

AMERICA'S TRAINS PROCEDURES MANUAL

This Manual does not describe all procedures. Its purpose is to provide insight into some primary requirements.

CONTENTS

PART 1 - INTRODUCTION

- A. Applicability
- B. Access page and codes
- C. Written communications
- D. Manual changes, notification
- E. Knowledge of contents
- F. Effective date
- G. "Sales Entities"
- H. "Developer"

PART 2 – DOCUMENTATION

- A. Ownership Document Package
- B. Receipt for documents
- C. Waiting Period

PART 3 - PURCHASE AGREEMENTS

- A. Agreement versions
- B. Word, printed version
- C. Excel, computer version
- D. Addendums to the Agreement
- E. Copies and distribution

PART 4 – SELLING PROCEDURES

- A. Introduction
- B. Lead generation
- C. Objective achievement and the value of referrals
- D. Advertising
- E. Developer activities

PART 5 - MARKET IDENTIFICATION AND LUXURY SALES CONSIDERATIONS

- A. The luxury market
- C. Basic buyer demographics and identification
- D. Some Primary consumer sources

PART 6 - SALES PRESENTATION

- A. Overview
- B. Preparation
- C. Presentations

PART 7 - BUYER PAYMENT AND FINANCING

- A. Introduction
- B. Cash payment
- C. Commercial financing
- D. Point of sale credit card program
- E. In-house financing
- F. Payment Management and Processing

PART 8 – MATERIALS, AIDS AND SUPPLIES

- A. Badges, name
- B. Banners
- C. Business cards
- D. Envelopes for promotional material

- E. Graphics assistance
- F. Selling materials

PART 9 - TRAVEL AGENTS

- A. Introduction
- B. Travel product advantages
- C. Arrangements with agents
- D. Airline travel
- E. Journey by Rail sales commissions
- F. Selling Train'Shares

PART 12 - PRICES AND FEES

- A. Journey by Rail Pricing
- B. Train'Share prices, closing incentives and Fees
- C. Fractional Interest prices, closing incentives and Fees
- D. Special Pricing Offers, Additional Comment

PART 1 - INTRODUCTION

- A. **APPLICABILITY** – As contemplated by respective content, this Manual pertains to Journeys by Rail, Train'Shares and Fractional Interests. The Developer of the Train'Share program may (or may not) be different than the Fractional Interest Developer.
- B. **ACCESS PAGE AND CODES** – Some items referred to in this Manual are available on the Developer's web site, www.americantrainvacations.com, by clicking on the "X" at the bottom which brings up the "Access Page"; an Access Code is required. An Access Code is required to go to some of the information on the Access Page. Access Codes are confidential and should not be given to other persons. The Developer will provide Codes as required. They will be changed from time to time and the Developer will provide new and changed codes by email. Many items referred to in this be seen on and copied from the Access Page.
- C. **WRITTEN COMMUNICATIONS** - Emails are permitted for the purpose of delivering information and notices in writing as described/required in this Manual.
- D. **MANUAL CHANGES, NOTIFICATION** - Sales Entities and other Manual users will be advised by e-mail when Manual revisions are made. New and revised paragraphs are noted by a line on the right, like this >>
- E. **KNOWLEDGE OF CONTENTS** - Sales Entities and other Manual users must remain aware of and comply with mandatory Manual procedures as they may be expanded, deleted and revised from time to time.
- F. **EFFECTIVE DATE** - The effective date of this overall Manual and revisions is the current date at the top right of pages. Individual parts of this Manual may be revised from time to time
- G. **"SALES ENTITIES"** - As used in this Manual, the term "Sales Entity" and "Sales Entities" means and includes Sales Directors, Agents, representatives and others authorized by America's Trains to sell individual Journeys by Rail, Train'Shares or Fractional Interests.
- H. **"DEVELOPER" and "ATs"** - As used in this Manual, "Developer" and "ATs" mean America's Trains Inc. and/or such other entity that is responsible for overall management of Train'Share, Fractional Interest or Journey by Rail business.

PART 2 - DOCUMENTATION

A. OWNERSHIP DOCUMENT PACKAGE

- 1. Train'Shares - A complete Ownership Document Package must be given to Buyers, when or before a Buyer signs a Purchase Agreement. The master document is the Offering Statement to which the following documents must be attached, in sequential order as described below. .
 - a. Declaration - To be inserted as part of the Offering Statement as Exhibit "1".
 - b. Bylaws - To be inserted as part of the Offering Statement as Exhibit "2".
 - c. Rules and Terms and Conditions - To be inserted as part of the Offering Statement as Exhibit "3".
 - d. Estimated Budget and Fees - Is already included as part of the Offering Statement as Exhibit "4".
 - e. Description of Cars - Is already included by reference to the Declaration in the Offering Statement as Exhibit "5".
- 2. Fractional Ownership - A complete Ownership Document Package must be given to Buyers, when or before a Buyer signs a Purchase Agreement. It must include the following; there is no Fractional Interest Offering Statement:
 - a. Declaration
 - b. Bylaws and Operating Agreement
 - c. Rules and Terms and Conditions
 - d. Estimated Budget
 - e. Description of Cars - Is already included in the Declaration.

B. RECEIPT FOR DOCUMENTS

1. It is mandatory that all buyers are provided ownership documents before or at the time a Purchase Agreement is signed.
2. Buyers must sign a Receipt acknowledging that they have received the documents in the Ownership Document Package. The Receipt is a part of Exhibit "B" of the Purchase Agreement.

C. WAITING PERIOD

1. There is a mandatory Waiting Period during which buyers can cancel their purchase.
2. The Waiting Period starts when the buyer has been given the Ownership Document Package and has signed a Purchase Agreement, whichever happens last.
3. The Waiting Period is for 5, 7 or 10 days depending on the State or Province in which a sale is made.
4. If there is no legal need for a Waiting Period because Train'Shares or Fractional Interests are personal property, not real estate, a five day Waiting Period will be used voluntarily.

