

**America's Trains Inc. (ATs)**  
**SHAREHOLDER PREFERRED BENEFIT DESCRIPTION AND PROCEDURES**

**1. ATs Stock Buyback**

Between 730 and 760 days after the date that the related Subscription Agreement was executed, a Class B shareholder has the right to give irrevocable notice ("Notice") to ATs instructing ATs to buyback ("Buyback") all of such shareholder's Class B shares. In this event, ATs will buy the shares back for a price equal to 130% of the total amount paid for them less (minus) the cash amount of Class B share dividends paid to such shareholder to date, less (minus) the cash value of used vacation Credits. Payment will be made by ATs within 60 days after receipt of the Notice. Specific procedures follow:

- (a) A written, signed Notice must be delivered to ATs by registered USPS mail at ATs' then current administrative office as described on the ATs web site, stating that: "I, [insert shareholder name], request that America's Trains Inc. buy back [insert the number of shares] Class B shares purchased by me pursuant to a subscription agreement dated the [insert the subscription agreement date]. The total amount that I paid for the Class B shares is [insert the total price paid for the shares]. I understand that this request constitutes an irrevocable agreement by me to sell all of the Class B shares back to ATs."
- (b) Within 10 days after receiving the Notice, ATs will acknowledge that ATs is going to Buyback the shareholder's Class B shares at a stated price equal to 130% of the total amount that the shareholder paid for them ("Price") and will provide the shareholder with necessary documentation ("Documents") required to complete the Buyback transaction.
- (c) Within 60 days after receipt of the Notice or within 5 days after the shareholder delivers properly completed Documents to ATs, whichever is later, the Price will be payable to shareholder by ATs ("Payment").

Delivery of Payment by ATs to the shareholder shall constitute finalization of ATs' repurchase and Buyback of the Class B shares. Thereafter, ATs shall have the right to register ownership of such Shares in the name of ATs or its assigns.

If a shareholder does not give Notice as stated, unless otherwise determined by ATs at its sole discretion, all of the shareholder's rights to have ATs Buyback its Class B shares shall terminate.

**2. Reimbursement of Investment**

Between 760 and 790 days after the date that the related Subscription Agreement was executed, a Class B shareholder has the right to give notice ("Notice") to ATs instructing ATs to pay such shareholder an amount equal to the total amount they paid for their Class B shares less the cash amount of dividends paid to them to date ("Reimbursement"). Specific procedures follow:

- (a) A written and signed Notice must be given to ATs by registered USPS mail at ATs' then current administrative office as described on the ATs web site, stating that: "I, [insert shareholder name], request that America's Trains Inc. pay me an amount equal to [insert the amount paid for all Class B shares] for [insert the total number of purchased Class B shares] owned by me, less (minus) the cash amount of dividends paid to me to date ("Reimbursement")."
- (b) Within 10 days after receiving the Notice, ATs will provide the shareholder with necessary documentation ("Documents") required to complete the Reimbursement transaction.
- (c) Within 820 days after the date that the related Subscription Agreement was executed, or within 5 days after the shareholder delivers properly completed Documents to ATs, whichever is later, ATs shall pay to the shareholder the total amount that they paid for their Class B shares less (minus) the amount of any and all dividends paid to the shareholder to date ("Reimbursement Amount").

ATs will recover the Reimbursement Amount by retaining (not paying) any and all current unpaid and future declared dividends earned by the shareholder's Class B shares until ATs recovers the full Reimbursement Amount.

If a shareholder does not give Notice as stated, ATs at its sole option can terminate any and all of the shareholder's rights to a Reimbursement.

