February 12, 2021

Pima County Procurement Department  
Design & Construction Division  
150 West Congress Street, Fifth Floor  
Tucson, AZ 85701  

RE: Old Tucson SOQ

Dear Ladies and Gentlemen:

American Heritage Railways is pleased to submit the following document regarding Old Tucson Studios in accordance with:

Solicitation for Qualifications  
Attraction Operator  
Property fka Old Tucson Studios  
SFQ-PO-2100008

Our mission at American Heritage Railways is the preservation of history. We have undertaken major projects in the restoration of railroads and historic properties. We believe history is the road map to the future. Old Tucson Studios must be saved as a treasure of our past. But we also have found the best way to save history is to make its presentation so interesting and exciting that people will pay a fair price for a great experience. Our entire effort at Old Tucson Studios is to create an experience that will attract people from all over the world.

Our success at American Heritage Railways is because we not only are preservationists, but we are educators and entertainers. We look forward to bringing to you our talents and skills while creating an enjoyable and lasting relationship for years to come.

Sincerely Yours,

Allen C. Harper
February 12, 2021
Solicitation for Qualifications
Pima County Procurement Department
Design & Construction Division
150 West Congress Street, Fifth Floor
Tucson, AZ 85701

Re: Statement of Qualifications for Attractions Operator, Property, fka Old Tucson Studios.

American Heritage Railways (the “Respondent”) hereby submits its Statement of Qualifications (“SOQ”) in response to the Solicitation for Qualifications (“SFQ”) for Attractions Operator, Property, fka Old Tucson Studios (“SFQ”) issued by Pima County (the “County”) on as amended.

As a duly authorized representative of the Respondent, I hereby certify, represent, and warrant, on behalf of the Respondent team, as follows in connection with the SOQ:

1. The Respondent acknowledges receipt of the RFQ and the following amendment:

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2. The submittal of the SOQ has been duly authorized by, and in all respects is binding upon, the Respondent.

3. The Respondent has completely reviewed and understands and agrees to be bound by the Requirements of the SFQ, including all amendments thereto.

4. By signing this Transmittal Letter, Signator represents that the firm and assembled team have the financial resources and staff availability to complete this project. The Certificate of Authorization submitted as an attachment to this Transmittal Letter evidences the individual’s authority to bind the Guarantor.

5. All information and statements contained in the SOQ are current, correct and complete, and are made with full knowledge that the County will rely on such information and statements in determining whether to pre-qualify the Respondent in accordance with this SFQ.

6. The SOQ has been prepared and is submitted without collusion, fraud or any other action taken in restraint of free and open competition for the services contemplated by the SFQ.

7. Neither the Respondent, the Guarantor, a Participating Entity nor any Project team member is currently suspended or debarred from doing business with any governmental entity.

8. The Respondent has reviewed all of the engagements and pending engagements of the Respondent and the Guarantor, and no potential exists for any conflict of interest or unfair advantage.
9. No person or selling agency has been employed or retained to solicit the award of the Lease under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Respondent or the Guarantor.

10. The principal contact person who will serve as the interface between County and the Respondent for all communications is:

   NAME: Allen C. Harper  
   TITLE: Chairman/CEO  
   ADDRESS: 479 Main Avenue 
              Durango, CO 81301  
   PHONE: 970-259-6505  
   FAX: 970-259-3570  
   E-MAIL: alharper@durangotrains.com

11. The key technical and legal representatives available to provide timely response to written inquiries submitted, and to attend meetings requested by County are:

    Technical Representative:

    NAME: Jarrette Ireland  
    TITLE: Vice President-REI/General Manager-REP  
    ADDRESS: 479 Main Avenue  
              Durango, CO 81301  
    PHONE: 970-259-1599  
    FAX: 970-259-3570  
    E-MAIL: jireland@raileventsinc.com

    Legal Representative:

    NAME: Reeder Glass  
    TITLE: Legal Council  
    ADDRESS: 1050 Burton Drive NE  
              Atlanta, GA 30329  
    PHONE: 404-934-2464  
    FAX: N/A  
    E-MAIL: rglasslaw@gmail.com

American Heritage Railways
Name of Respondent

Allen C. Harper
Name of Designated Signatory

________________________
Signature

Chairman / CEO
Title
I, __Brenda G. Jahnke__, a resident of __Durango__ in the State of __Colorado__, DO HEREBY CERTIFY that I am the Clerk/Assistant Secretary of __American Heritage Railways__, a corporation duly organized and existing under and by virtue of the laws of __Florida__; that I have custody of the records of the corporation; and that as of the date of this certification, __Brenda G Jahnke__ holds the title of __Assistant Secretary__ of the corporation, and is authorized to execute and deliver in the name and on behalf of the corporation the Statement of Qualifications (“SOQ”) submitted by the corporation in response to the SFQPO-2100008 for __Attractions Operator, Property, fka Old Tucson Studios__ issued by Pima County, Arizona on __February 12, 2021__, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the corporation this ____________________ day of ____________________ 2021.

(Affix Seal Here)

Clerk/Assistant Secretary

*Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the SOQ. Respondents shall make appropriate conforming modifications to this Certificate in the event that the signatory’s address is outside of the United States.*
STATEMENT OF QUALIFICATIONS
Submitted in response to SFQ-PO-210008

ATTRACTIONS OPERATOR
Property fka Old Tucson Studios
Tucson, Arizona

Submitted by:

American Heritage Railways
479 Main Ave
Durango, Colorado 81301
February 12, 2021
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Appendix 1, Key Personnel Resumes
Section A.1

American Heritage Railways (AHR) founded in 1998 has a variety of experience in the railroad, entertainment, theatrical, and hospitality industry. AHR currently holds over a dozen entities in its portfolio and is looking to expand. AHR will remain the parent/holding company and establish a subsidiary whose name will align with the historically significant past of Old Tucson. The subsidiary will be created as an LLC/Subchapter S Corporation and be based out of Tucson, Arizona. Our holding company structure allows AHR to be unique in how it finances its operations. AHR uses regular financial institutions, private lending, self-funding, intercompany loans, and allocations to sustain and expand its business.

Section A.2

The subsidiary created will be wholly owned by Allen C. Harper and Carol E. Harper. Each owning and controlling fifty percent (50%) of all shares distributed. This subsidiary of AHR will be supported and assisted by other companies under the AHR umbrella which are also owned by the Harpers. Some of the other companies under the AHR umbrella include Rail Events, Inc., Rail Events Productions, Durango and Silverton Narrow Gauge Railroad, Great Smoky Mountains Railroad, The Grand Imperial Hotel, True West Rodeo, D&SNGRR Scenic Tour Bus Company, and Railroad Realty. Assistance from the other AHR companies can come in the form of financial support, human relations, legal, public relations, marketing, shared equipment, staffing, and other resources that this new entity may not have.
American Heritage Railways
Organizational Chart

Allen Harper
Chief Executive Officer

Carol Harper
President

John Harper
VP / General Manager

Cathy Swarts
Chief Financial Officer

Reeder Glass
Corporate Legal Advisor

Gary Keil
Director of Human Resources

Matt Cunningham
Operations and Special Projects Manager

Kelly Schultz
Human Resources Manager

American Heritage Railways Companies

Rail Events Incorporated
Jarrett Ireland
VP / General Manager

Rail Events Productions
Mike May
VP / Director of Production

Durango & Silverton Narrow Gauge Railroad
Jeff Johnson
VP / General Manager

Great Smoky Mountains Railroad
Kim Albritton
VP / General Manager

Grand Imperial Hotel
Jim Harper
VP / General Manager
Section A.4

The American Heritage Railways team has specialized in the operation and restoration of historic rail equipment and hospitality properties for over 25 years. The team includes a diverse range of talents from acquisition, operations, risk management, financial oversight, production, human resource allocation, food and beverage, and retail merchandising. The unique operational requirements of the Attraction fka Old Tucson Studios would be fulfilled by the talents and skill set under the supervision and management of the American Heritage Railways team.

American Heritage Railways Management Team:

Allen C. Harper serves as the Chief Executive Officer and chairman. As a visionary, Al guides strategic growth, acquisitions, and business opportunities for American Heritage Railways. He creates goals for the organization to ensure that it maintains, and never loses sight of, the company’s mission statement, culture, and objectives. Al’s career spans over 25 years and includes experience with historic railways, theme parks, hotels, and other tourist attractions. Prior to founding American Heritage Railways, Al was heavily involved in the operation of Eslinger, Wooten, Maxwell, a real estate company based in Miami Florida, specializing in upscale residential properties. Al’s single greatest passion is historic preservation. His drive and passion will be a key piece in developing a vision for the rebranding of the historic movie studio turned theme park.

Cathy Swarts serves as the Chief Financial Officer. Cathy’s experience and tenure with AHR has included multiple roles and responsibilities centered on strong financial securities of the organization. She is responsible for the securement of funding, cash flow management, as well as revenue generation and fiduciary management in each of the different subsidiaries that American Heritage Railways currently operates. Her strong leadership and well-structured financial goals have made the company strong. This firm financial foundation allows AHR to compete for unique projects that present opportunistic alignment with the company’s core mission and vision statement. In the case of this proposed operation, she would secure funding and provide cash flow analysis for desired growth. This would include a complete financial analysis of capital improvement projects that would be required to open the property as well as future developments.

John Harper serves as the Vice President and General Manager of American Heritage Railways. John oversees each of the general managers and key employees of all subsidiaries of the company. He focuses on risk management, liability and insurance requirements, product development, and safety in operating practices. John also oversees acquisitions and capital improvement projects undertaken at all AHR subsidiaries. With a strong background in general business management, John’s role is to ensure that best practices with repeatable results are implemented throughout the organization. John has over 10 years in the historic preservation industry and has been critical in the review of product offerings, logistical execution, and revenue generation. John will play a key role in reviewing the business plan and allocating the appropriate resources to operate the Attraction.

Carol Harper serves as President of American Heritage Railways and has been in her current role for over 20 years. Prior to this role, Carol was involved in real estate acquisitions and development in South Florida. Carol plays an imperative role in the strategic acquisitions and vision of American Heritage Railways.
Statement of Qualifications Responses to Section 4
Respondent Team Qualifications

American Heritage Railways and would be involved with the creation and development of the new subsidiary tasked with operating the Attraction.

Matthew Cunningham serves as the Special Projects and Operations Manager for American Heritage Railways. Matthew has a strong background in mechanical design and engineering with over seven years’ experience in railroad operations and safety. He brings a keen understanding of sound day to day operating practices and assist with development of several tourist centric projects. Matt’s experience includes the creation of contractor bids, grant writing, and connecting resources to relevant projects within the heritage rail and transportation community. Matt also brings a wealth of knowledge related to construction, design, and implementation that will be required to assess and source improvements to the Attraction, all while improving the individual customer experience.

Reeder Glass serves as Corporate Legal Advisor at American Heritage Railways and all its subsidiaries. Serving in this role since the founding of American Heritage Railways in 1998, Reeder is essential in overseeing any legal risks, reviewing all obligations/legal compliances, and offering general counsel to all organizations within AHR. He would establish the legal corporate structure of the subsidiary set up to operate the Attraction under the American Heritage Railways umbrella.

Gary Keil serves as Director of Human Resources for American Heritage Railways. Gary has over 20 years of human resources experience and 40 years in general business management at multiple organizations. Gary establishes, implements, and reviews all employee policies for American Heritage Railways while ensuring their consistency within the organizations while also abiding by all legal requirements of the different states American Heritage Railways currently operates in. Gary would oversee general counsel and review of all HR related employee policies for the potential Attraction.

Kelly Schultz serves as Human Resources Manager for American Heritage Railways. With over five-year’s experience in human resources, Kelly oversees the daily HR practices of the organization, including in depth employee training, policy review, hiring, interviewing, and onboarding of employees joining the organization. Kelly has been responsible for the hiring of talent and actors for Rail Events Productions, the organization’s theatrical production company, short term, seasonal themed events that are similar in nature to those proposed for operation at the Attraction. She has also overseen the implementation of an updated payroll system and benefits structure that allows AHR subsidiaries to do business in multiple states while being systematically consistent in all regions of the United States.

American Heritage Railways subsidiaries Executive Management Team:

Jarrett Ireland serves as Vice President and General Manager of Rail Events Inc. and Rail Events Productions. Each year Rail Events, Inc. oversees more than 50 licensed special events in over 35 states throughout three countries that host over 1.3 million guests in attendance. Jarrett manages the day-to-day operation and guidance of the licensing and production companies that American Heritage Railways support. This includes negotiating agreements for licensed brands from several different organizations such as Peanuts Worldwide, Warner Bros. Consumer Products, and Jim Henson Productions. With background experience in business management, sales, public relations, event management, and product development, Jarrett will play a key role in developing
Statement of Qualifications Responses to Section 4
Respondent Team Qualifications

the overall customer experience as well as establishing appropriate seasonal themed events and other revenue streams for the Attraction.

Jeffery Johnson serves as Vice President and General Manager of the Durango and Silverton Narrow Gauge Railroad with nearly 40-years’ experience in railroad operations and safety practices. Jeff is directly responsible for the operation and day to day management at this world-famous tourist destination. Jeff also oversees product offerings, staffing, sales, budgeting, and revenue efforts in Durango. As an avid musician and performer, Jeff will help serve as an advisor to the team in development of the overall structure of entertainment at the Attraction.

Kim Albritton serves as Vice President and General Manager of the Great Smoky Mountains Railroad. Kim has a background in business management, marketing, sales, and retail. With over 25 years of railroad experience, Kim is responsible for all day-to-day operations of the railroad in Bryson City, North Carolina. Her responsibilities also include oversight of the company’s real estate rentals in the surrounding towns related to support of the railroad. Under Kim’s leadership the railroad has grown significantly in the last 25 years and added multiple, highly successful special events to enhance already strong general attendance numbers. Kim will serve as an advisor to the team in the revival of the Attraction.

James Harper serves as Vice President and General Manager of the Grand Imperial Hotel in Silverton, Colorado. Jim oversees the day-to-day operation of the historic hotel operated by American Heritage Railways. This includes oversight of all bookings and product offerings including the guest rooms, gift shop, and restaurant/general food & beverage operations. With over 15 years’ experience within the organization, Jim offers a wide variety of firsthand knowledge including historic building and ground enhancements, general contracting work, and contract staffing for seasonal needs. Jim is also involved in executing seasonal lease agreements with vendors throughout southwestern Colorado.