PART 3 - PURCHASE AGREEMENTS

A. AGREEMENT VERSIONS

1. There are two versions of the Purchase Agreement, a Word printed version that requires hand written insertions and an Excel Computer version that requires insertions on a computer and automatically produces pages and Exhibits with details already inserted. See Part 4.C.
2. Whenever possible, the Computer version should be used.
3. If use of the Word printed version makes it difficult to fully produce copies of the Agreement at a presentation, a Computer version should be completed as soon as possible for the Buyer's signature. Delays give Buyers time to reconsider and could result in lost sales. If a Word version is used, a Computer version must be prepared and sent to the Developer along with the signed pages of the Word version.

B. WORD, PRINTED VERSION

1. Page 1 is the page on which varying details are inserted describing the Train'Share or Fractional Interest being purchased.
2. For details about specific information that needs to be inserted on pages and exhibits see Excel, Computer Version below.
3. If an Excel Computer version of the Agreement is used, pages 2 through 5 of the Word version are attached to page 1 of the Computer version.
4. If a Word printed version is used and signed by a buyer, the Sales Entity must subsequently complete a Computer version and email it to the Developer (not the buyer) as soon as possible, along with the signature pages from the Word version; the sale can't close until this is done. The completed Computer version does not need to be signed by a Buyer. It allows the Developer to automatically calculate overrides and complete other office documents, speeding up the processing and payment of overrides to the Sales Entity.

C. EXCEL, COMPUTER VERSION

1. A blank Excel working master copy is provided by the Developer for use when making sales. When sales are made, this master version should be saved alphabetically using Buyer last names so that the master version remains blank for subsequent use. A back-up blank version should be made in case the first master is lost. Insertions occur automatically throughout the Agreement pages based on information entered on the first, Insertion Page.
2. A description of information and requirements can be seen by **placing the computer cursor over related cells with a red mark in the top right corner of cells on the 1st, insertion page.**
3. The Excel Computer version of the Agreement includes the following:
 - a. 1st Page: Information Insertion Page - This is an "in-house" page, it can but doesn't have to be printed and should not be given to buyers. Information inserted on this page is automatically transferred to other appropriate Agreement pages and attached information.

- Light orange cells - Insert appropriate information.
 - Dark green cells - Insert appropriate information from the Drop Down menu.
 - Pink cells - Information that may normally apply is automatically inserted. If it is not correct, insert the correct information by over-writing the insertions or delete wrong information.
 - White cells - Information is fixed or automatically inserted. No changes are required.
- b. 2nd Page: Purchase Agreement, **page 1** - Details are automatically inserted based on data on the Information Insertion Page. They should be double checked. **Pages 2 through 5** of the Purchase Agreement are taken from the Word version of the Agreement. No insertions are required on and copies of these 4 pages should be made and kept available for inclusion as part of Purchase Agreements. Buyers must initial pages 2 through 5 at the bottom right corner.
 - c. 3rd Page: Exhibit A, Holding (Escrow) Account Instructions; must be signed.
 - d. 4th Page: Exhibit B, Buyer Acknowledgements and Receipt for Documents; must be signed.
 - e. 5th Page: Debt/Credit Card Charge Authorization, to be included with the Purchase Agreement if credit and/or debit Cards are used as a method of payment. Appropriate information is automatically inserted for one or two (both) cards. If the automatically inserted information is incorrect, overwrite the data and insert the proper information. The card holder(s) must sign in the appropriate place(s). The sales person (Agent) must confirm the identity of the person(s) to whom the card(s) belong by comparing a card holder name with a driver's license or other authentic picture identification document, and must then sign the Card Charge Authorization.
 - f. 6th Page: Truth in Lending Disclosure, Lien, Promise to Pay, included with the Purchase Agreement if ATs In-house financing is used. This document must be signed.
 - g. 7th and 8th Page: Finance Credit Application - Applicant and Cosigner - If ATs In-house financing is required, the Applicant, and Cosigner if any. Some information has been automatically inserted. The applicant must personally insert appropriate remaining information, which must be checked to ensure that it is proper. The Application(s) must sign the Applications.

D. ADDENDUMS TO THE AGREEMENT

1. Addendums cover special arrangements with Buyers that are not included in the main body of the Purchase Agreement. Sales Entities can provide offers described in Addendums to help close sales at their option unless otherwise specifically controlled by the Developer.
2. Addendums must be signed at the same time as and be attached to the Purchase Agreement.
3. Costs for programs described in Addendums may be paid in full or part by a Sales Entity out of related Sales Entity overrides.
4. The following Addendums include terms intended to entice Buyers to purchase a Train'Share. Similar arrangements may be available to Fractional Interest buyers on a per sale basis but must first be individually approved in writing by the Developer. Addendum contents include details that are self explanatory. To avoid degrading the normal and creating the perception that prices can be discounted which may suggest that they are over-valued, typical fixed price discounts can be replaced by reducing the Purchase Price or paying a part of a Fee in return for valuable referrals that a buyer provides. It is understood that buyers may provided some referrals names that have little value; some may be better than others. The insertion page (page 1) of the Computer version of the Purchase Agreements provides automated provisions for applying some price adjustments/reductions.
 - a. Referrals as Payment - A portion of the Purchase Price can be paid in return for valuable referrals provided by a buyer.
 - b. Journey Use Fees Paid in Return for Referrals - A Buyer's Maintenance Fees can be paid for the first one to three years in return for valuable referrals provided by a buyer.
 - c. Repurchase of a Train'Shares - For a reasonable Refund Fee paid at the time a Train'Share is purchased, which can be waived to help close a sale, a buyer acquires rights to cause the Developer to repurchase the Train'Share. The repurchase right opportunity is subject to change or withdrawal by the Developer at any time.
 - d. Timeshare Trade-In, Train'Shares - If available, for use when a real estate timeshare is accepted as a partial payment. The Developer does not intend to retain or have anything else to do with such timeshares. They are given to a company that assumes responsibility for all matters related to title, past fee payment, etc. The value placed on the trade-in timeshare represents a Purchase Price reduction, discount.

