERT A. WIMBISH and I am over the age of 18 years. I am competent to make this Affidavit and I have personal knowledge of all statements of fact contained herein.

"I am counsel for the Keokuk Junction Railway. In such capacity, I have prepared for filing and recordation a Lease Agreement by and between the Keokuk Junction Railway and the Grand Canyon Railway, Inc., dated January 31, 1992 (and Exhibits/amendments 1, 2 and 3, dated November 10, 1992; March 4, 1993; and December 23, 1994, respectively). A true and correct copy of this Lease Agreement and exhibits 1, 2, and 3 are attached hereto, and made part hereof for all intents and purposes. I have examined the attached copies of the Lease Agreement and exhibits 1, 2, and 3, and have compared the copies to the originals, and have found the copies to be complete and identical in all respects to the original document.

"I declare, under penalty of perjury, that the foregoing is true and correct to the best of my knowledge."

SIGNED this 27th day of July, 1995.

Robert A. Wimbish
Robert A. Wimbish

SUBSCRIBED AND SWORN TO BEFORE ME by Robert A. Wimbish on July 27, 1995, to certify which witness my hand and seal of office.

Lynn Gottschalk
Notary Public

My Commission Expires: _____

LYNN GOTTSCHALK
Notary Public, District of Columbia
My Commission Expires: November 30, 1999

RAILROAD PASSENGER CAR LEASE AGREEMENT

JUL 27 1995 3 15 PM

1994
3/15
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THIS AGREEMENT is made this 31st day of January, 1992 between THE KEOKUK JUNCTION RAILWAY, having its principal place of business at 117 S. Water Street, Keokuk, Iowa, 52632, hereinafter called the "Lessor", and GRAND CANYON RAILWAY, INC., having its principal place of business at 518 E. Bill Williams Ave., Williams, AZ 86046, hereinafter called the "Railroad".

WHEREAS, Lessor desires to lease railroad equipment described as one business car, #KJRY1, Chief Keokuck hereinafter called "Equipment"; and

WHEREAS, Railroad agrees to rent said Equipment upon such terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, it is agreed as follows:

1. LEASE Lessor agrees to lease to Railroad, and Railroad agrees to lease from Lessor, said Equipment for use in Railroad's service between the approximate dates of February 15 and September 30, 1992.

2. TERM The term of this Agreement shall commence five (5) days after said Equipment arrives at the Atchison, Topeka and Santa Fe Railway/Grand Canyon Railway interchange track in Williams, Arizona on or about the date of February 10, 1992, and shall terminate at such time as said Equipment is returned to said interchange on or about the date of October 10, 1992. At the expiration or termination of this Agreement, Railroad will surrender possession of said Equipment to Lessor by delivering it to the Atchison, Topeka and Santa Fe Railway/Grand Canyon Railway interchange track in Williams, Arizona. If the Equipment is used to transport passengers during the five day period immediately following its arrival in Williams, Arizona, the rental charge per trip specified herein in paragraph 5 shall apply. Railroad shall return the Equipment to Lessor in the condition in which it was delivered or better, and shall be liable for any repairs necessary to restore the Equipment to its condition upon delivery, to the satisfaction of Lessor, specifically including but not limited to condition of brake system, bearings, and wheels, but not including normal wear.

3. TRANSPORTATION COSTS Transportation of the Equipment to the Atchison, Topeka and Santa Fe Railway/Grand Canyon Railway interchange track in Williams, Arizona prior to commencement of the lease, and from said interchange after the termination of the lease, shall be arranged by Lessor. The reasonable cost of the transportation to said interchange in Williams and return to Lessor shall be paid by Railroad. An estimate of the transportation charge to Williams will be paid by the Railroad in advance of the shipment of the Equipment. At Lessor's option

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return of Equipment can be made to a different location. Should Equipment be returned to a location other than Lessor's tracks, Railroad would pay the actual return transportation costs but not more than the cost of the first move to Williams. It is expressly agreed that Railroad accepts liability for the Equipment only while Equipment is in Railway's possession.