Michael May serves as Vice President and Director of Production for Rail Events Productions Inc. Mike is the producer for all themed events at AHR including locations and projects in Los Angeles, Chicago, the New York City area, Miami, Oklahoma City, and New Orleans over the past five years. As the Director of Production Mike has guided and enabled the creative team’s execution of each event. Mike's background includes technical theater, lighting, scenic design, casting, script writing, costuming, and properties (props) creation as well as a focus on inventory and logistics. Mike also has a general knowledge of mechanical works, railroad and business operations, historic restorations, and technical writing. Mike will play a key role in content development and design for the Attraction, while overseeing the entire production team’s work in the venue.

Unique Qualifications: American Heritage Railways diverse skill set, and wide range of operations conducted by its subsidiaries make it a great fit to operate the Attraction. Within the AHR team, there is a large amount of diversified project experience and a broad talent base. As an organization, AHR has over 22 years’ experience in the tourist industry in over 38 states and three countries. AHR feels uniquely qualified to grow all aspects of the Attraction thanks in part to experience in past projects and relationships within different industries that could be leveraged. This includes the following qualifications and resources:
Respondent Team Qualifications

- Multiple machine and fabrication shops capable of manufacturing original parts
- Full time retail wholesale supply chain management
- Theatrical production team
- Special events team
- Experience working with numerous Hollywood film studios
- Full time marketing team capable of generating original content, graphic design, web design, and social media platform integration specifically geared towards tourism
- Fully integrated ticketing systems
- Remote management and implementation programs

In addition, AHR has been granted or can currently grant access through active agreements to the following intellectual properties from entertainment companies to license themed events:

- The Polar Express Train Ride
- Believe! The Polar Express Experience
- Thomas the Tank Engine
- The Lone Ranger
- Peanuts “The Great Pumpkin”
- Peanuts “Easter Beagle”
- Peanuts “Be my Valentine”
- “The Wizard of Oz”
- Jim Henson’s “Dinosaur Train”
- The Little Engine that Could
- Chuggington

AHR is currently one of the top five live entertainment event licensors from Warner Bros. Consumer Products and helps generate over $55 million dollars in revenue each year. As a goal, AHR desires to work towards growing the filming aspect of the Attraction’s history. Film production experience at various AHR subsidiaries includes the following titles:

- The Fugitive
- The Prestige
- Butch Cassidy & Sundance Kid
- Ticket to Tomahawk
- Chevelle Sheppard’s music video “Just Like the Circus”
- Coors Light Commercials
- Top Gear
- As Good as it Gets
- Netflix’s “Godless”
- Forces of Nature
- Dollywood 3-D Adventure Ride
- My Fellow Americans
- Good Eats “Cooking with Steam”
- Steam Men
- The Alaskan Race
- Into America’s Wild
- Fly Over America
- Aaron Needs a Job
Lastly, AHR’s experience in logistics and supply chain management in themed entertainment bolster the company’s ability to move and source items on a global level. Some key vendors that would be leveraged for the Attraction would include food supply vendors, retail supply chains, parts and materials stocks, and consolidated shipping logistics that are currently utilized to operate venues throughout North America.

Section A.5

Please see Appendix 1, Key Personnel Resumes

Section A.6

**Intent to Proceed without Delay:** Managing a strict timeline is key to a successful start of operations. AHR has the funding, management staff, and resources available to begin this process immediately. Some considerations that need to be addressed to create this timeline for operations include the condition of the facilities and its structures, hiring of operational staff, and business implementation. AHR has the capacity to proceed with the operation of the Attraction if awarded the Operating Lease Agreement.
Section B.1

Relevant Team Experiences: American Heritage Railways (AHR) is a family holding company created nearly 25 years ago to acquire, redevelop, and expand historic/scenic railroads and their related properties. AHR currently owns three tourist railroads, a scenic bus company with a fleet of commercial vehicles, a 135 year old historic frontier hotel, a major event licensing company, and an event production company. Our railroads include the Great Smoky Mountains Railroad in North Carolina, The Durango and Silverton Narrow Gauge Railroad in Colorado, and The Mount Rainier Railroad and Logging Museum in Washington State.

Each railroad is a full service tourist venue including the train rides, food and beverage facilities, retail gift shops, and public museums. In North Carolina, the museum includes one of the largest Lionel toy train collections in the world. In Colorado, the museum includes a historic collection of artifacts, rail equipment, antique cars, boats, an airplane, farm and ranch equipment, and a wildlife display that are all directly related to the history of the region. The museum in Washington State includes steam engines, logging tools, portable camp buildings, and related artifacts that tell the history of the forestry industry in the region.

Rail Events, Inc. (REI) is our premier event licensing company. It licenses major branded events at more than 50 host railroads in the United States, Canada, and the United Kingdom. In 2019 REI licensed events facilitated the sale of nearly 1,400,000 tickets. Rail Events Productions (REP) produces live theatrical events with eight productions in 2019. COVID-19 reduced our activity in 2020, but industry demand appears to be making a very strong return in 2021. AHR believes in the use of well-known, major brands. We work extensively with Warner Bros. Studios, and our Polar Express Train Rides are considered to be one of their most profitable live entertainment brands. REI has also produced events branded as the Wizard of Oz, The Lone Ranger, The Little Engine That Could, and Peanuts with Snoopy and Charlie Brown.

AHR redeveloped a historic frontier hotel in Silverton, Colorado called The Grand Imperial Hotel where we have received numerous awards for our preservation work with this over 135 year old structure. We contract out very little work and do most everything in house.

As references, we have included the following community leaders who will testify to the extremely positive economic and social impact of our operations:

Kevin S. King
County Manager – Swain County
Administration Building
50 Main Street, Ste. 300
Bryson City, NC 82712
Phone: 828-488-9273 ext. 2231
Email: manager@swaincountync.gov
PO Box 2713
Bryson City, NC 28713

Jack Llewellyn
Executive Director
Durango Chamber of Commerce
2301 Main Avenue
Durango, CO 81301
Phone: 970-828-1033
Email: jack@durangobusiness.org
P.O. Box 2587
Durango, CO 81302
Section B.2

American Heritage Railways is proud to present two of our premier projects: (1) The Durango and Silverton Narrow Gauge Railroad and (2) The Great Smoky Mountains Railroad.

1. The Durango and Silverton Narrow Gauge Railroad (DSNG)
   a) The DSNG is a 45-mile railroad running from Durango, Colorado to Silverton, Colorado. Total land area exceeds 1,200 acres with a 12-acre terminal site in Durango and a 21-acre terminal site in Silverton. It is all zoned for railroad, industrial, and mixed use. It is a regular passenger operation with full-service terminal depots. Durango has a rail car repair shop, locomotive servicing roundhouse, retail stores, a world class museum, and corporate meeting space. Financing is a typical commercial loan with Alpine Bank of Durango. The railroad is owned and fully funded by the Harper Family.
   b) As with all AHR companies, the DSNG has no partners in the business and our clients are the public. Contact references in Section B-1 above.
   c) In a normal pre-COVID-19 year, the DSNG averages around 200,000 guests. Our gross revenues at this railroad venue exceeds $19,000,000. Based on independent studies the DSNG has a $200,000,000 impact on the regional economy. We employ nearly 200 full and part time employees in a typical year.
   d) This 140 year old property is constantly being improved with innovations in equipment and activities. Maintenance and care of this historic venue is utmost in importance keeping its original aura through meticulous preservation.
   e) As a well-run business, the DSNG budgets for both capital improvements and critical, regular operations. The use of historic equipment, original structures, and operating in remote environments mean the railroad always budgets for the unexpected. This has proven very successful, resulting in a safe, exciting, and educational experience for our guests.
   f) The DSNG has an extremely experienced team with an average tenure of over 18 years. The in-house team includes tourism management specialists, mechanical engineers, an accounting staff led by a senior CPA, construction specialists, and marketing specialists that understand conventional as well as social network marketing. Resumes will be provided if requested.
2. The Great Smoky Mountains Railroad (GSMR)
   a) The GSMR is a 52-mile railroad running from Dillsboro, North Carolina, through Bryson City, to Andrews, North Carolina. Total land area also exceeds 1,200 acres with depots in all three towns along the corridor. The property is all zoned railroad, commercial, and mixed use. It is a regular passenger operation, with some freight business, and includes a toy train museum, retail shops and shopping center, food and beverage facilities, and full service locomotive repair and rail car repair and restoration shops. It is financed through a Federal Railroad Administration loan program. The railroad is owned and fully funded by the Harper Family.
   b) GSMR has no partners in the business and our clients are the public. Contact references are in B-1 above.
   c) In a normal pre-COVID-19 year the GSMR averages over 220,000 guests. Gross revenues at this railroad venue exceed $15,000,000. Based on independent studies the GSMR has nearly a $150,000,000 impact on the regional economy. The railroad employs more than 100 full and part time employees in a typical year.
   d) Construction of this railroad began in 1867. The dedicated staff constantly look for new ways to present its history that will attract people of all ages and demographic. GSMR continuously budgets for capital expense and operational needs to carry out that mission. This railroad has been very profitable.
   e) Historic railroads are evolutionary in nature and historic preservation increases costs and planning for the unexpected is normal. GSMR has been extremely successful in adapting to budgetary needs and prepares for changes as required. In addition, GSMR has been able to complete new construction for needed facilities on time and on budget.
   f) The AHR team of skilled people in operations, construction, marketing, and finance is unmatched by any other company in the field. AHR has the advantage that, as a holding company, it can move specialist staff members to any activity where help is needed. AHR can construct buildings, rebuild 100-year-old steam locomotives, and market various product with the absolute latest techniques via the internet and social networks. Further, AHR has the wherewithal to hire vendors when needed from years of experience in business.

Section B.3

Return on Investment and Community Benefit: AHR companywide gross sales in normal years including royalties from licensed events approach $100,000,000 and we can typically produce a pre-tax net of about 12%. Independent studies indicate a factor of five to ten times gross sales to determine economic impact within a community. Using that as a basis, the economic impact to the communities we serve on a consolidated basis is $500,000,000 to $1,000,000,000.

As an example, if the Attraction hosted 200,000 guests who spent an average of $30.00 each that would result in $6,000,000 in revenue. Conservatively, this has an economic impact on the area of $30,000,000 to $60,000,000. AHR believes it can exceed these numbers.
Statement of Qualifications Responses to Section 4
Team Project Delivery Approach

Section C.1.a

Current Operations: American Heritage Railways and its subsidiaries has the pleasure of operating in 12 different states. The segments that our company focuses on are transportation, hospitality, tourism, entertainment, cultural arts, and museums. Each business segment is unique and requires dedicated staff and resources to ensure their successful operation. Some examples of our successful operations include:

The Durango and Silverton Narrow Gauge Railroad (DSNG): Founded in 1981 in southwest Colorado. It operates on the original rail line from Durango to Silverton Colorado completed nearly 100 years prior in 1882. With the help of over 200 fulltime and seasonal staff members, the DSNG can operate a successful business with nearly 200,000 guests annually. The DSNG still operates with original equipment, depot, and infrastructure dating from the 1880s to the 1960s, requiring a highly skilled staff to maintain. Repair and replacement of ever aging bridges, facilities, and equipment is always at the forefront of long-term strategic planning.

The Great Smoky Mountains Railroad (GSMR): Founded is 1988. GSMR hosts over 220,000 guests annually and employs over 100 staff members from the surrounding area. The railroad utilizes a line first laid in 1893 traveling along scenic rivers, crossing numerous trestles, and traversing respectfully through Native American lands to deliver guests to destinations in three communities.

Rail Events Inc (REI): Founded in 2004. REI holds event licenses for major brands across the world. The company works with corporations like Warner Bros., Peanuts Worldwide, Universal, The Jim Henson Company, and others to create lasting memories. REI has sub-licenses in over 50 venues and a presence in three countries. REI licensed branded special events host an annual attendance of over 1,300,000.

The Grand Imperial Hotel (GI): Founded in 1882. Located in Silverton, CO, AHR acquired the GI in 2017 from a local Silverton family. The historic structure had been allowed to deteriorate requiring a $2.9 million major rehabilitation program to restore and modernize the 135 year old property. The remote mountain town location of the GI proved to be a positive attribute during the COVID-19 pandemic as guests looked for a more secluded retreat.

True West Rodeo (TWR): Founded in 2015. AHR took on the responsibility of preserving southwest Colorado’s western heritage by starting a classic rodeo series in Durango, Colorado. This effort included sourcing all rough stock, announcers, judges, staff, food and beverage, sponsors, and security. Within its third year, the rodeo averaged 750 attendees per day and became sanctioned by the New Mexico Rodeo Association due its draw of contestants and attendees from the neighboring state.

Rail Events Productions (REP): Founded in 2015. This event production company was created to work in more urban areas nationwide, filling a void in the transportation/entertainment sector. Expansive venues such as Chicago Union Station combined with more modern trains created a unique environment to display a live theatrical performance. During a typical holiday season, there could be as many as eight REP events operating simultaneously throughout the country. These combined annual attendance of REP hosted events typically exceeds 300,000 guests with a supporting staff of over 700 members.

The above examples of development took time, dedication, and passion to become revered and fiscally viable tourist destinations.
Both the tourism and entertainment industries can be difficult business environments to operate within. Political decisions, environmental hazards, and the global economy can adversely impact and decimate the industry putting tremendous stress on operating companies, often causing them to fail. AHR has assembled a resilient team allowing us to weather changing economic conditions, the indirect effect of terrorist attacks, and the COVID-19 pandemic throughout the last 23 years of operation. The team has continually proven its strength in operations by setting records in attendance and revenue after each of these economic impacts.

AHR has taken many steps to reduce its impact on the environment and works with local and federal agencies to improve the lands around its locations. In fact, the DSNG became the first railroad to be accredited for having a zero-carbon footprint by planting thousands of trees, purchasing green energy, and installing locomotive exhaust scrubber systems on its buildings. AHR cooperates with the Bureau of Land Management, U.S. Forest Service, Army Corp of Engineers, and the Environment Protection Agency on an annual basis to manage its railroads and infrastructure development project in accordance with all guidelines. Other agencies that AHR work with include the Department of Transportation, Occupational Safety and Health Administration, Public Utilities Commission, state historical foundations, and local wastewater treatment centers.