E. COPIES AND DISTRIBUTION

1. After the Purchase Agreement is fully completed and signed:
 - a. At least two signed copies are required, an original for the Developer and a copy that is given to the Buyer at the time it is signed. The Sales Entity can make and retain a copy as desired.
 - b. A copy of the completed computer version must be emailed to the Developer as soon as possible, but never more than 24 hours after the Agreement is signed. On receipt of the email, the Developer will assign (block) the stated Assigned Room Category and Designated Time Period.
 - c. An original signed copy of the Agreement and related exhibits and pages must be sent to the Developer by courier or mail to be delivered with three days after the Agreement is signed.
 - d. Delays in delivering the Agreement and all related documents can cause a delay in final closing and payment of overrides to Sales Entities.

PART 4 - SELLING PROCEDURES

A. INTRODUCTION

1. There are three products, individual Journeys by Rail, Train'Shares and Fractional Interests. The marketing of each can provide support for the others.
2. Every individual Journeys sale produces a qualified Lead that is a potential Train'Share and maybe Fractional Interest buyer and/or source of buyer referrals.
3. Compared to normal real estate timeshare developments, in some markets it may be easier and less costly to generate qualified Leads for Journeys by Rail compared to Train'Shares (timeshares) because of positive consumer interest in luxury train vacations and consumer hesitance regarding a timeshare product. If Train'Shares are initially marketed as luxury train vacations instead of timeshares, the positive rate of response could be greater and interested consumers can subsequently be converted to the Train'Share (timeshare) product by promoting the many related benefits.
4. Train'Shares have a distinct marketing and sales advantage over typical real estate timeshares because travel agents can be effectively used to locate qualified prospective buyers (Leads), and to make Journey by Rail sales to purchasers that may subsequently be sold a Train'Share.
5. A simple way to recognize that the cost of Leads will be lower compared to other timeshare products is to compare a probable response from 10 average qualified consumers if asked "would you like information about a real estate timeshare"; most and maybe all of them would say no. If a similar group of 10 people were asked "would you like to hear about a train vacation in an elegant rail car", a good percentage would want to talk about it.
6. Train'Share marketing and selling efforts should include the sale of individual Journeys to persons that do not buy a Train'Share, sometimes at discounted rates to appropriately qualified prospects; or to their referrals.
7. Some consumers that have shown an interest in Journeys or Train'Shares can be a source of potential Fractional Interest buyers.

B. LEAD GENERATION

1. There are many ways to generate Leads, from typical timeshare to unique methods applicable to luxury and more specifically rail travel vacation products. Cost effective methods require that the luxury market be identified and targeted; see Selling to the Luxury Market information.
2. The Developer generates Leads that are sold to Sales Entities at a reasonable price; the majority of payment normally being made from sales Override income. However, Sales Entities should also generate their own Leads where possible.
3. Some methods of Lead generation are described in the Lead Generation Ideas information.
4. A register of Leads is maintained for each Sales Entity by the Developer to protect the Sales Entity's right to Leads that may be produced by the Entity's promotional and other efforts, or that may otherwise contact the Developer as a result of a contact made by the Sales Entity.
 - a. The register includes at least the Lead's first and last name, plus other available identifying information.
 - b. If a Sales Entity sponsors a special offer or other promotion they can use a promotional code that a consumer should use to get some type of benefit. If a related Lead contacts the Developer and uses the code, it will identify the related Sales Entity. A code should include the first letter of the Sales

Entity's first and last name. For example John Michael Smith's code letters would be JS. The Developer will ensure that duplicates do not occur. If a Sales Entity wants to further identify a special offer, a code number should follow the code letters, like JS12. The Developer will ensure that all such Leads are given to the Sales Entity.

- c. The Developer asks persons making inquiries how they first learned about Journeys, Train'Shares or Fractional Interests and will ensure that Lead information is given to a related Sales Entity.
- d. At their option, a Sales Entity can send the Developer an email with the subject/title of the email being "LEAD" and the information identifying the lead(s) to have the name(s) listed in the register under the Sales Entity.
- e. If the Developer provides a Lead to a Sales Entity it is automatically registered to the Sales Entity receiving it.

C. OBJECTIVE ACHIEVEMENT AND THE VALUE OF REFERRALS

- 1. Optimum success will not occur without economical, continuing generation of qualified Leads.
- 2. The Developer has and Sales Entities should have non conflicting programs to generate referrals from individual Journey, Train'Share and Fractional Interest buyers, from leads that didn't buy and from other sources as may be possible.
- 3. Lead referrals from a variety of sources are a key source for sales. The nature of the vacation product makes this relatively easy.
- 4. This objective will be met if Journey passengers, Train'Share buyers, and others that come in contact with America's Trains vacation opportunities brag about their Journey experience (they will).
- 5. If consumers brag, they will most likely provide referrals.
- 6. Don't forget, always ask for referrals.
- 7. Over 50% of sales have been to referrals after a few years for comparable products.
- 8. If purchase price discounts are given, they should be given for a consideration provided by the Buyer, which can be referral names.

D. ADVERTISING

- 1. All print and broadcast advertising must first be approved by the Developer in writing, by using content that is on the Developer's web site, or that was first produced by the Developer.
- 2. The Developer may advertise and carry out promotional programs to generate Leads that are subsequently made available to Sales Entities; by itself or cooperatively with Sales Entities.
- 3. The Developer may prepare advertisements that Sales Entities can use, or create advertisements on request by a Sales Entity. These advertisements can/should include and be changed to include a Sales Entity's contact information.
- 4. The Developer will provide some advertisements and help to produce others on request. Some advertising examples and/or graphics may be available on the web sit Access page. The size and definition/resolution of sample advertising varies depending on the use, whether for print or web pages.