4. WARRANTY Railroad and Lessor represent and warrant that they are corporations duly organized, validly existing, and in good standing under the laws of the States of Arizona and Iowa, respectively, and have all necessary corporate power and authority to perform their obligations under this Agreement.

5. RENTAL Railroad shall pay to Lessor for the lease of said equipment the sum of \$125 per trip, with a minimum payment of \$1,000 per month between February 10, 1992 and May 31, 1992 and \$2,000 per month between June 1, 1992 and September 30, 1992. Minimum payments will be applicable to partial calendar months in a pro rata basis. \$2,000 shall be payable upon commencement of the term of this Agreement. Usage payments will be payable within ten (10) days of the end of each calendar month thereafter to the extent not covered by the initial \$2,000 payment. Upon reasonable notice to Railroad, Lessor shall have the right to review the Daily Inspection Reports, which reflect the daily train consists, and the Wheel and Defect Reports, kept by the Railroad for the purpose of determining amount of usage of the Equipment.

6. OPTION TO EXTEND TERM Railway has the option to extend the term of Agreement through January 2, 1993. The \$125 charge per trip with a minimum monthly payment of \$1,000 per month would apply from October 1, 1992 through January 2, 1993.

7. OWNERSHIP Lessor represents and warrants that it is the owner of said Equipment, free and clear of all liens, encumbrances, claims and adverse interests, and that Lessor has the full right and power to lease the Equipment to Railroad. Railroad agrees that ownership of the Equipment is and shall remain in the Lessor.

8. IDENTIFICATION Railroad agrees to identify and clearly mark said Equipment, in a location specified by Lessor, with "KJRY" reporting mark preceding the car number and to maintain that mark throughout the term of this Agreement.

9. ASSIGNMENT This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Railroad may not assign or sublet its right to use or operate said Equipment, nor permit the use or operation thereof by any other person or corporation, without the prior written consent of Lessor.

10. RIGHT OF INSPECTION Upon reasonable notice to Railroad, Lessor shall have the right to enter the premises where said Equipment may be located, for the purpose of inspection of the

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Equipment, subject to necessary and reasonable conditions as may be imposed by Railroad.

11. MAINTENANCE AND IMPROVEMENTS Railroad agrees that while said Equipment is in its possession, it will at its own expense, maintain and keep the equipment in good order and proper repair. Railroad shall perform routine and other necessary maintenance in a sound and workmanlike manner in accordance with all applicable AAR standards and FRA regulations. Any modifications or improvements made to the Equipment by the Railroad must have prior written consent from Lessor.

12. INSURANCE Railroad shall at all times maintain public liability insurance on the Equipment for reimbursement of any and all losses, expenses, costs, obligations, liabilities, or debts arising from or in connection with Railroad's possession, use, maintenance, and operation of the Equipment, in an amount not less than \$2,000,000 per occurrence. Lessor shall be named loss-payee of such insurance, and shall be furnished with a certificate of insurance by Railroad or Railroad's insurance broker as evidence of such coverage and its being in force during the term of this Agreement and all other times while the car is in Railroad's possession.

13. INDEMNITY Railroad hereby releases, indemnifies, protects, saves, and holds harmless Lessor against any and all expense, cost, liability, obligation, or debt incurred after commencement of this Agreement in connection with Railroad's possession, use, maintenance or operation of the Equipment. Railroad shall release, assume, defend, protect, indemnify, and hold harmless Lessor from and against any and all costs or expenses resulting from any and all loss of life or property, or injury or damage to the person or property of any person, firm, or corporations, and from any and all claims, demands, suits, actions, costs, and expenses including but not limited to court costs, attorney's fees, and other litigation expenses arising from or in connection with Railroad's possession, use, maintenance, or operation of the Equipment, whether attributable to the fault, failure, or negligence of Railroad or otherwise.