AHR understands that cooperation with the local community as well as government agencies is key in developing a sustainable operation. AHR recognizes the importance of carefully blending the local culture and arts, with native scenic landscapes, and some modern technology to create an entertaining attraction. This creates an experience that not only tourists will enjoy, but the local community can as well.

These cooperative efforts have a significant economic impact. Creating “think tanks” with community members and soliciting input from the local government agencies strengthens the line of communication amongst all parties. It is the goal of all AHR subsidiaries to not only have a successful business relationship with local stakeholders, but also committed to one that the community is supportive of. To further support and give back the community, AHR and its subsidiaries, when capable, donate up to 3% of net revenue to local non-profit organizations and cultural centers. AHR believes that it is important to reinvest in the community to strengthen the foundations on which its subsidiaries are built.

AHR firmly believes that it has the expertise and knowledge to implement a financially feasible operating plan for the Attraction. AHR’s passion and strong reputation for the preservation of history, architecture, and infrastructure falls in line with the scope of this unique venue. The operational plan would utilize a variety of methods to attract both tourists and locals. Infrastructure investments and activities to be considered include, but are not limited to, the following:

- Non-motorized and motorized trails
- Equipment rentals to explore the Attraction and its facilities
- Updated museum displays and introducing traveling exhibits
- Lighting and sound upgrade throughout the Attraction
- Special events including licensed offerings with Warner Bros., Universal, Mattel, and others
- Creation of an event and entertainment arena for concerts, rodeos, etc.
- Construction of a new soundstage facility to host filming opportunities
- Expansion of zip line courses
• Obstacle courses and climbing walls
• Historic narration of the property and buildings
• Live action recreation of films produced at the Attraction
• Partnering with local universities and ecological groups to create a display of native landscapes, animals, and vegetation.
• Partnering with local Native Tribes to create a Native American cultural exhibit
• Retail, food, and beverage opportunities along with catered events

Section C.1.b

Master Planning: American Heritage Railways has experience in developing and realizing master plans within a broad scope of entities all relating to entertainment and recreation. Our properties include various forms of entertainment and attractions ranging from tourist railroads to live theatrical events. One of the subsidiary companies to American Heritage Railways of particular note relating to this SOQ is Rail Events Productions (REP). REP is full scale event production company, which was created to further expand our licensed The Polar Express Train Ride events fulfilling the growth plans goals.

The master plan for The Polar Express Train Ride requires the growth of the brand on an annual basis both in ridership and revenue. As our licensed events continued to grow but began to find limitations in securing suitable licensees in major markets, AHR created a production company to produce these events internally.

Events produced from REP operate with a ridership of between roughly 30,000 and 70,000 passengers per event per season, with the average length of an event run being approximately five weeks. To meet growth goals, REP has expanded its portfolio by at least one newly added event per season. Over its five season history, REP has increased from one event to eight events, all operating simultaneous. Total ridership across the events has grown from approximately 20,000 passengers in the first season up to approximately 300,000 in the fifth season. To date, REP operates these events in five states covering all the regions of the country while successfully drawing guests from targeted locations to reach the annual sales goals set forth by AHR.

Our key staff operates on a year round basis planning each season, adding additional staff as the season approaches to allow for a seamless and efficient production. Strict planning and adherence to schedules and budgets is essential to the process for a successful result. While the whole season is treated as a single project which merges the physical assets and human resources of the company, each individual event requires its own project management that must be integrated seamlessly into the season vision. REP operates with a full staff of production management, artistic direction, lighting, sound, wardrobe, properties, and scenic departments. Careful logistical coordination is required to successfully operate an event season operating simultaneous and coherently in cities around the country.

Aside from Rail Events Productions all of AHR’s operating entities are success stories of their own, and each of grown in their own ways following the vision of a Master Plan. Subsidiary companies Durango & Silverton Narrow Gauge Railroad and Great Smoky Mountains Railroad balance on a fine
line of being operating railroads yet also operating within the tourism, attraction, and entertainment industries. The majority of their revenue coming from tourism passengers. Both railroads have spent their time under AHR revitalizing historic infrastructure into successful tourism businesses. Investment in new and renovated facilities, museums, public and private buildings, track, right of way, cars, and locomotives have all played a major role in the ultimate growth of companies achieving their increasing ridership and revenue goals. The leadership teams of each of the companies under AHR work closely with each other developing best practices and strategies to assist each in attaining master plan goals for both the individual entities as well as parent company. AHR strongly believes in a collaborative approach to high level leadership where the strengths and talents of leaders are used across company boundaries to create better results across the AHR portfolio as well as the best possible cohesive teamwork amongst leadership.

Section C.1.c

Community and Neighborhood Incorporation: As the team at American Heritage Railways creates an operating plan for the historic studios and Attraction site, the focus will be on creating an experience rich in preservation of history while building a cohesive alignment with local neighbors. In general, American Heritage Railways and its subsidiaries operate as good neighbors, seeking local partnerships and collaborations whenever possible. Another key goal is to leverage strengths of a geographical area in which we operate. The final goal would be to maintain the integrity of the property the Attraction and studio was based around.

AHR will work towards an operation that is sensitive to the needs of the neighboring community and respectful of the beautiful desert landscape of the TMP that surrounds the Attraction. Efforts to reduce impact would include mitigation of noise and light pollution should the Attractions be open in the evenings. In general, the goal would be to minimize events past 10:00pm on weeknights.

Another goal would be to incorporate the use of more of the undeveloped land for activities that may attract additional guests while being a service to the community. This could include, but is not limited to, two major additions planned for the Attraction.

The first is an outdoor arena that would accommodate around 5,000 guests for events like western rodeos, outdoor concerts, community gatherings, and school graduations. The next key addition would be to rebuild a soundstage that interprets the story of film production at the historic Old Tucson Studios. This space would be indoors, and air conditioned, and equipped with modern technology to help lure film production companies while also serving as a multi-use space the rest of the year. A final identified potential land use for the Native Area is a trail system that helps to showcase the natural beauty present in the Sonoran Desert and the surrounding TMP. This trail system would utilize roughly 150 acres within the Native Area surrounding the park to create a space that tells the story of the beautiful mountains and desert, as well as highlights some of the locations that have been utilized for filming. As a goal, AHR would like to have some collaboration with the National Park Rangers program during the development of these spaces.

To attract use from neighbors AHR’s operating plan would include allocation of the arena space for community events. This may include corporate gatherings, school graduations, proms, as well as
unique events based on branded collateral for Easter, Halloween, and the Holiday season. These events catered to the needs and desires of the local population will help create a familiarity with the Attraction in much more personal manner than had previously been allowed for. To help entice locals even further, it is the intent to offer season passes and other “locals only” opportunities for them to partake in throughout the year.

When possible, American Heritage Railways will attempt to leverage local resources for subcontracts, employees, and supply chain management, helping to strengthen the relationship of the Attraction with the local community. These efforts will extend to the creation of restaurant menus that fit with the local heritage and culture. Menu items sourced from local vendors may include a steak house, Cantina and taco bar, and regional delights such as Sonora Dogs. Multiple uses of the Attraction could also focus on significant elements of the nearby culture including the western film scene, Hispanic, Latino, and Mexican culture, as well as Native American cultures that guests want to learn about when experiencing the American Southwest.

One of the more challenging aspects of incorporating new elements within the Attraction would be maintaining the feel of the property’s history and Western aura. Each of the planned additions present challenges as they must be thoughtfully blended with older, more historic parts of the Attraction to maintain a seamless integration. The creation of a safe, modern experience must not ruin or interfere with the appearance of the Attraction when viewed from outside the property lines.

Finally, upgrades to the Attraction that allow for evening operations well past sunset must mitigate potential noise and light pollution to existing neighbors. Evenings in Sonoran Desert present a unique time for guests to enjoy an experience and it is crucial that the Attraction have the ability to host these guests at almost all hours of the night. Thoughtful planning must take place to ensure a good neighbor policy exists. AHR has found creative ways to solve some of these types of challenges and we are confident in our ability to solve them at the Attraction as well.

American Heritage Railways is confident that it has an operating plan and expansion plan that creates an enhanced guest experience that will not in any way diminish the neighboring beauty of the Tucson Mountain Park. The operation will also consider limited water usage and other environmental impacts to sensibly operate the Attraction in a desert environment.

Section C.1.d

Anticipated Timeline: As stated in Section A, AHR has the capacity to proceed with the operation of the Attraction if awarded the Lease Agreement. AHR would proceed in the following timeline:

- March 2021
  - Interviews
  - Shortlist Notification
- April 2021
  - Review and Develop RFP Response
  - Possible on-site visit with AHR team, TMP, and County Representatives - Photos and Documentation of existing infrastructure.
  - Insurance estimates
Statement of Qualifications Responses to Section 4
Team Project Delivery Approach

- Refine financing projections and forecasting
  - May 2021
    - Review and develop RFP Response
    - On-site visit with AHR team, TMP, and County Representatives
    - Review permits, taxes, and legal implications of doing business in Tucson
    - Refine financing projections and forecasting
    - Capital improvement and repairs cost analysis
  - June 2021
    - Further review and development of RFP response
    - Review Hiring Guidelines for both County and State
  - July 2021
    - Lease execution
  - August 2021
    - Apply for and create corporate documents, business license, liquor license, F&B license, trademarks, permitting, etc.
    - Insurance study, application, submittal for property, liability, D&O, cyber, Workers Compensation, etc.
    - Begin hiring process
    - Meet with local government agencies and community partners
    - Establish vendor relationships
    - Review equipment acquisition
    - Review structure Repairs
    - Operating plan and financial implementation
    - Roll out marketing plan
  - September 2021
    - Continue hiring process
    - Continue local government and community outreach
    - Continue to establish vendor relationships
    - Continue pre operating marketing plan
    - Acquisition of equipment
    - Repairs/buildout of facilities
  - October 2021
    - Continue hiring process
    - Continue local government and community outreach
    - Continue to establish vendor relationships
    - Continue pre operating marketing plan
    - Acquisition of equipment
    - Structure repairs/buildout of facilities
  - November 2021
    - Most facilities and attractions open
    - Christmas and holiday events
    - Acquisition of equipment
    - Building repairs/buildout of facilities
  - December 2021
    - Normal operations
    - Christmas Events
Team Project Delivery Approach

- January 2022
  - Normal operations
- February 2022
  - Normal operations
- March 2022
  - Normal operations
  - Spring break specials
- April 2022
  - Normal operations
  - Potential special events
  - Review construction and permitting of new infrastructure
- May 2022
  - Normal operations
  - Permitting/Building new infrastructure
- June 2022
  - Open for night activities
  - Permitting/Building new infrastructure
- July 2022
  - Open for night activities
- August 2022
  - Normal operations
- September 2022
  - Normal operations
- October 2022
  - Normal operations
  - Halloween events
- November 2022
  - Normal operations
  - Christmas Events
- December 2022
  - Normal operations
  - Christmas and other holiday events

Section C.2.a

Development Team: The development and implementation of an operating plan will be managed by AHR’s skilled staff. The staff at AHR has a broad knowledge base in developing exhibits, building bridges, maintaining historic buildings, assuring properties meet safety standards, and completing excavation work. Some of the projects AHR has undertaken in the past or are in the process of completing include:

- 242ft long steel and concrete bridge spanning the Animas River near Silverton, Colorado
- 4,500sqft steel building in Bryson City, North Carolina
- 10,000sqft office and retail facility in Durango, Colorado
- Renovation of a 22,000sqft warehouse and mixed use building in Durango, Colorado
- Upgrades and renovation to a 140 year old, historic 4,500sqft building in Silverton, Colorado
Simultaneous installation of special event infrastructure in six states, using 27 semi-trucks, over 700 staff members with attendance of over 300,000 within a 60 day period.

All the projects took special permitting, planning, communication, cooperation, and institutional knowledge to complete.

Section C.2.b

Team Leadership: AHR typically operates as a general contractor managing sub-contractors to perform new construction and significant remodeling efforts. AHR and its personnel do not carry any specific license for construction, however, the institutional knowledge held by AHR team members plays a pivotal role to ensure projects are completed in a timely and correct fashion. Our team who manages these contractors are John Harper, Matt Cunningham, Jarrette Ireland, and Mike May. This team has been with AHR for the last eight to fifteen years filling a variety of roles.

Creating events and developing properties in the desert has many challenges. The climate, wildlife, and unique requirements for building materials are all items that need to be taken into consideration to prevent delay of a project and create safe working environments. AHR’s subsidiary Rail Events Productions has previous experience creating entertainment facilities in multiple states including those with warmer, desert like climates. The entire event is organized in our facility in Colorado and transported to off-site locations where the event is then assembled.

The AHR design and construction team will draft a thorough development and implementation plan to present prior to the award of the Lease Agreement. A site visit and additional information regarding the specific historical structures will be required to complete this task. Project timelines, dedicated roles, and software will all be used to meet deadlines and share information during these development efforts. Software including Microsoft Teams, Excel, Google, Drop Box, Slack, HRIS, AutoCad, Salesforce, and others will be utilized. In addition, weekly updates, reviews, and progress review meetings will be held to review the accomplishments and challenges the team needs to focus on. AHR always creates contingency plans to address unforeseen complexities or delays. The team will analyze specific unforeseen issues as they arrive and review existing contingency plans or reach into the contingency funding if needed.

Section C.2.c

Financial Leadership: Forecasting, capital expenses, and initial investment will all be included within a feasibility study conducted by AHR. The investment is not financially viable if any of the criteria is not addressed. As of this time, AHR is beginning this study relying solely on photos, videos, and the minimal amount of historical information that has been provided. A site visit would be required to complete this task.

A five-year projection is also created by AHR when entertaining any new venture to better illustrate the financial impact or success over time. These projections are created with both the best-case and the worst-case scenarios to fully understand the impact to AHR’s umbrella. AHR includes
contingencies and takes a conservative approach when creating these financial documents. The integration of the operating plan must be a collaboration between all stakeholders involved. Strong collaboration and good communication are essential to ensure that the plan is supported by all parties and can move forward without complications.