E. DEVELOPER ACTIVITIES

- 1. The Developer produces a variety of materials intended to support selling activities. Some are described in Part 9.
- 2. The Developer generates Leads that are sold to Sale Entities at a reasonable price, although it is good for Sales Entities to generate their own Leads to ensure that they have a sufficient number of them, and for cost, control, regional/local market targeting and other reasons.
- 3. Public relations programs provide a free or lowest costs method of product promotion in editorial articles and otherwise. The Developer has international, national and regional press release and public relations programs. Sales Entities must not initiate release press at any level without the prior written approval of the Developer.
- 4. Other Developer assistance and involvement intended to create consumer interest may include the following:
 - a. Providing a chance to win a free Journey by Rail, other vacation or travel benefit, specifically for one individual Sales Entity or to be shared among Entities.
 - b. Helping with sources or ideas related to Lead generation.
 - c. Assistance in producing advertisements.

- d. Provision of available advertisements.
- e. Payment, to some extent, for price reductions, cooperative advertising, and other sales incentives.

PART 5 – MARKET IDENTIFICATION AND LUXURY SALES CONSIDERATIONS

A. THE LUXURY MARKET

- 1. It is necessary to have and apply specific knowledge regarding consumer interests to excel in the luxury selling business, and more specifically, when selling luxury vacations. The more “in tune” Sales Entities are with the desires and needs of luxury vacation buyers, the more sales they will make.
- 2. Journeys by Rail, Train’Shares and Fractional Interests are all very up-scale luxury vacation products and different consumer characteristics and preferences need to be considered and used to target them, particularly in regards to the highest end Fractional Interest product.
- 3. Don’t waste time, effort and money promoting market segments that don’t have the interest in or can’t afford Journeys, Train’Shares, and to the greatest extent, Fractional Interests.
- 4. See the Selling to the Luxury Market information for ideas and related marketing and selling concepts.

B. BASIC BUYER DEMOGRAPHICS AND IDENTIFICATION

- 1. Journeys by Rail and Train’Shares - The primary market for individual Journeys and Train’Shares generally includes consumers with the following characteristics:
 - a. An annual household income in excess of \$200,000 or a net worth over \$2,000,000, although a strong market exists among consumers with a prolonged household income over \$150,000 or a net worth exceeding \$1,000,000.
 - b. Age 45 to 65, featuring baby boomers (born up to about 1964).
 - c. Own home, 91% of timeshare buyers.
 - d. College degree, 62% of timeshare buyers.
 - e. Travelers that prefer not to drive long distances.
 - f. Consumers that want to avoid foreign travel for a variety of reasons, including the possible weak value of the US dollar at foreign destinations, high air travel costs, security risks and political unrest.
 - g. Consumers with national pride or that otherwise prefer to stay in and see the United States.
 - h. Adults that travel without younger children; empty nesters.
 - i. People having an interest in train travel.
 - j. Consumers that support 'green' products. Train travel is eco friendly, lower carbon way to travel.
 - k. Existing owners of multiple timeshares.
 - l. Consumers with specific activity interests as may be offered on Journeys, like skiing or golf.
 - m. Corporate and other entities that repeatedly need or should have an interest for award, incentive and other promotional reasons.
 - n. Consumers with a lower overall net worth that have high monthly income; many may buy for ego or other related reasons.
- 2. Fractional Interests - Many Fractional Interest consumer characteristics are similar to those for Journeys and Train’Shares. However, differences include, but are not limited to, the following.
 - a. Income and wealth is generally greater.
 - b. Corporations are significant prospective buyers, for company business reasons; including smaller businesses.
 - c. Consumers may be more cautious.
 - d. The need for Sales Entities to earn the respect and trust of buyers may be more prevalent.
- 3. Potential buyers can also be identified geographically, as follows:
 - a. If they reside near a normal Journey point of departure and/or arrival.
 - b. If they reside in geographic areas of the United States where the economy is strongest.
 - c. At foreign locations that are already a source of substantial visitors to North America.
 - d. At foreign locations where existing promotional efforts are being made to entice people to visit the United States, including places where Federal Brand USA travel promotion efforts are under way.
 - e. In other international places, specifically targeting consumers having an interest in timeshare ownership and rail travel.
- 4. The characteristics of desired buyers has changed in recent years as the internet and other methods of communication have evolved. The best ways to reach consumers should be identified and catered to. See the Selling to the Luxury Market information.

D. SOME PRIMARY CONSUMER SOURCES

1. Consumers that are looking for different experiences.
2. Owners of and that enjoy timeshares who may be looking to upgrade of for a better vacation experience.
3. Consumers that don't fly or have a fear of flying, who can take a return Journey.
4. Persons that take more than one annual vacation for a total of over 14 days each year.
5. 'See America' enthusiasts.
6. Affinity (with similar interests) recreational, educational, religious and other groups.
7. Businesses, for performance awards and small meetings.
8. Persons that take frequent vacations.

PART 6 - SALES PRESENTATION

A. OVERVIEW

1. While recognizing that Sales Entities may already be qualified to make sales presentations, this Part suggests a viable format that can be used to enhance existing or as a primary presentation.
2. Presentations may be to a small group or an individual Lead with related venue and other differences.
3. Some aids and materials are available on the "access" page at www.americantrainvacations.com, click on the engine image at the bottom right and enter the necessary code.
4. When making an appointment for an individual presentation ask for about 30 minutes of a Lead's time, or 45 minutes at group presentations. Although it may take more time, some Leads may resist if they think a presentation will be longer.