14. CONDITION OF EQUIPMENT Lessor hereby represents that the Equipment is in good, satisfactory, and usable condition.

15. TERMINATION This Agreement may be terminated by either party hereto without penalty, effective one-hundred twenty (120) days after written notice to the other party. All notices hereunder shall be in writing and shall be deemed to be given when delivered personally, or three days after deposit in the United States mail certified or registered, addressed to the addresses first set forth in this Agreement.

16. CONSTRUCTION This Agreement shall be governed by and construed according to the laws of the State of Arizona. It is expressly understood by the parties hereto that this Agreement

constitutes a lease of the equipment only and no joint venture or partnership is being created. Nothing herein shall be construed as conveying to Railroad any right, title, or interest in the Equipment except as a lessee only.

17. INSPECTION AND ACCEPTANCE This Agreement is contingent upon inspection and acceptance of the Equipment by Railroad. Upon said inspection, any repairs or furbishments shall be agreed upon in writing by both parties and the payment for any said expenses or furbishments shall be negotiated at this time.

18. ENTIRE AGREEMENT This Agreement constitutes the entire Agreement between the parties, supersedes all prior understandings whether oral or written, and many not be modified except by written agreement signed by the parties hereto.

19. DEFAULT In the event Railroad defaults due to: 1) non-payment of monthly rent in a timely manner, 2) abuse or mis-handling of the Equipment, 3) improper maintenance of the Equipment, 4) failure to provide proper insurance, or non-compliance with any other terms of this Agreement, then Railroad, at no cost to Lessor, shall deliver Equipment to the Santa Fe/Grand Canyon interchange track in Williams, Arizona and pay for the entire cost of freight charges to return the Equipment to Lessor's tracks in La Harpe, Illinois. This Agreement shall not terminate until Railroad has paid all monies due and/or has otherwise cured the default.

20. STORAGE Railroad hereby agrees to assess no storage charge while Equipment is located on Railroad's tracks during the term of this Agreement. Upon termination of this Agreement, Railroad agrees to provide storage on Railroad's tracks at no charge to Lessor for a period of up to sixty (60) days from date of termination. At conclusion of this sixty (60) day period of free storage, and if the Equipment is still located on Railroad's tracks due only to the inability of Lessor to have removed the Equipment, then Lessor agrees to pay the amount of \$1.50 per day for each day (or part thereof) the Equipment remains on Railroad's tracks. Lessor's right to store the Equipment and Railroad's obligation shall terminate one year after termination of this Agreement, unless both parties agree otherwise in writing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the day and year first written above.

Lessor:

KEOKUK JUNCTION RAILWAY

by *J. W. [Signature]*
its *President*

Lessee:

GRAND CANYON RAILWAY, INC.

by *[Signature]*
its *Vice President*

EP 6.09

Chief Keokuck Rental--1992

February 10, 1992 prepayment		\$2,000.00
February usage:	\$125/trip, \$1,000 min.	
(Pro rate min.: 2/10-2/29)		
March usage	\$125/trip, \$1,000 min.	
April usage	\$125/trip, \$1,000 min.	
May usage	\$125/trip, \$1,000 min.	
June usage	\$125/trip, \$2,000 min.	
July usage	\$125/trip, \$2,000 min.	
Aug. usage	\$125/trip, \$2,000 min.	
Sept. usage	\$125/trip, \$2,000 min.	

All usage payments are due ten days after the end of the calendar month.



ORIGINAL

Keokuk Junction Railway

Amendment Number 1

RAILROAD PASSENGER CAR LEASE AGREEMENT

WHEREAS, The **KEOKUK JUNCTION RAILWAY**, hereinafter called the "Lessor," and The **GRAND CANYON RAILWAY, INC.**, hereinafter called the "Railroad," wish to amend **Item (2)** of the original contract to extend the expiration date; therefore Lessor and Railroad mutually agree to amend **Item (2)** to show an expiration date of **January 3, 1994**.