Section C.2.d

**Environmental Sensitivity:** The environmental sensitivity of both the Native Area and the Developed Area is an aspect that needs to be reviewed by AHR, the County, and Tucson Mountain Park. The goal of AHR for this property is to create a destination that both tourists and locals can enjoy. This destination will include a variety of activities that range from the morning until after dark. In order to be environmentally responsible and a good neighbor to the local community AHR will examine the feasibility to integrate environmentally friendly construction practices when practicable. This can include upgrading insulation in existing structures to reduce air conditioning and heating costs, upgrading lighting to LEDs, and examining alternate fuel sources for attractions when possible. As a goal, new construction would try and meet LEED certification and installation of environmentally friendly sources of power, like solar and wind, could be added throughout the grounds and parking lot when feasible.

Attractions like this venue also generate a great deal of trash and consumables. Whenever possible AHR will strive to institute a recycling program to reduce its overall landfill waste. As a goal reduction in waste and our carbon foot print will be key to successfully operating the attraction. As an organization that operates historic rail equipment, we by nature are familiar with creating modern solutions to problems associated with venues and equipment that were never designed with a sensitivity to environmental impact. In Durango, CO for example we have installed scrubbers on top of our roundhouse to clean out particulate emissions from coal fired locomotives. Each year we distribute trees to the community to be planted throughout La Plata County to offset our carbon foot print. Similar community involvement and carbon footprint offsets could be achieved at the Attraction. AHR would also explore the use of alternative fuels like natural gas, electric vehicles, and other new innovative sources of energy as ways to lower our environmental impact on the community we serve.

Due to the natural beauty and already established layout of the Attraction, AHR would limit any major construction or redesign that requires major increases in water usage or eliminates the natural look of the desert. In this case we would strive to utilize “zero scape” design when possible and not look at adding additional water features. This is both financially and environmentally responsible. In general, guests would visit the attraction to experience the old west and see the beautiful Sonoran Desert landscape, not water features and items foreign to the area. Other water saving measures will include upgrades to toilets and sinks in the restrooms as well as drinking fountains and water bottle filling station to encourage reusable bottles while keeping guests hydrated in the hot Arizona sun.

As we examine other key factors into our environmental impact, AHR will be proactive in discussions to learn how to most responsibly operate the Attraction. These discussions may include permitted activities that can be responsibly held within both the Developed and Native Areas, where future development and growth to the Attraction can take place, and examination of when it may need to
“go dark”. AHR must be able to operate a successful economic driver for the region while working with the local stakeholders to respect the surrounding environment. Further information regarding our goal to act as a good neighbor related to noise and light pollution was stated earlier in section C.1.c.

Section C.3.a

Project Management: At the high level and the onset of new projects and undertakings, AHR takes a very collaborative approach to project missions, visions, and management implementation. Before major projects are undertaken by either AHR or any of its subsidiaries, the executive committee which is made up of officers of AHR from each subsidiary, works together to develop a strategy for each project. Using the variety of skillsets present in each subsidiary gives AHR a broad base of knowledge to set projects off on their best foot. As projects move forward specific teams are established with the individuals best suited to the undertaking. Each project eventually becomes the responsibility of a designated individual within the senior management of the company, but collaboration continues throughout the duration of the project which keeps a cohesive environment and outcome to all AHR projects.

AHR moves into projects with exhaustive preplanning before moving forward with actual work. Research, budgeting, scheduling, and identification of intermediate goals are all essential parts of the process.

Using Rail Events Productions as an example, the undertaking of a new event venue for The Polar Express Train Ride season begins, like so many things, with a simple idea. We have developed an exhaustive checklist of items to be researched including questions to be answered before an event can be considered for production. Some items that are investigated include facilities, similarities to existing operations, involvement of other organizations, marketing, as well as state, local, regional laws, and other requirements. With this knowledge base compiled, the team can create realistic budgets and timelines for successful execution.

Once a project is started, specific goals for each department are identified as to how they fit within the complete production schedule. As with any projects of scale, it is essential that departments all work in a cohesive manner to achieve the common goal in a successful manner. Constant communication and collaborative problem solving at the top of the organization is key to making this happen.

Quality control at AHR is a function of collaboration between senior management of the individual company handling the project and the rest of the senior management of AHR. This ensures that the undertaking is falling within the standards and expectations of all AHR projects. Common functions, such as dispute resolution and safety practices management, fall under the AHR umbrella of corporate policies which meet all local, state, federal, and other jurisdictional requirements.
Section C.3.b

**External Stakeholders:** American Heritage Railways believes it is best to establish great working relationships with all stakeholders involved in an operation to ensure a successful outcome. A list of agencies that AHR works with can be found in Section C of this document. AHR partners with the Public Utilities Commission of the State of Colorado to ensure safety devices, sidewalks, public utility lines, and roads meet recommended standards of safety for transportation corridors; with Department of Transportation for traffic flow, turning lanes, and safety signage; and with the Water Quality Control Division to assure water runoff is controlled, environmentally friendly, and nonhazardous in nature. AHR's experience working with many government agencies in multiple states would apply and assist in the development of the Attraction by assuring compliance and that any work is done in a professional matter that meets guidelines and safety standards.

The development of new infrastructure, maintenance of historic buildings, and installment of new utilities fall under criteria that AHR already holds standards for. Quarterly meetings, notices of improvement and work to be performed, as well as year-end reviews play a role in keeping stakeholders engaged. The success of this engagement is measured by accomplishing tasks in a timely fashion and being able to communicate on a personal basis.

Section C.3.c

**Interaction with External Interested Parties:** The interaction with the proposed team, stakeholders, County, and other interested partners should begin as soon as the award is given. Conducting virtual meetings, on-site visits, and review sessions of proposed future operations should be scheduled quarterly or on an as needed basis. Providing an annual report of attendance, economic impact, and future expectations will be provided by AHR.

Currently AHR manages over 25 tenants throughout five states and over 50 licensees in three countries. This provides AHR with the experience needed to manage tenants, subleases, partnerships, quality assurance programs, and contracts. Typical contracts with tenants can vary from a monthly flat fee basis to flat fee plus percentage of sales, to just percentage of sales formats. The ability to tailor the style of rent payment based on the operation allows for some flexibility to ensure the success of both the tenant's business interest as well as that of AHR. Additionally, indemnification and insurance language are a requirement for the protection of all stakeholders of the Attraction. Typically, the goal of these external parties is to find local support who will enhance or fulfill the attractions experience. For example, in many cases the food & beverage component of the property can be sublicensed out to an organization that has a background of supplying local flavors. This could include local breweries, wineries and local flavor restaurants that tell the cultural story of the region.

To help simplify the relationship between vendors, AHR, and the county, we will focus on having the tie to the county’s revenue come from gate admissions and film production revenues while the subcontracted partners and business generate revenues separately. This mitigates the risk of the county not receiving payment on the property while still generating business for local subcontractors to become involved within the Attraction. Their businesses roles and responsibilities will be separate fare ventures that do not tie into gate admissions. AHR has found this to be the cleanest method when
involving partners and subcontractors. In this case, vendors and sub-contractors would pay a lease on the space they use directly to AHR (as a sublease of the space) as they would generate revenues themselves to operate their business. The county would then collect appropriate sales tax revenues generated off their sales, separate from those generated in other parts of the greater Attraction operated by AHR.

Additional examples of profitability for stake owners and offsite partners could be offered with licensed events. As referenced throughout, AHR utilizes licensing agreements to generate larger attendance number for special events. These agreements are structured as a licensing fee in the form of a percentage of gate admissions paid to the owner of the licensed property used in conjunction with the event. This arrangement allowing access to valuable Intellectual Property (IP) would be tied directly to unique gate admissions that are only connected to the special event that is utilizing said IP.

For example, if we were to operate a Warner Bros. themed horror event during the Halloween season hosting 25,000 guests, this unique event would carry a different, often elevated, price for gate admission than regular daily admission rates. This elevated price would already calculate the additional costs associated with use of the desired IP. The county as we would receive the proposed 1.5% in gate admission sales from these events. AHR has found that easily recognizable IP can be extremely valuable to generate larger sales revenues and enhance an attraction. This a strong partnership that we plan to leverage at the Attraction which will benefit all parties involved; the licensor, AHR, and the county.

Section C.3.d

Partnering to meet economic challenges: Attractions such as this require a great deal of thought, long-term strategy, and multiple stake owner’s involvement to lead to a successful experience for all whom attend. In this case AHR envisions finding partners who already call Pima County and the greater Southwest home. The first key will be creating relationship with investors and financial institutions in Pima County. Currently AHR does utilize local lenders within the counties in which it operates whenever practical and possible to do so. Vested interest in financial backing is crucial to a healthy community. This will be very important as AHR anticipates needing to seek several million dollars in capital improvements that would be amortized over the life of the lease agreement with the county.

Another growth opportunity within the county is to design the lease agreement to correlate directly to gate admission revenues. This method will ensure that, as the attraction grows, the county is not stuck in a legacy agreement that lacks adjustments for the value of the property or inflationary costs. Instead, the property lease would grow with increasing revenues, ensuring the agreement is as relevant in 25 years as it is today.

AHR anticipates using local contractors for construction projects such as the trail system, soundstage, and outdoor arena. Other upgrades geared toward local contractor work could include facelifts to some of the existing buildings and grounds. These upgrades could lead to over $10 million dollars in construction costs that would be opened for bidding within the local community. If possible, AHR would like to have the ability to potentially call on those companies that have previously worked in
the Attraction to leverage their institutional knowledge base and skill set that helped build and grow the space to current levels. AHR also anticipates utilizing other partners and resources within the local workforce providing such opportunities as internships, youth mentorships, and vocational programs with the local schools, University of Arizona, the National Park Service, and other local organizations in Pima County.

Finally, AHR would like to source local products for souvenir items that fall outside of our traditional retail offerings. These items would focus on truly unique offerings that are made in Pima County and inspired by the people of the Southwest.

AHR is not foreign to the challenges of growing strong relationships within the community. Our other properties and businesses have been strong economic drivers that leverage local relationship whenever possible. The team will look to duplicate these successful relationships found in Colorado, Washington, and North Carolina, among other places and build a similar model in Pima County. Inspiring stake holders and growing communities are a core value as part of how AHR goes about implementing new business strategies for a successful future.

**Section C.3.e**

**Tourism Economic Impact:** AHR has seen positive economic and tourism impacts within the communities it serves. Local guests are tied to an impact based on revenue spent in restaurants, gift shops, and the Attraction itself to create an impact of roughly four times the gate admission price. This group will also impact employment, tax revenue, and general revenues earned in or around the park as they look for ways to spend an afternoon or evening. For the simplicity of this exercise, AHR will assume a factor of five to represent the economic impact of all guests attending who simply visit the Attraction.

Out of town guests and true tourists, both those in tour groups and the daytime guests, visiting the Attraction also have a large impact on the local economy. In AHR's experience, the more demand driven to late afternoon and evening offerings, the greater impact on a local economy. These guests will most likely be spending the night at a local hotel and will further that economic impact with meals both at the Attraction and local restaurants. Tourist and out of town guests are more than likely to also attend other area attractions such as the Pima Air & Space Museum, and the Saguaro National Park. For the purposes of this plan, AHR will utilize a factor of six for the guests that fall in this category. Pima County should be able to assemble a fairly accurate economic impact assessment based on past attendance records and the economic impact multipliers outlined above. For further information regarding the ticket yields and attendance as outlined in the business plan, please refer to Section D. 1.

In 2019 the attendance of Old Tucson Studios was 176,000 with one special event that drew around 34,000 guests. Based on the prior eight years, attendance grew a total of 28% with an average growth of 3.2% annually. It is realistic to expect a base line attendance of roughly 145,000 guests through regular gate admissions alone.
As mentioned earlier in the overview of the company, Rail Events Inc., a subsidiary of American Heritage Railways operates over 50 licensed themed events in three countries. These special events have an average attendance of 25,500 per venue. American Heritage Railways believes it could offer two large seasonal events (centered on Halloween and Christmas) and multiple smaller events such as beer and wine tastings, concerts, rodeos, and community based events. With an estimate of 8,000 - 12,000 people attending the smaller events and 40,000 attending the larger events, an increase of attendance to the Attraction reaching nearly 195,000 guests is a possibility. For the purposes of the economic impact summary, AHR has assumed this attendance figure in year one with a 2% annual growth in attendance for the following 10 years.

Finally, to show positive impact in tourism revenue and other economic drivers in the community, we must look at the average yield per guest to help calculate the direct revenue. In this case, AHR will use information found on the former operator’s website and social media pages as well as observational assumptions from other similar ventures. The base price to visit the Attraction in 2019 was $19.95 with additional upsells of prices ranging from $2 to $30. AHR experience has shown that small add-ons should simply be included in the gate admission price to enhance customer satisfaction while those experiences that have unique limitations should be additional fee. AHR would propose a base rate for gate admissions of $28 and would then add an estimate of $4 additional dollars to cover other experiences such as horseback riding, miniature train rides, and behind the scenes tours. The next consideration for the proposed gate admission price would be an average of $3 per guest spent on souvenirs and retail products. Currently, American Heritage Railways sells over $7,000,000 a year in retail product at all its operating venues.

The final driver of direct revenue is food & beverage. For this exercise, the team has used a figure of $4 per guest for the direct sale of F&B. By combining all these revenue sources together, the per-guest yield of $39 is achievable in 2022. During subsequent operating years, as an estimate AHR will adjust for inflation by increasing pricing by 1.5% each year.

The final impact that AHR’s operating plan will have on the organization is the potential increase in employees. Based on the size of the operation, AHR believe it could employ up to 40 full time employees and provide seasonal opportunities for potentially another 50-75 employees during peak seasons and special events.

Based on all assumptions listed above, the total attendance, revenue, and direct economic impact are shown below:

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<th>Direct Revenue</th>
<th>Total Impact</th>
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<td>$43.93</td>
<td>$10,037,596.42</td>
<td>$50,187,982.11</td>
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<tr>
<td>2031</td>
<td>233,043</td>
<td>$44.59</td>
<td>$10,391,902.17</td>
<td>$51,959,510.86</td>
</tr>
</tbody>
</table>
In 10 years, AHR believes that our organization can establish a tourist attraction that draws over 230,000 guests, of which over 50% would be from outside the local drive market. AHR also believes that it can create an economic impact of $52,000,000 dollars to the local economy.
Section C.3.f

Vision: The vision for the Attraction is based on American Heritage Railways CEO Allen Harper’s goals for the organization:

“We are all guardians of history. The best way to preserve history is to make its presentation so interesting and exciting that people will pay a fair price for a great experience.”