B. PREPARATION

1. Presentations to individual Leads can be in-home, at an office or other private location. Group presentations can be in upscale presentation rooms at a table for a small group or using a podium and closing tables for larger groups.
2. Be prepared as follows.
 - a. A quiet meeting place without distractions.
 - b. If a meeting room is used, display some banners.
 - c. Name badge on.
 - d. Laptop computer to produce Purchase Agreements and make financing applications.
 - e. Small computer printer to print out page 1 of and Exhibits for Purchase Agreements, or alternative capabilities; see Part 4.A.3.
 - f. Sales Ownership Document Packages as described in Part 3. A.
 - g. Sales aid promotional materials; see Part 9.F. for some examples. Don't give them to Leads before a presentation unless they are very brief 'teasers'.
 - h. Meet and greet and encourage a little, not to much, familiarity with Leads.
 - i. As may be possible, quickly determine what the Lead's "hot" points of interest are and try to find out their likes (so they can be emphasized) and dislikes (so they can be pre-empted).
 - j. Create a comfortable, trusting atmosphere.
 - k. Let Leads know that the presentation includes a PowerPoint slide show that is about 15 minutes long, followed by a discussion.
 - l. Exude product knowledge without being pretentious.

C. PRESENTATIONS

1. See the suggested Presentation and Presentation Format information.
2. Some information and knowledge sources that can support a presentation are reviewed in Part 2.D.
3. Specific selling ideas are described in Part 2 D 6.
4. Among other closing techniques, have the Lead make positive buying decisions, including the selection of an Assigned Room Category, Specified Car and/or Designated Time Period.
5. Check the Inventory Record, use the possible lack of preferred Room Category, Car and/or Time Period to create a sense of urgency.

6. If an Annual Train'Share can't be closed, drop to a Biennial Train'Share. If a Biennial can't be sold drop to a sale of an individual Journey by Rail.
7. If a Fractional Interest can't be sold, drop to a Train'Share sale, maybe with rights to credit the cost to a subsequent Fractional Interest purchase as may first be agreed to in writing by the Developer.
8. After finalizing the sale:
 - a. Prepare and get the Purchase Agreement and related documents signed.
 - b. Ensure that Buyers have received everything included in the Ownership Document Package.
 - c. Advise the Buyer that the sale should close within "a week or so" when a Developer Officer signs the Purchase Agreement.
 - d. Advise the Buyer that they will receive a welcome package and their Deed of Ownership within "a couple of weeks".
 - e. Ask for and obtain referrals.
 - f. Follow-up with the Buyer during the Waiting Period and/or until the sale closes, and otherwise as necessary to reaffirm the sale, keep the Buyer happy and to get referrals.

PART 7 - BUYER PAYMENT AND FINANCING

A. INTRODUCTION

1. Encourage full payment by Buyers; using their own financing resources if necessary.
2. Buyer financing arrangements available from or suggested by the Developer may change from time to time.
3. Quick and accurate completion of financing documents and their delivery to the appropriate financing entity and the Developer is required to ensure that no delays in the sale Closing Date or payment of overrides to Sales Entities occurs.
4. Financing documents for ATs in-house financing are automatically prepared when using the computer generated Purchase Agreement.
5. Fractional Interest sale payment methods and requirements may have to be considered on an individual basis.

B. CASH PAYMENT

1. Always get the full price paid in cash if possible.
2. Timeshare sales representatives often depend on and make sales by offering monthly payments. Many are not used to and may even be apprehensive about asking for cash. This is a closing weakness that is not necessary. The price of Journeys by Rail and Train'Shares is comparable to many luxury (non timeshare) vacation products sold by travel agents and they are all (many millions of them) paid for in full at the time of purchase with no financing.
3. If travel agents can collect cash payments totaling billions of dollars, timeshare sales persons should be able to do the same.
4. Buyers of Journeys by Rail and Train'Shares are affluent consumers more able to pay cash in full for their purchase.
5. Cash sales simplify closings, increase net sale income by eliminating financing fees and costs and can cause higher overrides to be paid faster.
6. Buyer incentives used to entice full cash payments include, but should not be limited to, those described in some of the Addendums to the Train'Share Purchase Agreement; see Part 4 D.

C. COMMERCIAL FINANCING

1. Commercial buyer financing is available but it is costly and/or may otherwise be undesirable. Ask the Developer for details.
2. Additional, preferred commercial financing programs will be introduced when they become available.

D. POINT OF SALE CREDIT CARD PROGRAM

1. At the time of a sale an application for a credit card can be made. This program is available through RCI, or otherwise, but applications are directly with the participating bank.
2. Buyers can apply for a credit card at the time of purchase.

3. The application can made at a presentation on the Internet.
4. Based on the Buyer's credit score, approval can be expected within several minutes.
5. Preferred introductory interest rates are offered to new card holders.
6. The full amount or a part of the purchase price can be charged to the approved card, depending on buyer circumstances and the total amount of the purchase price.
7. The payment is recorded using the Credit/Debit Card information on the Computer version of the Purchase Agreement, which automatically inserts information on the Debit/Credit Card Charge Authorization that is a part of the Agreement.
8. Additional program details are available from the Developer.