**3. Vacations**

Until a total investment of \$50,000 occurs, Class B share investors receive cash vacation credits ("Credits") for use as payment towards up to 100% of the published normal fare of available Journeys by Rail on related departure dates, and up to 64% of the current published price for a choice of other vacations ("Other Vacations") as may be available from a timeshare vacation exchange or other suppliers selected by ATs ("Supplier(s)"). The percent amount of Credits for available Journeys by Rail or Other Vacations is based on the amount invested, the greater the investment the greater the percentage, starting at 50% for an investment under \$1,000, increasing to 51% for an investment exceeding \$1,000 and increasing by 1% for each subsequent \$1,000 invested, up to 64% and a \$9,600 Credit for a \$14,000 investment; except that, the Credit towards payment for Journeys by Rail, not Other Vacations, is 100% for an investment of \$15,000 or more.

Immediately after Class B shares are issued to an investor, ATs will confirm the shareholder's number of vacation Credits by email or otherwise in writing, calculated based on the following chart.

Number of Credits for Invested Amount

Invested Amount	Credit		Invested Amount	Credit		Invested Amount	Credit	
	%	Amount		%	Amount		%	Amount
To \$999	50%	\$500	\$5,000	55%	\$2,750	\$10,000	60%	\$6,000
\$1,000	51%	\$510	\$6,000	56%	\$3,360	\$11,000	61%	\$6,710
\$2,000	52%	\$1,040	\$7,000	57%	\$3,990	\$12,000	62%	\$7,440
\$3,000	53%	\$1,590	\$8,000	58%	\$4,640	\$13,000	63%	\$8,190
\$4,000	54%	\$2,160	\$9,000	59%	\$5,310	\$14,000	64%	\$8,960
				Other Vacations		\$15,000+	64%	\$9,600+
				Journeys by Rail		\$15,000+	100%	\$15,000+

Credits can be used for any available Journey by Rail or Other Vacations and are subject to normal terms and conditions of Journey and Other Vacation Suppliers. Investors are responsible for Supplier fees charged to use or reserve Other Vacations.

Shareholders must acquire initial descriptions and information about Other Vacations from Supplier web sites, or by contacting a designated ATs Rez Center. Until authorized by ATs or the ATs Rez Center, shareholders must not contact Other Vacation Suppliers. The Rez Center is responsible for reserving and confirming, but neither ATs nor the Rez Center is responsible or liable for the availability or provision of Other Vacations.

Payment for Journeys by Rail are made to the designated Rez Center. Payment for Other Vacations are made to the Rez Center or Supplier, as ATs may determine.

The reservation of Journeys by Rail and Other Vacations is on a normal space available basis. ATs does not guarantee availability of specific Journeys or preferred Other Vacations.

Use of Journeys by Rail is governed by ATs' related Terms and Conditions. Use of Other Vacations is governed by related Supplier terms and conditions.

Class B shareholders waive their right to any and all claims against ATs and Suppliers of Other Vacations in regards to availability of Journeys or Other Vacations. If a preferred Journey by Rail or Other Vacation is not available, an alternative Journey or vacation can be selected.

Credits are not transferable and are cancelled if Class B shares are sold by the initial investor.

Credits must be used for Journeys within three years and for Other Vacations within two years after the date on which a related investment was made.

The fare or price of Journeys by Rail and Other Vacations will be the current amount published/stated on the ATs or Other Vacation Supplier's web site for the specific desired Journey or Other Vacation at the time a reservation is confirmed.

When a shareholder is paying for a Journey by Rail or Other Vacation, if the shareholder does not have sufficient Credits to pay the full fare or price, the balance can be paid in cash. Shareholders can use Credits to pay for a single or if they have sufficient Credits for multiple vacations.

Credits can be used to pay for Journeys by Rail that depart within 36 months and to pay for Other Vacations that start within 24 months after the date that the related Class B Subscription Agreement was executed. If a Shareholder is unable to take a Journey or Other Vacation within the stated 36 or 24 month period for any reason whatsoever, including availability, all of such Shareholder's unused Credits are cancelled and all related rights terminate.

At its sole option, ATs will select and has the right to at any time change a Supplier to include one or more sources, or to itself become a Supplier.