AHR envisions a guest experience that is designed to tell several important stories of its past while creating unique experiences that will stretch the imagination of all who visit the venue. The goal would be to draw from four storylines that the Attraction must tell. The first is the story of the western films shot on-site and within the iconic American southwest. The second is the story of the Sonoran Desert and its culture, beauty, resources, and exploration. The next two storylines are centered on the people of the Southwest, including the diverse population of Hispanics, Native Americans, and American cowboys. The final story is the adventure, recreation, fun, and entertainment that exists in nature.

Each of these stories has shaped the Attraction and, although it will take some thought and land improvements, AHR envisions telling each of them in their own defined way throughout the facility. This would include implementing culturally appropriate foods and restaurants within the different stories, adjusting facilities to properly match the messaging in these stories, utilizing the Native Area for outdoor activities including a trail system, and adding new infrastructure such as the soundstage and outdoor multi-use arena. Using other themed attraction venues as examples, one can look at the history of Knott’s Berry Farm or Disneyland which are now historic sites in their own right. While they have expanded and remodeled some areas of the park, others have maintained their as-built themes and timeless appearance.

As AHR branches out to tell other stories of the Attraction, it would never lose sight of its roots as a historic filming venue. The heart and soul of the property would not deviate from the original look and feel that has attracted so many past guests to visit Old Tucson Studios. AHR will instead add greater value to the experience with standalone activities like live stage shows, rope courses, zip lines, motorized recreational vehicles, horseback riding, stagecoaches, chuck wagons, as well as local food, flare, and flavors.

The primary activities at the Attraction will be intended to draw tour groups and tourists from faraway places. The draws for locals will come with new holiday and seasonal special events that can provide two or three hours of entertainment in the evenings. This could include a Halloween experience such as a branded horror walkthrough event and a pumpkin patch on site as well as some form of a holiday season event with lights, decorations, and seasonal snacks. These events and experiences will grow into local guests’ seasonal traditions that keep them interested in the Attraction all year round.

Section C.3.g

Facility Operations: A review of all existing buildings and structures, the application for the “National Register of Historic Places” designation, and any other permits will need to be taken into
consideration when analyzing the use of each portion of the Developed Area. These permits and registrations can limit, and occasionally prohibit, changes to structures to restrict the use of buildings and occupancy levels. The full review of the Attraction, a site visit, and historical narration of the structures will need to be created to gain a better understanding the historic value and past uses of each. This assessment will assist in the development of a plan to maintain these structures to their historic nature. Those buildings and structures that are not designated as historic can be repurposed to create new experiences while keeping with the local cultural flavor, should permitting allow.

A property as large and diverse as the Attraction needs to have a team solely focused on maintenance and daily operations of the infrastructure. This will include a comprehensive maintenance schedule, preventive maintenance, and on call personnel for immediate repairs. Safety is always the highest priority and any area that employees or guests have access to must be maintained to a high standard to prevent accidents and injuries. Any accident or injury that does occur must be reviewed and an action plan must be created to mitigate the risk of a future accident or injury similar in nature. Pre-employment and ongoing safety training would be required for all employees as well as the installation of proper safety signage for all guests.
Section D.1.a

**Market Analysis:** Based on information provided within the SFQ, attendance at the Attraction is increasing annually. The rate of year over year growth appears to be trending upwards at a rate of nearly 2% annually with final attendance figures for the Attraction pre shutdown at 177,000 guests in 2019. Unfortunately, no information has been provided to AHR that provides context as to where the patronage is coming from. The lack of guest demographics certainly creates challenges when outlining an in-depth marketing plan and, thusly, could force AHR to start from scratch. The basis for the AHR marketing plan described below is rooted in fundamental knowledge of the drive market and generally successful strategies that have been implemented at its other venues.

**Key Drive Markets and Associated Demographics to Focus On:** AHR plans to concentrate marketing efforts on the population demographics that regularly attend attractions and special events in Tucson. This would include partnering with other neighboring attractions and significant staples of Arizona tourism. Key markets outside of the local Tucson drive markets would include Phoenix, Denver, Albuquerque, San Diego, Los Angeles, Dallas, Amarillo, Lubbock, Salt Lake City, and El Paso. Additionally, AHR would leverage the strong representation of these markets found at the Durango & Silverton Narrow Gauge Railroad in nearby Durango, Colorado. Through the railroad’s vast following in these markets as well as connections to different tourist bus operators, AHR hopes to leverage a its expansive customer records to attract guests that have already experienced this historic venue.

Marketing will be conducted primarily through digital outreach while integrated within a ticketing platform that focuses on search engine optimization, social media, and email campaigns. Messaging and content can be laser focused on the household decisions makers by analyzing the key demographics represented in these digital spaces. Most commonly, key decision maker demographics to target as identified by our marketing department include mothers, grandmothers, fathers, small groups, and travel organizers. New guest patronage will be identified through travel trade resources focusing on SMERF groups (Social, Military, Education, Religious, and Fraternal groups) as well as leveraging previously established relationships throughout AHR’s subsidiaries.

Potential local partners to work with to increase draw traffic would include some of the famous attractions in Southern Arizona. The Pima Air & Space Museum, Biosphere Park, University of Arizona, Tombstone, Saguaro National Park, and other well positioned Arizona based attractions. By creating packaged experiences, multiple venues could all benefit from each other.

To execute this strategy, AHR will leverage the horsepower of both the in-house marketing team and its existing subcontractors that, combined, offer a proven track record of successful marketing throughout the United States and Europe. While this project presents new stories to tell and different relevance for each guest, the concepts proven over the past 25 years are sound. In 2019, marketing efforts drove over 1,600,000 guests to an AHR property or event, and the team is confident in our ability to grow annual attendance at the Attraction to over 215,000 guests over the next 10 years.

Listed below is the projected marketing spend per year. These estimates are based on historical spends at each of the venues that AHR operate.
Operating Budget: While the single largest driver of revenue will be based on gate admissions, driving a healthy and well-rounded projection involves the implementation of multiple revenue sources and customizable and enhanced experience for each guest. To this end, additional revenue sources beyond gate admissions would include food & beverage (including the sale of alcohol and premium food options), photography, upgraded experiences (horseback riding, unique tours, rentals, etc.), retail, special events, and revenue from the film production industry.

Gate Admission: Based on information at hand, it appears that the previous operator functioned on a low base gate admission with the intent to up-sell guests on each individual element of the Attraction. This is commonly referred to this as “pay to play” or the “state fair design”. It is the experience of
AHR that the better model is to reserve upsells for only the truly unique aspects of the experience such as behind the scenes tours, horseback riding, or other unique elements that have limited inventory.

The AHR proposal would adjust the base gate admission price to include basic, but key, elements of the experience such as the stagecoach ride, miniature railroad, access to historic movie sets, gun shows, etc. with these costs rolled into gate admissions. The base ticket price would rise from around $18.50 (considering adjustments for youth and groups discounts) to an average of $28. New experiences designed to enhance this value would include live shows and tours within the proposed reconstructed soundstage, the addition of the outdoor nature trail area, and enhanced theatrical design from the Rail Events Productions team to create a more immersive story throughout the experience.

**Food & Beverage:** F&B is a major driver of revenue and essential to the customer experience. The intent would be to utilize the facilities already available on site and integrate the amazing local fare that guests will crave. A strong presence of local breweries, and wineries, integrated into experiences will add an additional piece to the Attraction. This could include special events centered on craft beers or wines and unique foodie experiences for tastes of the Southwest. For the exercise, the team estimates a revenue yield of around $3.50 per guest based on sales at AHR’s other venues operated. This yield could be increased further through sale of F&B at private events, weddings, group parties, and other catering opportunities available at the Attraction.

**Photography:** Professional old west style photography is a classic souvenir of people visiting attractions in the Southwest. This offering would be utilized throughout the park for revenue enhancement however, on a limited basis. AHR has observed shrinkage in offerings resulting from declining demand for these products as a revenue resource. For the purposes of planning, the operating budget would only attach an adjustment in revenue of $.50 per guest.

**Upgraded and Personalized Experiences:** Upgraded and personalized experiences continue to be a valuable and growing draw at AHR subsidiaries and themed entertainment locations throughout North America. These personal experiences could include trail rides (motorized or by horseback), studio tours, and personalized behind the scenes tours that would carry a premium in the range of $35-$50 per guest. To factor this revenue into the projected business, a yield increases of $4.00 per guest has been added. This assumes that, on average, one in every twelve guests may partake in one of these opportunities. These experiences will present themselves as a lucrative growth opportunity for the Attraction based on strong demand of younger generations. It should be noted that these unique experiences may need to be adjusted seasonally to accommodate shifts in daylight versus evening traffic because of the varying temperatures in the Sonoran Desert.

**Retail:** AHR has an extensive history of retail sales and unique product lines for all the venues it operates. At this scale, AHR acts as a direct line wholesaler to many venues throughout North America and the UK. AHR sold over $7,000,000 in retail product to over 55 venues, including its own operated facilities, during the 2019 operating season. Utilizing its extensive resources AHR believes it can design and produce a full line of retail products that showcase the unique style that the Attraction and proposed experiences demand. The average yield applied per guest found within this business model is set at $4 per guest.
Special Events: AHR possesses two full-service event companies within its subsidiaries that have been highlighted in previous text. Strong relationships between Rail Events Productions and leading entertainment industry companies such as Warner Bros., Jim Henson, and Peanuts Worldwide would allow for a wide array of licensed, branded events option at that Attraction. Other noteworthy special events could include community events, concerts, and rodeos, along with craft beer and wine festivals. While none of these will necessarily drive up the ticket yield for the purpose of this model, AHR is confident that special events can increase the overall attendance by 32% over the first 10 years of operation.

Film Industry Studio Use: At the heart of the Attraction is a unique filming location that requires some enhancements to accommodate modern film production. Proposed improvements such as a set refresh and the addition of a soundstage to allow more flexibility for film crews have been included in the budget. Based on existing relationships within the industry, AHR believes a fair amount of filming business could be brought back to the Attraction fka Old Tucson Studios. AHR’s goal is to attract over $150,000 in filming contracts annually.

Summarizing the preceding opportunities, below is a projected five-year revenue forecast for AHR operation of the Attraction that includes estimated attendance figures.

<table>
<thead>
<tr>
<th></th>
<th>Average Yield</th>
<th>2022</th>
<th>2023*</th>
<th>2024*</th>
<th>2025*</th>
<th>2026*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket Sales</td>
<td>$28.00</td>
<td>$5,460,000.00</td>
<td>$5,652,738.00</td>
<td>$5,851,001.52</td>
<td>$6,064,918.10</td>
<td>$6,353,327.40</td>
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<tr>
<td>Food &amp; Beverage</td>
<td>$3.50</td>
<td>$682,500.00</td>
<td>$706,592.28</td>
<td>$731,375.19</td>
<td>$756,864.76</td>
<td>$794,165.93</td>
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<tr>
<td>Photography</td>
<td>$0.50</td>
<td>$97,500.00</td>
<td>$100,941.75</td>
<td>$104,462.17</td>
<td>$108,123.54</td>
<td>$113,452.28</td>
</tr>
<tr>
<td>Upgraded Experiences</td>
<td>$4.00</td>
<td>$760,000.00</td>
<td>$807,534.00</td>
<td>$835,857.36</td>
<td>$864,988.30</td>
<td>$907,618.20</td>
</tr>
<tr>
<td>Retail</td>
<td>$4.00</td>
<td>$760,000.00</td>
<td>$807,534.00</td>
<td>$835,857.36</td>
<td>$864,988.30</td>
<td>$907,618.20</td>
</tr>
<tr>
<td>Film Industry</td>
<td>$125,000.00</td>
<td>$145,000.00</td>
<td>$165,000.00</td>
<td>$165,000.00</td>
<td>$165,000.00</td>
<td>$190,000.00</td>
</tr>
<tr>
<td>Annual Revenue</td>
<td>$7,927,022.00</td>
<td>$8,220,340.00</td>
<td>$8,523,573.60</td>
<td>$8,834,883.00</td>
<td>$9,266,182.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>(adjusted year over year at 1.5% for inflation)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AHR is confident it can create a profitable and successful subsidiary of this operation while rebuilding an attraction that increases local tourism, enriches a community, and creates approximately 90-120 jobs. AHR is also confident that it can increase property value and generate revenue for Pima County during the full term of the 25 year lease. The proposed fee schedule to the county can be found within Section D of this Business Plan. For the purposes of budgeting expenses, AHR would propose an annual lease of $60,000 for the facility ($5,000 per month) or 1.5% of all gross revenues earned from gate admissions and film production revenues (estimated to be $83,775 in 2022), whichever is greater. This model permits greater potential gain for the county while allowing flexibility to the operating organization during softer months. Based on current employee costs and the projected number of jobs to be added, as well as general information we have received, an estimated pre-tax P&L for the next five years can be found below.
Statement of Qualifications Responses to Section 4
Team Financial Questions

Section D.1.c

Capital Improvement Plans: As has been stated in prior sections of this document, the Attraction has a strong foundation and is already a very interesting and appealing venue that has captured the hearts of guests for many decades. The goal of AHR would be to enhance the historical interpretation of the Attraction, tell more meaningful stories, and design the Attraction in a way that creates maximum flexibility throughout. Three major improvements AHR would propose, if retention of existing ride infrastructure that the previous operator had put in place (railroad, stagecoach, track ride, etc.) may be salvaged, are the creation of a new soundstage, outdoor arena venue, and desert nature trails with outdoor adventures included.

Soundstage: The vision for the soundstage is to integrate a space that can serve as a functional stage and soundstage for film crews while shooting on location as well as a space that can also house indoor activities when not being utilized for film production. The general design would be steel beam construction of around 15,000 square feet, fully isolated for sound and climate control required for the hot Arizona summers. This space could help tell the story of western film production and host indoor spaces of a seasonal special event. The location of the stage would be away from the key infrastructure already in place and would include a design that matches the false western fronts throughout the rest of the studio areas. The goal would be to have the stage in place by the end of the first season of operation.