E. IN-HOUSE FINANCING

1. The Developer currently provides ATs (America's Trains) In-House financing.
2. Before using ATs financing, every effort should be made to collect a full cash payment and other sources of financing should be considered, including getting the Buyer to use existing credit cards and/or to make his/her own financing arrangements.
3. The full balance owing is automatically inserted as an ATs financed amount on line 55 of the Computer version of the Purchase Agreement. If wrong, change the amount.
4. ATs financing interest rates vary depending on the length of financing increasing as the term becomes longer. Click the dropdown on line 56 of the Computer version of the Purchase Agreement for term lengths to show the interest rates on line 57.
5. Every effort should be used to get a maximum down payment, which saves a Buyer a significant amount because of lower interest if using ATs financing.
6. The greater the amount paid in cash by a Buyer, the faster Sales Entities receive overrides.
7. The ATs financing program can be offered to all potential Buyers but it is intended to be an alternative only after other forms of payment are not possible.
8. The normal minimum down payment for ATs financing is 20% of the Total owed by Buyer, line 36. A smaller down payment may or may not be okay and must first be approved by the ATs.
9. Financing details are automatically calculated on the Computer Version of the Purchase Agreement.
10. A fixed finance origination setup fee is charged. It is automatically inserted on the Computer version of the Purchase Agreement, line 54.
11. Interest rates and terms are subject to change.
12. If the down payment is less than 20% In-house financing must first be approved by the Developer.
13. ATs financing applications must be processed using the Computer version of the Purchase Agreement. It automatically inserts information in a "Truth in Lending, Disclosure, Lien, Promise to Pay" form, which must be signed by the Buyer and submitted to the Developer with the signed Purchase Agreement.
14. The Finance Credit Application for ATs financing, for the Applicant and a Cosigner if any, must be fully and properly completed by the persons making the application, and must be submitted to the Developer with the signed Purchase Agreement. ATs financing provides loans for buyers able to pay the minimum down payment, except that, if a Buyer is found to be a poor credit risk during the Waiting Period (before a sale closes) the financing may be not be accepted by the Developer.
15. ATs in-house Financing Settlement
 - a. Within a short time after a sale closes, the Developer may offer the Buyer a discount to pay off the balance owing.
 - b. As quickly as possible, the Developer bundles In-House loans having a combined value in excess of \$100,000 and sells the bundle to a buyer ("Loan Buyer") at a price that may be discounted ("Discounted Loan Value"). The amount of the discount is shared between the Developer and Sales Entities on a pro rata basis based on the percentage that each receives from a sale. The Loan Buyer may withhold a small percentage ("Hold Amount") for a period of time as security for potential losses coming from bad loans, if any. The Hold Amount is deducted from payments to the Developer and Sales Entities and is paid to them when the Hold is released. The sale of loan bundles may occur within weeks or longer depending on the number of In-house financed sales needed to accumulate a total of about \$100,000 or more, and negotiations intended to maximize the Discounted Loan Value and minimize the Hold Amount. The Developer expedites payment of all override amounts however possible.
 - c. Full sales overrides are paid to Sales Entities from Purchase Price down payments, from additional amounts that may be paid by Buyers, and from amounts received from the Loan Buyer including eventual reimbursement of the Hold Amount.

- d. The Developer and/or its principals may hold ATs financing notes for investment purposes; because they are fully secured by Train'Share ownership and related valuable Journey by Rail vacation rights. In this event, payment of overrides will first be considered to the satisfaction of Sales Entities.
- e. The Developer may, or may not, pay a portion of sales overrides prior to the sale of In-House loans. In this event the Developer will recover such amounts when the loans are sold to a Loan Buyer.

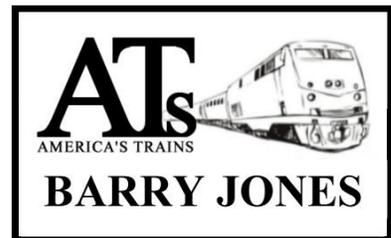
F. PAYMENT MANAGEMENT AND PROCESSING

- 1. ATs uses a national bank with numerous branches and ATM machines in many places to allow payments for sales to be deposited. If such facilities are not available, alternative arrangements will be established on an individual case basis. Sales Entities are given a deposit only ATM Card for use when making deposits.
- 2. Cash Payments
 - a. Cash payments must be deposited in full to the designated ATs bank account as soon as possible and no later than 24 hours after receipt of the cash. If such a deposit can't be made because as bank is closed, the cash must be deposited in full to the designated ATs bank account within 48 hours.
 - b. Large cash payments should be deposited at the inside counter of the ATs designated bank. Small amounts can be deposited at an ATM machine using the ATM deposit card provided by ATs.
 - c. Persons receiving cash are fully responsible for its safe keeping and will be charged and owe any lost or missing sums, and for any expenses, losses and damages that may arise out of misuse of such cash.
 - d. Cash payments must be so stated in the designated manner on sales and reporting documents.
- 3. Checks
 - 1. Checks received for payment must be deposited with 24 hours after receipt at an ATM machine belonging to the ATs designated bank, using the ATM deposit card provided by ATs.
 - 2. Check payments must be so stated in the designated manner on sales and reporting documents.
- 4. Credit and debit card payments
 - 1. A Credit/Debit Card Authorization form must be completed by buyers before a card is processed.
 - 2. Card processing must be done and approved using the ATs designated processing device.
 - 3. Debit/credit card payments must be so stated in the designated manner on sales and reporting documents.

PART 8 – MATERIALS, AIDS AND SUPPLIES

A. BADGES, NAME

- 1. The use of name badges whenever dealing with potential buyers of and when otherwise promoting Journeys by Rail, Train'Shares and Fractional Interests will enhance the confidence, interest and subsequent number of sales. See the badge example below (not to scale).
- 2. Name badges can be readily acquired at sign shops, office supply stores, name badge outlets and on the Internet.
- 3. A JPG blank JPG version of the name badge for use by a source of badges is available on the web site Access - Ad, Promo and Sales Materials page.
- 4. Badges can be attached to clothing with pins, or magnetic clasps to prevent clothing damage.
- 5. Badges must comply with standardized specifications as follow:
 - 2" wide X 1 1/4" high, white with black interior badge plastic.
 - The border, text and image outline appears in black.
 - The font for the person's name is "times new roman".
 - Camera ready art of the ATs logo is available from the Developer.



B. BANNERS

- 1. Banners are an excellent way to create displays and product ambience.
- 2. Banners can be quickly produced by many sign outlets at a reasonable cost. They come in a variety of sizes. The larger the better, from 3' high and as wide as necessary with "America's Trains" or other

headline text, to wall or hanging displays about 4' wide and 6' or more in height.