WHEREAS, the Lessor and Railroad wish to amend **Item (5)** of the original contract, Lessor and Railroad mutually agree to amend **Item (5)** as shown below:

5. RENTAL Railroad shall pay to Lessor for the lease of said equipment the sum of \$125 per trip, with a minimum payment of \$2,000 per month for the months of June, July, August and September and \$1,000 per month for all other months with the exception of January, for which there will be no charge. Usage payments will be payable within ten (10) days of the end of each calendar month. Upon reasonable notice to Railroad, Lessor shall have the right to review the Daily Inspection Reports, which reflect the daily train consists, and the Wheel and Defect Reports, kept by the Railroad for the purpose of determining amount of usage of the equipment.

WHEREAS, the Lessor and Railroad wish to delete **Item (6)** of the original contract, Lessor and Railroad mutually agree to delete **Item (6)** of the original contract.

WHEREAS, the Lessor and Railroad wish to amend **Item (12)** of the original contract, Lessor and Railroad mutually agree to amend **Item (12)** as shown below:

12. INSURANCE Railroad, at their expense, shall obtain and keep in force at all times while the Equipment covered by this lease agreement is in the Railroad's possession, insurance against physical damage. Said insurance shall be written on an "agree amount" basis with a total replacement value of \$270,000, including contents. Lessor shall be named as a Loss Payee on said insurance and furnished with a Certificate of Insurance as evidence of coverage.

In addition, Railroad shall at all times maintain, at their expense, Comprehensive General Liability Insurance covering all losses, expenses, costs, obligations, and liabilities arising from or in connection with Railroad's possession, use, maintenance and operation of the Equipment, in an amount not less than \$2,000,000 per occurrence. Lessor shall be named as an additional insured on

such insurance and be furnished with a certificate of insurance as evidence of coverage.

AGREED BY:

KEOKUK JUNCTION RAILWAY

by J. W. [Signature]

its President

Date: Nov. 3, 1992

Witness: _____

GRAND CANYON RAILWAY, INC.

by [Signature]

its President

Date: November 10, 1992

Witness: _____



ORIGINAL

Keokuk Junction Railway

Amendment Number 2

RAILROAD PASSENGER CAR LEASE AGREEMENT

WHEREAS, The **KEOKUK JUNCTION RAILWAY**, hereinafter called the "Lessor," and The **GRAND CANYON RAILWAY, INC.**, hereinafter called the "Railroad," wish to amend **Item (2)** of the original contract to extend the expiration date; therefore Lessor and Railroad mutually agree to amend **Item (2)** to show an expiration date of **January 3, 1995**.

AGREED BY:

KEOKUK JUNCTION RAILWAY

by *[Signature]*
its *President*

Date: *Feb. 24 '93*

Witness: *[Signature]*

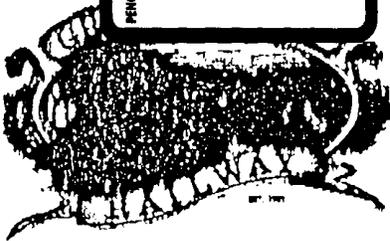
GRAND CANYON RAILWAY, INC.

by *[Signature]*
its *President*

Date: *3-4-93*

Witness: *[Signature]*

EXHIBIT
3



Keokuk Junction Railway

Amendment Number 3

RAILROAD PASSENGER CAR LEASE AGREEMENT

WHEREAS, The KEOKUK JUNCTION RAILWAY, hereinafter called the "Lessor", and The GRAND CANYON RAILWAY, INC., hereinafter called the "Railroad", wish to amend Item (2) of the original contract to extend the expiration date; therefore Lessor and Railroad mutually agree to amend Item (2) to show an expiration date of January 3, 1996.

AGREED BY:

KEOKUK JUNCTION RAILWAY

by R. L. Payne

its General Manager

Date: 23 December 1994

Witness: J. Ketterer

GRAND CANYON RAILWAY, INC.

by [Signature]

its EXECUTIVE VICE PRESIDENT

Date: 12-22-94

Witness: [Signature]