Shareholders are responsible for payment of reservation or other Supplier fees, if any, related to the purchase, reservation, and use of Other Vacations.

Shareholders release ATs from and waive each and every right to any and all claims against ATs arising out of the availability, delivery, quality and use of Other Vacations.

#### 4. Use of Available Journeys by Rail

All Class A and Class B shareholders can purchase Journeys by Rail that might come available within 14 days of (before) departure because of cancellations or otherwise ("Last Minute Journeys"), at a price equal to 35% of the price of the Journey on a first come first serve basis. Last Minute Journeys will be as published without notice on the shareholder page of ATs' web site. There is no availability guarantee. Vacation Credits can not be used for payment.

At such time as Last Minute Journeys become available, ATs shareholders have a right to reserve them with an ATs Rez

Center on a first come first served basis, based on the time and date that an email or telephone reservation request is received by the Rez Center.

Last Minute Journeys will be listed on the Shareholder page of the ATs web site. No other notice of available Last Minute Journeys will be given, except that ATs may advise Shareholders of such availability at its option.

No refunds of payments for Last Minute Journeys will be owed or paid by ATs.

#### **5. Cash for Customers**

Shareholders are paid for sales made to customers referred by them ("Referral"). Payment amounts for individual Journey sales can be up to \$1,630, for a Train'Share can be up to \$6,200, or for a fractional interest can be up to \$13,200. Shareholder referrals will be given Journey availability preference over outside sales agents for limited inventory products.

A Referral is the name of a qualified individual, business or other entity that is interested in buying a Journey product that no other authorized selling source was adequately pursuing. Whether or not a customer qualifies as a Referral shall be decided at the sole discretion of ATs.

To be qualified, a Referral must have expressed interest in a Journey Product, must otherwise be known to be interested in a Journey Product, or must have traits that make the shareholder believe that the Referral will have an interest in buying a Journey product. The shareholder's name may be used when ATs or its assign contacts the Referral.

A shareholder does not need to do anything but provide the Referral's name and accurate contact information, preferably a telephone number and an email.

If a Journey product sale to a Referral is finalized by ATs or its agent within 180 days after ATs receives the Referral, the shareholder is paid a referral fee ("Fee"). If a sale is made after 180 days no Fee is owed or paid. The Fee is 11% of the all-inclusive fare amount paid for individual Journey sales, 20% of a Train'Share sale price, and 8% for fractional interest sales.

Fees are owed to a shareholder after: required payments are made by the Referral; and, after necessary documents (if any) have been signed by the Referral, and an authorized ATs agent(s) if required; and, required waiting periods (if any) pursuant to ATs policies, regulations and/or other prudent business reasons; and, an individual Journey departs or a Train'Share or Fractional Interest sale is final.

100% of the Fees are paid within 14 days after they are owed.

If for any reason an unexpected refund is paid to a Referral buyer, as deemed necessary by ATs at its sole discretion, any related Fee(s) paid to a shareholder must be paid back to ATs within 14 days after ATs so notifies the shareholder. If such Fee is not paid back within 14 days, in addition to other available options, ATs has the right to recover such amounts from dividends payable to the shareholder and shareholder can not use Vacation Credits until the Fee is repaid.

#### **6. Anti-dilution**

To avoid dilution of the percentage of total ATs earnings attached to a shareholder's Class B shares, buyers of 15,000 or more Class B shares have a right to maintain their percentage ownership of the earnings of ATs by purchasing an additional proportionate number of shares of any future stock offerings. ATs shall give shareholders adequate notice of regarding the availability of such stock offerings.

#### **7. Preferred Rights to Liquidation Proceeds**

In the very unexpected event that ATs asset liquidation occurs, Class B shareholders have preferred rights to net liquidation proceeds equal to the price paid for Class B shares less Reimbursement Payments, ahead of Class A shareholders, subject to prior rights of other lien holders or creditors; plus, any additional declared but unpaid dividends. This includes net proceeds from the sale of rail cars.