3. Images should be of rail Cars, scenic places that are visited, and activities that can be enjoyed.
4. In addition to "America's Trains", "Journeys by Rail", "Train'Shares" and/or "Fractional Interests", text should be short and minimal.
5. Banner contents should be concise and uncluttered and must be approved by the Developer.
6. High resolution images are required to provide well defined large banner pictures. They are available on request from the Developer.

C. BUSINESS CARDS

1. The Developer must first be advised of the name of the user before business cards are used.
2. Standardized business cards should be used. See the standard 3.5" X 2" card example (image is a reduced size) below. A master JPG version with no name or contact information inserted is available for use.
3. A JPG blank JPG version of the business card for use by a printer is available on the web site Access - Ad, Promo and Sales Materials page.
4. The layout and font/text sizes should be as close as possible to the example but may vary based on the number of lines used for the name, telephone number, address, etc.
5. Font sizes are normally: Name - 13; America's Trains Inc. or other entity - 13; Contact information - 11
6. All text fonts are "times new roman".
7. Except for the top right quarter, the RGB background color is R- 96, G-138, B-136.
8. If an address is desired, it should replace www.americantrainvacations.com.
9. If the text "An authorized independent agent" or "Not and agent of America's Trains Inc." is required by the Developer, it should be inserted at the bottom of the card; font - times new roman; font size - 4.



D. ENVELOPES FOR PROMOTIONAL MATERIAL

1. To reduce USPS mailing costs, some promotional materials (Flyers, Newsletters, DVD video case brochure, etc) are intended to fit into a 5 ½" high X 8 ½" wide envelope. Although the opening can be on any side, the address should be inserted horizontally on the 8 ½" width to reduce postage costs.
2. Insert a return mail address in the top left corner. See the example to the right. Not to scale.
3. Text fonts are "times new roman".
4. Font sizes are: America's Trains Inc. or other entity - 10; Contact information - 8.
5. A JPG image of the ATs logo portion is available.



E. GRAPHICS ASSISTANCE

1. Most commercial printers and badge makers will prepare suitable graphics using provided images.
2. If requested, the Developer will prepare badge, business card, envelope and other graphics at no or very little cost. Production can be arranged locally or the Developer may provide a common source.

F. SELLING MATERIALS

1. Available selling materials are included on www.americantrainvacations.com/page/access.html, the Access page.
2. Printed materials are intentionally designed by size and simplicity to be suitable for distribution over the Internet, at low cost in the mail, and for use as sales aids at presentations. They can be printed on 100 pound semi gloss stock from a computer (if high quality), by a printing company, or acquired from the Developer. Materials include, but may not be limited to the following:
 - a. 16 ½" X 8 ½" two fold brochure.
 - b. 8" x 5 ½" single page flyers that are used individually and that fit inside the two fold brochure.
 - c. 8" X 5 ½" three panel and two fold Newsletter that is used individually and that fit inside the brochure described in a. above.

- d. A brochure that is sized to fit inside a DVD case.
2. PowerPoint slide presentations include versions converted video formats.
3. A DVD video is used as the introduction on the www.americantrainvacations.com web site.
4. Others materials from time to time, as may be listed on the Access page.

PART 9 - TRAVEL AGENTS

A. INTRODUCTION

1. Appropriate Travel agents are experts at the sale of luxury vacations, like Journeys by Rail; a very limited number specialize in the sale of train vacations.
2. Travel Agents are important sources of Journey by Rail vacations and should be dealt with accordingly.
3. Developer management has extensive knowledge regarding the retail and wholesale travel business.
4. On request, the Developer will work with a Sales Entity to make arrangements with Travel Agents for the sale of Journeys by Rail and in special instances Train'Shares, and their provision of Leads.
5. Travel Agent information may be available on the Access Page and/or from the Developer.
6. Travel Agents will not normally be involved in the sale of but may be a source of Leads for Fractional Interests. They may also sell private Car Journeys for the Developer and Fractional Interest Owners.
7. The Developer selects a specific Travel Agent(s) for the purpose of selling Train'Share and Fractional Interest Owner Journeys by Rail at the option of Owners.
8. Travel Agents are used to selling upscale vacation products for cash; they have no source of financing that vacation buyers can utilize.

B. TRAVEL PRODUCT ADVANTAGES

1. Because of related perceptions, it is much easier to entice consumers to inquire about a pure travel opportunity, not a shared ownership timeshare (Train'Share) or Fractional Interest, a fact that is compounded by the unique character of Journeys by Rail.
2. Therefore, when selling Train'Shares, and in some but fewer instances Fractional Interests, it can be advantageous to entice consumer interest by promoting Journeys by Rail and to subsequently convert them to Train'Share or Fractional Interest buyers.

C. ARRANGEMENTS WITH AGENTS

1. A Journey by Rail is a pure travel product which is normally sold by retail travel agents and tour operators.
2. Less than 1% of productive North American travel agencies effectively promote train travel and a small number of these feature luxury rail vacations; they can effectively support Sales Entity marketing and selling efforts.
3. The Developer has and/or can make arrangements with storefront retail agencies, in-home agents, tour operators, internet agents that specialize in the sale of rail vacations, and otherwise, in the USA and other countries.
4. The Developer distributes Leads and selling benefits it gets from Agents to appropriate Sales Entities.
5. Except for local travel outlets, Sales Entities should talk to the Developer before contacting travel agent sources to avoid duplication.