Outdoor Arena Venue: As an organization, AHR has thrived on special events and desires to have a multi-purpose spaces that allow for flexibility to tell stories, engage guests, and generate additional sources of revenue. This space, which AHR estimates to hold between 2,500-5,000
guests in bleachers, is intended to host multiple types of popular and relevant events. These events could include, but are not limited, to rodeos, evening concerts, film stunt shows, and community events such as graduations and other gatherings. AHR has successfully operated a weekly summertime rodeo in Durango, Colorado and feels this style of event could be a wonderful fit for the delightful and mild winters in Sonoran Desert. On other evenings, a concert series could be a very attractive draw to entice locally based guests.

**Desert Nature Trail and Outdoor Adventures:** The final significant planned enhancement would be to utilize portions of the Native Area to create an interpretive trail that allows guests a glimpse and the outstanding desert scenery like those at the Phoenix Botanical Gardens. These trails and other Native Area locations could be utilized for additional outdoor adventures such as horseback riding, motorized vehicles, and zip lines. Currently, both the Durango & Silverton Narrow Gauge Railroad and Great Smoky Mountains Railroad work closely with outdoor recreation companies that include zip lines, rafting, and general outdoor adventure. While AHR has background working with some of the above-mentioned types of recreational offerings, a deeper study would have to be conducted to better understand the feasibility of implementation within the Native Area of the Attraction.

In addition to the proposed capital improvement projects outlined above, there will likely be improvements required to support the typical operating style of AHR. Examples would include integration of new ticketing systems, staff break area rehabilitations, production enhancements, improved audio playback, added theatrical lighting, etc.

**Method of Funding for Capital Improvements:** As stated earlier in the document, AHR has four methods to fund projects and specific capital improvements. These are the use of regular financial institutions, private lending, self-funding, and intercompany loans and allocations. Due to reduced attendance figures as well as the large amount of capital required for startup, leveraging each of these resources, where appropriate, to mitigate the risks involved will be required.

The first funding option would be to tie traditional lending resources such as bank loans to actual hard assets such as the two new structures. Initial operating capital to design new products, create costumes, enhance audio and lighting systems as well as other startup costs would come from intercompany loans and allocations. Private lending would depend on partnerships and would only be utilized on as-needed basis, and after the first year of operation. The goal will be that the profits from the first year of operations can self-fund some of the additional improvements. While the table located above shows a profit in year one, the goal would be to create a fully self-sufficient operation within five years of taking over the lease.

**Section D.1.d**

**Proposed Fee Schedule:** AHR strives to always be a good business partner by creating economic viability throughout the communities it serves. In this case, AHR recognizes that a lot of good will could be achieved simply in the economic impact on the community. For Pima County AHR would propose a model that has a minimum guarantee with growth potential as revenue exceeds this base rate.
Pima County should be confident that as the Attraction increases in value, the constituents are not holding a lease that looks significantly smaller at the end of the 25 years period. The AHR proposal would include an annual minimum guarantee of $60,000 with an actual payment of 1.5% of gate admissions and film production revenue. In year one alone, the team estimates that this amount could be over $80,000, or 33% greater than the minimum guarantee. The proposed payment schedule would include quarterly payments made to Pima County with the remaining balance of revenue for the year being submitted in the final payment as outlined below:

| Annual Fee Schedule          |
|-----------------------------|----------------|
| On or about March 30        | $15,000        |
| On or about June 30         | $15,000        |
| On or about September 30    | $15,000        |
| On or about December 30     | Remaining Balance* |

*All sales not final by this date will be rolled into the following years payment.

Section D.1.e

Economic Impact Summary: Section C.3.e of this document shows the potential economic impact of the Attraction in detail. For the desired business model and based on internal research based on other venues in which we have operated, AHR believes an economic impact of nearly five times the base revenue of the Attraction is achievable. This is highlighted again in the table found below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Attendance</th>
<th>Yield per Guest</th>
<th>Direct Revenue</th>
<th>Total Impact</th>
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</thead>
<tbody>
<tr>
<td>2022</td>
<td>195,000</td>
<td>$39.00</td>
<td>$7,605,000.00</td>
<td>$38,025,000.00</td>
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<tr>
<td>2023</td>
<td>198,900</td>
<td>$39.59</td>
<td>$7,873,456.50</td>
<td>$39,367,282.50</td>
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<td>2024</td>
<td>202,878</td>
<td>$40.18</td>
<td>$8,151,389.51</td>
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<td>2025</td>
<td>206,935</td>
<td>$40.78</td>
<td>$8,439,110.73</td>
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<td>2026</td>
<td>211,074</td>
<td>$41.39</td>
<td>$8,737,023.75</td>
<td>$43,685,118.77</td>
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<tr>
<td>2027</td>
<td>215,295</td>
<td>$42.01</td>
<td>$9,045,420.53</td>
<td>$45,227,102.63</td>
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<tr>
<td>2028</td>
<td>219,601</td>
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<td>$9,364,728.13</td>
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<td>2029</td>
<td>223,994</td>
<td>$43.28</td>
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AHR believes that, after 10 years of operating the Attraction, residents will be proud to have near them, that it can contribute an economic impact to the community of nearly $52,000,000 dollars while also being good neighbors and a pillar in the community. The positive impact on the community should also include increases in transportation, lodging, complimentary experiences, employment, and tax revenues as an added benefit. The largest economic impact observed at other AHR venues is if guests choose to stay at least one night in a hotel and visit at least two off-site restaurants (breakfast and dinner). AHR is confident in its ability to achieve these impact numbers as the Tucson area already have many complementary activities for guests vacationing in the area. As the Attraction grows and can draw more evening time use, creating entertainment that keeps people on site longer than a two or three hour experience, AHR believes these numbers will increase further.
Section D.2

**Business Revenue Risk:** When reviewing and applying for any request for proposal it is the responsibility of the business applying to fully understand the short- and long-term financial risks involved with establishing a new entity. AHR has a team whose priority is to research, analyze, and forecast these potential opportunities to ensure the financial feasibility of each project. AHR has created a preliminary forecast for the Attraction based on the limited information provided. An on-site visit is needed to better understand the capital improvements and repairs necessary to place this property into operation. At a 30,000 foot level, this property can be successful. With the implementation of branded events, partnerships with local community members, and a list of new entertainment and technology improvements, the Attraction can grow 2%-4% per year for the next five to ten years. To accomplish these goals and make the Attraction a viable business, relationships and partnerships must be developed with local government agencies and external stakeholders with a common goal of establishing a successful economic driver for the region.
Financial Commitments

1) American Heritage Railways has sufficient capital funds and credit availability to renovate, maintain, and construct improvements for the Attraction as presented in this document.
2) American Heritage Railways is not, and never has been, in default of any loans.
3) American Heritage Railways is of a size with nearly 1,700,000 direct and indirect customers that, from time to time, create situations such as “slip and falls” where litigation may occur. Further, American Heritage Railways’ activities cover railroads that collectively travel thousands of miles in any given year and expose American Heritage Railways and/or its subsidiaries to accident, injury, or property damage. Currently the only major litigation extends from a forest fire alleged to be started by a DSNG steam engine. No structures were burned, nor was anyone injured. American Heritage Railways believes its insurance and resources are adequate to settle claims. Therefore, American Heritage Railways believe there will be no legal action that would prevent successful work on and operation of the Attraction.

At the appropriate time American Heritage Railways will provide three years of financial statements that include information as to net worth, financial status, loan/debt status, and project status as to any negative cash flow. At this point American Heritage Railways has not decided if it will need to borrow funds for the operation of the Attraction. However, the company has the credit worthiness to borrow funds if needed from commercial lending institutions. We understand any security required would be on the lease and not the ground.

Financial References

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Email: ericeicher@alpinebank.com

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Email: cheide@tbkbank.com

Kevin Brennan – Owner
Brennan Oil
P.O. Box 1068
Durango, CO 81302
Phone: 970-799-3935
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<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Position</th>
</tr>
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<tbody>
<tr>
<td>Allen C. Harper</td>
<td>Chief Executive Officer, American Heritage Railways Inc.</td>
</tr>
<tr>
<td>Carol Harper</td>
<td>President, American Heritage Railways Inc.</td>
</tr>
<tr>
<td>Catherine Swarts</td>
<td>Chief Financial Officer, American Heritage Railways Inc.</td>
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<tr>
<td>Gary Keil</td>
<td>Director of Human Resources, American Heritage Railways Inc.</td>
</tr>
<tr>
<td>James Harper</td>
<td>Vice President/General Manager, American Heritage Railways Hotels Inc.</td>
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<tr>
<td>Jarrette Ireland</td>
<td>Vice President/General Manager, Rail Events Inc.</td>
</tr>
<tr>
<td>Jeff Johnson</td>
<td>Vice President/General Manager, Durango &amp; Silverton Railroad</td>
</tr>
<tr>
<td>John Harper</td>
<td>Vice President/General Manager, American Heritage Railways Inc.</td>
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<tr>
<td>Kelly Shultz</td>
<td>Human Resources Manager, American Heritage Railways Inc.</td>
</tr>
<tr>
<td>Kim Albritton</td>
<td>Vice President/General Manager, Great Smoky Mountains Railroad</td>
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<tr>
<td>Matt Cunningham</td>
<td>Operations and Special Projects Manager, American Heritage Railways Inc.</td>
</tr>
<tr>
<td>Mike May</td>
<td>Vice President/Director of Production, Rail Events Productions</td>
</tr>
<tr>
<td>Reeder Glass</td>
<td>Corporate Legal Advisor, American Heritage Railways Inc.</td>
</tr>
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</table>
Allen C. Harper
American Heritage Railways
Chief Executive Officer

Summary:

Allen (Al Harper) currently serves as the Chief Executive Officer of American Heritage Railways and provides the mission and vision for AHR and its subsidiaries. Under his leadership, and in collaboration with his wife and co-owner Carol, American Heritage Railways owns and operates the Durango & Silverton Narrow Gauge Railroad in Durango, CO; the Great Smoky Mountains Railroad in Bryson City, NC; and Rail Events Inc., which coordinates licensed special events from major entertainment brands, event promotions, merchandising, and related activities for over 50 railroad and museum operators throughout the United States, Canada, and United Kingdom. Leveraging their combined professional backgrounds in the commercial real estate, retail, restaurant, and travel and hospitality sectors, the Harpers completed the acquisition of Silverton’s historic Grand Imperial Hotel, originally founded in 1882, and subsequently renovated and reopened the well-known property in May of 2016.

Current Role:

Chief Executive Officer (CEO)
Al provides strategic growth initiative and advises on future company acquisitions and business opportunities. He has over 25 years of experience in the tourism and hospitality industry including the operation of historic railroads, hotel management, western rodeo events, restaurant/food and beverage operations, and theme parks. Al’s single greatest passion is historic preservation and has the motivation and vision to continue to expand the American Heritage Railways organization while never losing sight of the company’s mission. Daily responsibilities include:

- Direct and assist the Executive Team in research and due diligence for future business opportunities.
- Acts as the figurative head of the organization when communicating with stockholders, government entities and the general public.
- Leads the development of the company’s short- and long-term strategy as well the creation and implementation of the organization’s vision and mission.
- Evaluates the work of other executive leaders amongst the Executive Team including General Managers and Vice Presidents.

Past Experience:

Beginning in 1984, Al served as chairman, CEO, and principal shareholder of First Reserve, Inc., a real estate and financial services holding company which owned Esslinger Wooten Maxwell Inc., a Coral Gables, Fla.-based residential commercial real estate brokerage and management firm. In addition to Esslinger, First Reserve was also the corporate parent of Embassy Financial Services Inc., a mortgage company, and Columbia Title, Inc. In 2003, Al spearheaded the sale of First Reserve and its business units to Home Services, Inc., a subsidiary of Berkshire Hathaway, founded and run by world-renowned investor Warren Buffett.

Education:

1957 B.A. Sociology, minor in Business Administration
Principia College, Elsah, Illinois

Studied Finance at the University of Missouri in St. Louis, MO
Summary:

Carol Harper serves as President of American Heritage Railways (AHR) and has been in her current role for over 20 years. Prior to this role, Carol was involved in real estate acquisitions and development in South Florida. Carol plays an imperative role in the strategic acquisitions and vision of American Heritage Railways and works closely with Allen Harper, AHR CEO, to align company initiatives and future planning with our overall mission and values.

Current Role:

President

Carol’s current role of President of AHR is heavily involved in the strategic growth of the entire organization and ensuring that business decisions and development are driven by the overall company goal of historic preservation. She works directly with the Executive Team to ensure the vision and mission of the company and is very much involved in larger company decision making. Carol is involved in the oversight of budgets and ensures resources are properly allocated. Daily responsibilities include:

- Oversight of all other Executives/Vice Presidents/General Managers within the organization.
- Meet with board of directors and the Executive Team to determine if the company is in accordance with its goals and policies.
- Encourage business investment.
- Assist in directing the organizations financial goals, objectives, and budgets.
- Oversee the investment of funds and manage associated risks, supervise cash management activities, execute capital-raising strategies to support a firm’s expansion, and deal with mergers and acquisitions.

Past Experience:

Prior to the inception of American Heritage Railways, Carol was heavily involved in real estate acquisitions and development in South Florida with Al Harper. She’s spent a collective 30+ years in real estate management and investments. In addition to that, she has experience in General Manager roles within the Food & Beverage industry as well as Retail.

Education:

B.A. English
University of Southern California, Los Angeles, CA
Summary:

Cathy has over 34 years of experience in many areas of business including marketing, human resources, accounting and finance. She’s worked in various roles as an Accountant, Controller and Finance Director gaining experience in payroll, tax preparation, AR/AP, general ledger, inventories and asset management, debt financing, bond compliance and budget development. She has worked both in the profit and non-profit world in a wide variety of industries. Cathy currently serves as the Chief Financial Officer for American Heritage Railways. She started with the company as CFO for the Durango & Silverton Narrow Gauge Railroad (DSNGRR) in 2006 and was transitioned to the role of CFO for AHR in 2018. She manages the Accounting department for all of AHR and its subsidiaries and is involved in some areas of the retail and international expansion of Rail Events Inc. and Rail Events Productions. Cathy is heavily involved in setting strategic financial goals for AHR and serves on the Executive Team to assist in executing those goals as well as the company mission and values.