D. AIRLINE TRAVEL

1. The Developer does not normally sell airline tickets to consumers to get to and from Journey by Rail departure and disembarkation locations. Provision of airline tickets by a supplier can create problems if air travel delays cause customer problems, including but not limited to, not arriving by a departure time.
2. Although the Developer may suggest a source of airline tickets, for the convenience of passengers and to gain the support of a significant local travel agent(s), it can be beneficial for Sales Entities to make arrangements with one or more local agents to sell airline tickets to Journey buyers that are generated directly by Sales Entities and to Train'Share and Fractional Interest Owners when traveling to and from Journeys. These should be Agents that are also working to generate Leads and who support Train'Share sales efforts.

E. JOURNEY BY RAIL SALES COMMISSIONS

1. Travel Agent commissions normally earn from 10% to 15% for the sale of vacations, calculated as a percentage of the cost of accommodations. A worthwhile Agent should get 12% or more. The percentage may be based on the volume of sales.
2. Journey by Rail sales commissions are based on a relatively high vacation price paid by passengers and commissions include the value of accommodations plus the value of dining and other all-inclusive services not normally a part of the vacation price use when calculating Agent commissions. This substantially increases the earning potential of Travel Agents that sell Journeys.
3. Sales Entities receive a relatively high amount for their direct Journey sales and for sales made by travel agents that they work with. Commissions are governed by terms of related employment agreements.

F. SELLING TRAIN'SHARES

1. Because Train'Share buyers acquire future year vacations, Travel agents may think they are losing future vacation sales and related commission income if their customers buy a Train'Share, or maybe Fractional Interest. This can be overcome by encouraging the Agent's continuing sale of Journeys that earn them relatively high commissions, by paying them a share of Train'Share or Fractional Interest overrides that is sufficient to more than offset commissions they would otherwise earn by selling alternative vacations for which they are paid much lower commissions, and by pointing out that the Agent may have the opportunity to sell airline tickets and tours to Train'Share Owners for years to come.
2. Sales Entities have to educate Travel Agents regarding the benefits that Train'Share and Fractional Interest ownership will provide their customers and have to gain the respect and support of Agents.
3. Good Travel Agents normally sell based on product knowledge and the confidence that their repeat or referral customers have in them. Many may not be good sales closers. They are used to buyers paying cash for every vacation no matter what the price is because there is no financing available.
4. Timeshare sales representatives generally sell based on selling and closing skills.
5. Some Travel Agents won't want to close Train'Share sales and should not be allowed to finalize Fractional Interest sales. They can act as Lead generators with closing presentations being made by a Sales Entity. These Agents should be paid an attractive Lead generating fee based on the amount of the Override being earned by the Sales Entity.
6. Some Agents may have the desire and ability to sell Train'Shares, in which case they would be paid an appropriate share of the Train'Share sales override as determined by the Sales Entity based on the fact that they have generated the Lead and made the sale.

PART 12 – PRICES AND FEES

A. JOURNEY BY RAIL PRICING

1. Individual Journey by Rail prices are described at www.americantrainvacations.com, click on "Routes - Fares".
2. Special Journey prices may be offered by the Developer from time to time. Some may be described at Specials on www.americantrainvacations.com and others are available from time to time from the Developer. The Developer welcomes suggestions.
3. Sales Entities can't discount or offer special Journey by Rail prices without the prior approval of the Developer by email, except as otherwise described on the Developer's web site or in writing.

B. TRAIN'SHARE PRICES, CLOSING INCENTIVES AND FEES

1. Prices
 - a. Normal Train'Share prices are set by the Developer and governed by terms of a Sales Entity's Seller Agreement.
 - b. Go to <http://www.americantrainvacations.com/atv/documents/pricesfeestrainshares.pdf> for current prices.
 - c. Special Train'Share prices may be offered by and the Developer will provide related information to Sales Entities before they are introduced.
 - d. Sales Entities are only permitted to adjust Train'Share prices as provided for in their Seller Agreements or as the Developer may otherwise agree in writing.

2. Incentives
 - a. Sales Entities are permitted to offer price reduction incentives to close Train'Share sales as provided for in the Train'Share Purchase Agreement.
 - b. Sales incentives include, but are not limited to, those contemplated by the Addendums described in Part 4, Purchase Agreement, Train'Share, above.
3. Fees
 - a. Train'Share Journey Use and other Fees are established and governed by the Developer and/or Association.
 - b. Sales Entities must never revise or indicate that the amount of Train'Share Fees can be changed. However, Sales Entities may offer to pay a portion of Journey Use Fees as provided for in the Train'Share Purchase Agreement.
 - c. Annual Fees are relatively reasonable and assurances exist to prevent them from being increased unexpectedly. Go to www.americantrainvacations.com/atv/documents/flyerguarantee.pdf for Fee guarantee details.

C. FRACTIONAL INTEREST PRICES, CLOSING INCENTIVES AND FEES

1. Prices
 - a. Fractional Interest prices are established by the Developer.
 - b. Sales Entities are only permitted to adjust Fractional Interest prices as provided for in their sales agreements with the Developer, or as the Developer may otherwise agree in writing.
 - c. Go to <http://www.americantrainvacations.com/atv/documents/pricesfractional.pdf> for current prices.
2. Incentives
 - a. Because of the high relative price of a Fractional Interest, pricing and sales incentives are dealt with on a per sale basis.
 - b. All sales discounts, special pricing and incentives must first be approved by the Developer by email or otherwise in writing.
3. Fees
 - a. Fractional Interest Fees are established by the Developer or respective Fractional Interests LLC.
 - b. Go to <http://www.americantrainvacations.com/atv/documents/pricesfractional.pdf> for current Fees.

D. SPECIAL PRICING OFFERS, ADDITIONAL COMMENT

1. In addition to standard incentives, Journey by Rail, Train'Share and Fractional Interest special price and other Special Offers may be available from the Developer from time to time.
2. Use of the Developer's Special Offers by Sales Entities is optional.
3. The cost of optional Special Offers may be charged to Sales Entities, the Developer or shared between Sales Entities and the Developer.
4. Sales Entities can propose Special Offers for their own use, which must first be approved in writing by the Developer.