Current Role:

Chief Financial Officer (CFO)
Cathy has been in a CFO role within the AHR umbrella for over 15 years. She directly oversees all of American Heritage Railways financial activities to ensure integrity of all transactions, build financial sustainability for the company and safeguard all assets of AHR. She oversees the Accounting department including accounts receivable, accounts payable, payroll, revenue cycle management, preparing financial statements, preparing annual budgets and preparing forecasts for business growth and general economic outlook. She is accountable for all administrative, financial, and risk management operations of the company. Daily responsibilities include:

- Oversee the financial operations of subsidiary companies and foreign operations.
- Review and approve all form and tax filings.
- Develop financial and tax strategies.
- Ensure that the company complies with all legal and regulatory requirements.
- Monitor cash balances and cash forecasts.
- Ensure that record keeping meeting the requirements of auditors and governmental agencies.

Past Experience:

Prior to her time within AHR, Cathy spent her career focusing on the financial, marketing and general business management in a variety of industries. She has years of experience in the direct supervision of staff, the creation and execution of strategic marketing plans, product development, pricing strategies and trend analysis as well as some human resource functions such as training, benefits administration, policy/procedure development and coordination of people and projects.

Education:

1994 C.P.A. Certification

M.B.A
Northern Arizona University, Flagstaff, AZ

B.S. Business Administration
Northern Arizona University, Flagstaff, AZ
Summary:

Gary Keil leads the Human Resources department for American Heritage Railways (AHR) and its subsidiaries. He has over 40 years of business management experience and 20 years of specific Human Resources experience. Gary spent over 30 years promoting through the Albertsons Incorporation gaining experience in entry level management for a single grocery store to the Store Director role, overseeing 7 different demographically diverse locations each with a sales volume exceeding 17M annually. He has extensive experience and passion in employee benefits and benefits plan administration including medical benefits, 401k plans, life insurance and disability, etc. Gary has held multiple roles within the AHR organization in both Business Management and Human Resources and has incredible knowledge of general business operations, compliance practices in the various states we operate in regarding labor law, workers compensation, insurance needs, etc.

Current Role:

Director of Human Resources

Gary was promoted to the Director of Human Resources (HR) in 2019 from his previous role of Business Manager and HR Lead for AHR overseeing HR and Marketing. He directly manages 3 other Human Resources professionals and is directly responsible for the coordination of company policy and practices with the goal of creating and maintaining consistency within all AHR subsidiaries. Gary also serves as the Benefits Plan Administrator for all of AHR and works closely with third party administrators to ensure a wide array of valuable benefits to our staff that are affordable for both the employees and the company. Daily responsibilities include:

- Oversees the development/review/implementation of Human Resources programs through the HR staff at all AHR companies.
- Reviews and provides recommendations regarding company wage and salary structure, pay policies, and variable pay systems within the company.
- Recommends changes in benefits offered, especially new benefits aimed at employee satisfaction and retention.
- Leads the development of departmental goals, objectives and systems.
- Provides applicable resources to AHR staff and Management to ensure constant professional development to our employees that will add value to the company.

Past Experience:

Business Manager

Gary served as a Business Manager for both the Durango & Silverton Narrow Gauge Railroad (DSNGRR) and American Heritage Railways for a combined period of 10 years while also serving as the Human Resources Lead. In this role he oversaw not only the HR department but also all Marketing, Food and Beverage, Groups and Reservations staff and provided leadership to various company managers. He was responsible for achieving revenue and profit projections, developing and implementing performance standards for revenue departments, and developing, implementing and assessing special projects designed to improve performance.

Education:

1993 B.A. Management of Human Resources
Colorado Christian University, Lakewood, CO
Summary:

James (Jim) currently serves as the Vice President/General Manager of American Heritage Railways Hotels. He provides the operational management and oversight of the historic Grand Imperial Hotel in Silverton, CO. American Heritage Railways acquired the historic hotel in 2015 and Jim has been heavily involved in the day-to-day operations ever since. Jim is responsible for the creation of new product offerings for the hotel, retail/gift shop management, and food & beverage oversight for the hotel's on-site restaurant. Prior to his time with American Heritage Railways, Jim spent 11+ years in various industries gaining experience in office management/general accounting, sales, railroad operations, and real estate. His business centered background is extremely valuable in the creation of a growth plan for American Heritage Railways Hotels.

Current Role:

Vice President/General Manager

As the VP/GM of American Heritage Railways Hotels, Jim was involved at the initial purchase of the historic Grand Imperial Hotel in Silverton, CO and took on the impressive task of restoring this historical hotel to its previous grandeur. Since then, Jim has provided leadership and oversight to the hotel staff including building maintenance, booking/reservations, housekeeping and daily operations. Jim is responsible for strategic planning of the hotel, the creation and adherence to the company’s budget, and plays a key role in the Executive Team of American Heritage Railways. Daily responsibilities include:

- Ensures full compliance to Hotel operation controls, SOP’s, policies, procedures and service standards.
- Manages on-going profitability of the hotel, ensuring revenue and guest satisfaction targets are exceeded.
- Delivers hotel budget goals and set short and long term strategies for the property.
- Leads all key property issues including capital projects, customer service and refurbishment.
- Provides oversight for legalization, Occupational Health & Safety Act, Fire Regulations, and other building requirements.
- Provides effective leadership to all hotel team members.

Past Experience:

Jim’s experience is vast and inclusive of all areas of business operations. He’s held various roles within Real Estate companies as well as heritage railroad operations providing him a wide array of not only industry experience, but job specific skills that include Office Manager, Sales Associate, Assistant Director of Operations, Bookkeeper, and General Manager.

Education:

2003 B.A. Business Administration
Miami-Dade Community College, Miami, FL

2009 B.A. History
Florida International University, Miami, FL
Summary:

Jarrette leads Rail Events Inc. and Rail Events Productions, Inc., subsidiaries of American Heritage Railways (AHR) that focus on production and licensing of themed events at different railways and museums throughout North America and the United Kingdom. Hiring out with the Durango & Silverton Narrow Gauge Railroad in train operations in 2004, Jarrette has a wide level of experience with the company including, operations, sales, marketing, event logistics, and business strategy and product and business development. Jarrette officially joined the Rail Events team in 2016 serving in roles as Brand Manager and Director of Business Management prior to assuming the role of General Manager in 2019. Jarrette has also worked in sales, customer support, distribution, and product development of hobby electronics manufacturing at Throttle Up! Corp. (dba SoundTraxx) and served as President of the Hobby Manufacturers Association Model Railroad Manufacturers board for 3 years.

Current Role:

Vice President
Jarrette accepted the promoted role of Vice President for Rail Events Inc. (REI) in early 2019 from his previous role of Director of Business Management. As VP of REI he provides day to day oversight and leadership to both Rail Events Inc. and Rail Events Productions spanning from direct contracting and negotiations with Warner Brothers, Peanuts Worldwide, etc. on event licensing and management to strategic financial planning and budgeting for both entities. He also serves on the Executive Team for AHR and weighs heavily on future company goals and regular decision making. Daily responsibilities include:

- Leads the REI team while overseeing the business strategies and goals for the licensing department.
- Works in conjunction with the VP Director of Production for Rail Events Productions (REP) in the development and organization of existing and new venues for operated events.
- Research and consults with AHR legal team and Human Resources to ensure compliance with applicable laws and regulatory requirements across multiple states and countries.
- Drive team members to consider efforts to increase revenue by collaboration on strategic initiatives that meet company goals.
- Responsible for developing the overall customer experience for REI licensed events and REP operated events.
- Identifies and evaluates potentially successful event licensing opportunities for REI/REP.

Past Experience:
Sales & Support Manager – Soundtraxx
In Jarrette’s previous role of Sales and Support Manager for Soundtraxx he was responsible for generating sales projections and oversight management of company revenue generation. He also executed internal and external product sales training and provided training and oversight to all customer support representatives and department workflow. Profitability and ROI review on all projects fell into his purview in this role and gained much experience in creating initial product requirements to act on behalf of the voice of the customer.

Education:

2005 B.A. Political Science, B.A. Public Relations
Arizona State University, Tempe, AZ
Summary:

Jeff’s lifelong railroad career began in Durango, Colorado on the D&SNG in 1981. After years of working in train and engine service on vintage narrow gauge equipment in the San Juan Mountains, Jeff’s career eventually took him to work for the SP on the former D&RGW territories. Ultimately Jeff moved into a management role in Denver, Colorado when the Union Pacific merger took over the former SP/D&RGW operations in Colorado. Returning to Durango in 2005, he joined with a startup division of SoundTraxx, called Blackstone Models, and spent almost ten years in a rewarding and fascinating world of designing and producing scale model railroad products. In 2013, Jeff was very privileged to join American Heritage Railways subsidiary Rail Events Inc. while working with a fresh team to significantly grow and enhance the beloved themed and branded railroad events for which the company is well known. Coming full circle, Jeff came on board as VP/General Manager of the D&SNG in early 2019. The exciting changes and growth that the railroad continues to experience is a source of great reward for Jeff and the entire AHR team. In his spare time, he enjoys playing music professionally - representing and serving another lifelong love and part time vocation.

Current Role:

Vice President/General Manager
Jeff serves as Vice President and General Manager of the Durango and Silverton Narrow Gauge Railroad with nearly 40-years’ experience in railroad operations and safety practices. Jeff is directly responsible for the operation and day to day management at this world-famous tourist destination. Jeff also oversees product offerings, staffing, sales, budgeting, and revenue efforts in Durango. Daily responsibilities include:

- Directly manages of all operations/administrative departments within the railroad including Mechanical, Marketing, Human Resources/Accounting, Operations, Track Maintenance, Reservations, Food & Beverage and Retail/Gift Shops.
- Prepares and presents reports for appraise AHR Management about the functioning of the railroad.
- Works to increase sales by collaborating with Marketing on strategies to exceed sales goals while also maintaining a high value of service to passengers.
- Budgeting and allocation of finances between various departments and work with the Accounting department to review monthly finances, suggest budget changes if required and utilize financial information to proactively make decisions.
- Works closely with legal to determine property rights contracts and enforcement.
- Directly manages all aspects of the railroad’s operations.

Past Experience:

Jeff has an extensive career in railroad operations and leadership over the course of the past 40 years. He held various positions on main line as well as heritage rail lines. Jeff’s time in Management for the Union Pacific exposed him to all aspects of railroad management that he’s been able to apply to his current position with the Durango & Silverton Narrow Gauge Railroad.
John Harper  
American Heritage Railways  
Vice President/General Manager

Summary:

John leads the sales initiatives, company growth/diversification, risk management and overall operations of all American Heritage Railways (AHR) owned and operated companies including oversight of the railroads, branded entertainment, hotels, real estate, retail and future acquisitions for AHR. John joined the AHR family workforce in 2005 as a second shift locomotive laborer. From locomotive labor, he transitioned to retail, warehousing, track/bridge inspection and maintenance, train operations, coach maintenance and eventually into senior management. John currently serves for his alma mater as a board member on the Fort Lewis College (FLC) School of Business and has experience serving on the board of the local Film Festival.

Current Role:

Vice President/General Manager  
John transitioned from General Manager of the Durango & Silverton Narrow Gauge Railroad (DSNGRR) to his current role as Vice President/General Manager of AHR in January of 2019. His role consists of the oversight of the companies Executive Team and Senior Management employees. He’s involved in internal operations as well as developing and building strong relationships with outside customer, vendors, and partners. It is the VP/GM’s responsibility to ensure the maximization of the company’s operating performance and to assist in achieving the financial goals of the organization. Daily responsibilities include:

- Assists the CEO and Board of Directors in the design and execution of the company’s overall mission, values, and strategic goals.
- Directly manages and guides the company executives and General Manager of each subsidiary.
- Analyzes and provides oversight to the company’s financials and contributes to sales opportunities and strategic business development that align with the profitability and mission of the company.
- Maintains awareness of the competitive landscape, opportunities for expansion, new industry developments and standards, etc.
- Responsible for working with vendors to place appropriate insurance coverage for AHR and its subsidiaries and manages day-to-day insurance needs with each company Executive or General Manager.
- Evaluates on a day-to-day and long term basis the success of the overall organization.

Past Experience:

Durango & Silverton Narrow Gauge Railroad – General Manager  
After almost 10 years working for the DSNGRR in various operations, event management, marketing, and retail positions, John was promoted to the position of General Manager. In this role he was responsible for the direct management of the full operation including track maintenance, reservations and customer service staff, Human Resources and Accounting departments, railroad operations, and food and beverage. John gained significant knowledge and experience in this role pertaining to event planning and management, strategic financial planning and budgeting, employee management, and community relations.

Education:

2014 B.A. Tourism and Hospitality Management & Political Science  
Fort Lewis College, Durango, CO
Kelly Schultz  
American Heritage Railways  
Human Resources Manager

Summary:
Kelly serves as the Human Resources Manager for American Heritage Railways and focuses specifically on Rail Events Inc. and Rail Events Productions, the Grand Imperial Hotel, and Mt. Rainier Railroad and Logging Museum HR functions. She also serves as a resource, along with the Director of Human Resources, to the rest of the company HR Department and collaborates closely with the other HR Managers on the creation and implementation of company policy, employee reward programs, employee relations, and vendor management for HR related contracts. With over 5 years of experience in Human Resources, Kelly plays a key role in the development of employees and best practices for the company.

Current Role:

Human Resources Manager
Kelly was hired into her current role in July of 2019 from a previous role of Human Resources Manager at another Durango local business. She focuses primarily on the day to day HR practices for American Heritage Railways including recruiting, on-boarding, training/development, company policy creation, compliance, benefit administration and employee relations issues. She has worked with the HR department to research, analyze, and identify a new HR and Payroll system designed to simplify processes and procedures throughout the company and provide employees with additional resources. Daily responsibilities include:

- Coordination/execution of employee benefit and assistance programs at specific AHR companies.
- Manage, complete and review all parts of the hiring process including criminal history checks, MVR’s, pre-employment drug testing, E-Verify, etc. including the accurate completion of new hire paperwork.
- Provide resources to other HR staff and company managers for disciplinary action, mediation and resolve of employee relations issues, and conduct thorough and objective investigations as needed.
- Oversee/assist the company’s Workers Compensation program including opening claims as needed, making provider designations when appropriate, maintaining files and implementing modified work assignment and incident reduction programs.

Past Experience:

Human Resources Manager
Prior to accepting a role at AHR, Kelly served as the Human Resources Manager at a local craft brewery and restaurant in Durango. She began shortly after graduation as the HR Assistant and quickly promoted to the Manager of the department. She was responsible for the maintenance of the HR and Payroll system including employee demographic information, payroll processing, on-boarding paperwork, etc. She created and implemented a new company-wide performance appraisal system focused on ongoing feedback and frequent manager/employee interaction in order to promote growth and professional development within the staff.

Education:

2016 B.A. Business Management  
Fort Lewis College, Durango, CO
Summary:

Kim currently serves as the Vice President/General Manager for Great Smoky Mountains Railroad (GSMR). From 2000-2004, Kim served as Marketing Manager for GSMR. During her 31 years there she has served the company in several capacities since its inception in 1989. GSMR is recognized as one of the top 5 scenic railroads in the country and has set ridership records consecutively for the past four years under Kim’s leadership. In addition to her duties at GSMR Kim serves as the Vice President of Railroad Realty of North Carolina, LLC where she manages sixteen business lease properties in Bryson City, NC. Kim recently served as the Vice Chair of the Jackson County Travel and Tourism Authority; Secretary / Treasurer for the Railway Association of North Carolina, Treasurer for Smoky Mountain Host and Board Member for Southwestern Community College Foundation.

Current Role:

Vice President/General Manager

Kim has been in her position as Vice President and General Manager for the Great Smoky Mountains Railroad, a division of American Heritage Railways, since 2005. She fully manages the Railroad Realty company that also falls under the AHR umbrella and has been heavily involved in the growth of that entity. GSMR’s operations, employment and visitor spending contribute immensely to the economic output in Western North Carolina. Daily responsibilities include:

- Works closely with the mechanical and operations departments to ensure proper equipment maintenance and operating schedules.
- Creates and executes strategic budgets for all departments to incorporate Capex projects, track/equipment maintenance, food and beverage services, retail management, etc.
- Directly manages all operations/administrative departments within the railroad including Mechanical, Marketing, Human Resources/Accounting, Operations, Track Maintenance, Reservations, Food & Beverage and Retail/Gift Shops.
- Prepares and presents reports for appraise AHR Management about the functioning of the railroad.
- Works to increase sales by collaborating with Marketing on strategies to exceed sales goals while also maintaining a high value of service to passengers.
- Budgeting and allocation of finances between various departments and work with the Accounting department to review monthly finances, suggest budget changes if required and utilize financial information to proactively make decisions.
- Directly manages all aspects of the railroads operations as well as Railroad Realty.

Past Experience:

Prior to Kim’s promotion into the Vice President/General Manager, she’s built her entire career within the Great Smoky Mountains Railroad. She was an employee of GSMR prior to the acquisition by AHR and has continued to develop her career since the purchase of GSMR by AHR in 1998 through most of the company’s departments into the GM role. Her involvement in larger company initiatives and strategic planning for both GSMR and Railroad Realty is vital to the success of our NC based operations.
Matthew Cunningham  
American Heritage Railways  
Operations and Special Projects Manager

Summary:

Matt currently serves as the American Heritage Railways (AHR) Operations and Special Projects Manager. Starting with the company working for the Durango & Silverton Narrow Gauge Railroad (DSNGRR) in 2014 as a Track Laborer, he has worked his way through the track maintenance, operations and mechanical departments at the railroad. In his current role, Matt works directly with the General Manager(s) of each railroad on operational plans, manages various company projects such as grant applications, rail and bridge inspections and engineering improvements, strategizes and executes contracting projects for other railroads, assists with budgeting and staffing, works on CapEx needs in the mechanical shops, advises on operational decisions based on engineering knowledge, remains up-to-date on all train crew and operational and safety procedures, and assists AHR in due diligence for potential future acquisitions.

Current Role:

Operations and Special Projects Manager

Matt was promoted to his current role in September of 2017 and was originally titled as the Assistant to the General Manager of the DSNGRR. The position expanded with greater responsibility and involvement in the overall AHR organization and is now responsible for various company projects relating to mechanical needs, operations and right-of-way improvements. Matt has a strong background in mechanical design and engineering and brings a wealth of knowledge and experience in in-depth research and due diligence for future AHR acquisitions. Daily responsibilities include:

- Heavy involvement in legal issues involving any AHR owned and operated railroads.
- Consult Mechanical and Operations Managers based on experience and in-depth research regarding railroad operations and equipment build.
- Work to coordinate contracting business with other railroads by networking, providing expert knowledge, drafting project timelines and quotes, and executing by providing staffing, resources, etc. in order to fulfil a contract.
- Occasional mechanical or operations shifts in order to stay certified and trained in most positions within the railroad and offer ideas for increased productivity and efficiency.
- Drafts and proposes railroad specific training modules for various operating positions.

Past Experience:

Matt spent over 3 years working at the DSNGRR in various departments ranging from Maintenance of Way, Mechanical, Operations and Dispatch. Promoting through multiple positions he gained extensive experience in the mechanics and operations of equipment. This experience makes Matt a valuable player in the AHR team as he’s gained a solid understanding of policy and procedures needed for a smooth operation within railroads as well as the administration of a successful department and company.

Education:

2013 B.S. Mechanical Engineering  
Washington State University, Pullman, WA
**Mike May**  
Rail Events Productions  
Vice President/Director of Production

**Summary:**

Mike is responsible for the artistic and creative elements for both new event development and adapting and reinventing events across North America and the UK. He also serves as the Producer for events produced by Rail Events Productions in cities across the US. Before hiring out with the Durango & Silverton Narrow Gauge Railroad (DSNGRR) in 2005 Mike worked in theater, his other career passion, after studying theatrical lighting design at Columbia College Chicago. While at the DSNGRR Mike became qualified in multiple positions including engineer, fireman, conductor, brakeman, and dispatcher. In 2010, Mike hired out with Amtrak as a Locomotive Engineer, working there 4 years before returning in 2014 to AHR and the little corner of southwest Colorado that he loves. With his combination of experience in the entertainment industry and railroading he joined the Rail Events team leading their production department. As Rail Events began to produce their own events Mike took the lead of the newly formed company Rail Events Productions in 2015. Mike also serves on the Board of Directors for KSUT Public Radio and the Rocky Mountain Region of the National Model Railroad Association.

**Current Role:**

**Vice President/Director of Production**

Mike has an extensive career under the American Heritage Railways umbrella and since 2015 has held the role of Vice President/Director of Production for Rail Events Productions (REP). Mike is the lead producer of all themed events for Rail Events spanning from Los Angeles to New Jersey and many places in between. Daily responsibilities include:

- Oversees the creation of quality site plans and brand faithful recommendations for potential host railways.
- Provides primary direction and sets standards for the development of event guidelines and manuals.
- Research and best practice recommendations to the AHR Executive Team regarding asset use and budgeting for produced events.
- Record and analyze the results and experience gleaned from produced events and use data to update guidelines and manuals where needed.
- Lead in the production and design development of internally hosted (REP) events.
- Plays a key role in sourcing quality staff to assist in the oversight of multiple events.

**Past Experience:**

Prior to his role of Vice President/Director of Production with Rail Events, Mike’s experience consisted of theatrical lighting design and theater as well as mechanical and operational experience with Amtrak and the DSNGRR. His passion for railroad operations combined with professional theater was an ideal fit as Rail Events Productions was built and looking for a VP/Director. His experience and exposure in the railroading and theater industry are extremely valuable to our team and the growth of Rail Events Productions.
Summary:

W. Reeder Glass has engaged in an extensive governmental, corporate, and real estate practice for over 45 years. He has acted as counsel for numerous developers engaged in the acquisition, financing and development of such diverse projects as large, planned unit developments (PUDs), hotels, mixed use developments and other commercial and residential projects. This representation includes the preparation of joint venture agreements, various corporate documents, utility agreements, community documents (CC&Rs, golf course and country club memberships and maintenance documents, easements, etc.), and construction documents as well as dealing with the other professionals involved in that process. He has also represented clients in a broad range of corporate and tax matters, including negotiation and documentation of business acquisitions, employment agreements and licensing of proprietary products.

Current Role:

Reeder currently serves in a direct contract relationship as American Heritage Railways (AHR) Legal Advisor in a variety of matters and has been working with the company since 1998. He acts as a final reviewer of all contracts falling under Rail Events Inc. and Rail Events Productions to outside vendors to analyze legal risk and compliance and offers general counsel to all AHR subsidiaries.

Past Experience:

Reeder has a wide array of experience, to which some of these areas he still practices on a regular basis. Mr. Glass has also represented developers, owners, and operators of hotels. This representation has included the acquisition of real estate for freestanding hotels as well as hotels being developed in the context of a mixed use development (including casinos), negotiation of all hotel related documents with most major hotel chains, as well as independent hotel operators, and the preparation of project documentation and covenants, conditions and restrictions that relate to both freestanding hotels and hotels which are a part of a mixed use development. He has worked on hotel transactions all over the United States as well as in Puerto Rico, Canada, and in the Caribbean and includes representation of private clients in their negotiations with Indian Tribes, landowners, regulatory bodies, both state and Federal. This representation included the negotiation of land leases, management agreements and related development agreements. Mr. Glass’s governmental practice consists of the representation of both governments and private clients in transactions involving public-private transactions, long-term lease relationships, preparation and response to RFPs and similar transactions. In addition, Mr. Glass has consulted extensively with both the public and private sectors concerning mass transit and the ancillary development of real estate to support the development thereof.

Education:

Mr. Glass earned his B.A. from Georgia State University, his J.D. from Emory University, and his LL.M. in Taxation from the University of Miami.

He is also a member of the Florida and Georgia bar associations.
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<thead>
<tr>
<th>Name</th>
<th>Financial Reference</th>
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<tbody>
<tr>
<td>Eric Eicher</td>
<td>Alpine Bank</td>
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<tr>
<td>Candy Heide</td>
<td>TBK Bank, SSB</td>
</tr>
<tr>
<td>Kevin Brennan</td>
<td>Brennan Oil</td>
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</tbody>
</table>
ATTACHMENT 5 – FINANCIAL REFERENCE

Please provide the following information for the Respondent. Also, sign and date the form.

Financial Reference for American Heritage Railway (“Company”)

Name of organization: Alpine Bank

Address: 1099 Main Avenue Durango CO 81301

Contact Individual: Eric Fischer

Phone: 970-385-4015 Fax: 970-375-6479

Please answer the following questions:

1. Has your organization extended credit to the Company in the past five (5) years?
   Yes

2. Has the Company ever defaulted on a loan with your institution?
   No

3. Has the Company’s credit history included any instances of delinquent payments?
   None

4. To your knowledge, has the Company ever filed for bankruptcy or been involved in any bankruptcy proceedings?
   No

5. To your knowledge, have any of the corporate officers of the Company ever been in default on a loan?
   No

6. To your knowledge, has any creditor ever filed any criminal charges against the Company?
   No

7. Please discuss any other questions or issues that may have come out in any financial due diligence evaluation or credit check performed by your institution.
   None

8. Overall, how would you rank the financial stability or credit worthiness of the Company (e.g. excellent, good, satisfactory, poor)? Excellent

Signature

Date: 2/9/2021

End of Attachment 5 – Financial Reference
ATTACHMENT 5 – FINANCIAL REFERENCE

Please provide the following information for the Respondent. Also, sign and date the form.

Financial Reference for: American Heritage Railways Inc
(“Company”)

Name of organization: TBK Bank, SSB

Address: 259 W, 9th Street, Durango, Co 81301

Contact Individual: Candy Heide

Phone: 970-382-5750
Fax: 970-247-9333

Please answer the following questions:

1. Has your organization extended credit to the Company in the past five (5) years?
   Yes.

2. Has the Company ever defaulted on a loan with your institution?
   Not to my knowledge.

3. Has the Company's credit history included any instances of delinquent payments?
   Company has had no payments over 30 days delinquent.

4. To your knowledge, has the Company ever filed for bankruptcy or been involved in any bankruptcy proceedings?
   Not to my knowledge.

5. To your knowledge, have any of the corporate officers of the Company ever been in default on a loan?
   Not to my knowledge.

6. To your knowledge, has any creditor ever filed any criminal charges against the Company?
   Not to my knowledge.

7. Please discuss any other questions or issues that may have come out in any financial due diligence evaluation or credit check performed by your institution.
   Bank processes between client and TBK Bank are privileged and we are unable to comment further.

8. Overall, how would you rank the financial stability or credit worthiness of the Company (e.g. excellent, good, satisfactory, poor)?
   TBK Bank is not the primary bank of this company, but we have had a good relationship with them.

Signature: Candy Heide, VP TBK Bank, SSB

2/10/2021
Date

End of Attachment 5 – Financial Reference
ATTACHMENT 5 – FINANCIAL REFERENCE

Please provide the following information for the Respondent. Also, sign and date the form.

Financial Reference for: American Heritage Railway ("Company")

Name of organization: Brennan Oil

Address: P.O. Box 1368 Durango, CO 81302

Contact Individual: Kevin Brennan

Phone: 970-259-3935 Fax: 970-259-9145

Please answer the following questions:

1. Has your organization extended credit to the Company in the past five (5) years? [ ] Yes [ ] No

2. Has the Company ever defaulted on a loan with your institution? [ ] Yes [ ] No

3. Has the Company’s credit history included any instances of delinquent payments? [ ] Yes [ ] No

4. To your knowledge, has the Company ever filed for bankruptcy or been involved in any bankruptcy proceedings? [ ] Yes [ ] No

5. To your knowledge, have any of the corporate officers of the Company ever been in default on a loan? [ ] Yes [ ] No

6. To your knowledge, has any creditor ever filed any criminal charges against the Company? [ ] Yes [ ] No

7. Please discuss any other questions or issues that may have come out in any financial due diligence evaluation or credit check performed by your institution. None

8. Overall, how would you rank the financial stability or credit worthiness of the Company (e.g. excellent, good, satisfactory, poor)? [ ] Excellent [ ] Good [ ] Satisfactory [ ] Poor

Signature

[Signature]

Date

2/10/21

End of Attachment 5 – Financial Reference