

AMERICA'S TRAINS INC. ("ATs") JOURNEYS BY RAIL ANNUAL 5 YEAR FORECAST SUMMARY

**See the Confidentiality Agreement at the bottom of this page.*

In early 2020 Covid-19 caused Amtrak and subsequently America's Trains ("ATs") to curtail operations. Amtrak has renewed and is expanding services and ATs is now rescheduling Journeys, see <https://americantrainvacations.com/journeyinfo>.

Covid-19 also caused ATs to lose its source of funding when travel industry entities had to shut down, eliminating cash flow that was the source of ATs investment capital. Revamped funding requirements range between: a minimum that includes new capital of \$242,000 plus \$440,000 of debt financing to support adequate growth; \$1,000,000 of new capital for optimum and desirable earnings; and, up to a maximum of \$5,000,000 to permit accelerated domestic and foreign expansion and profitability.

The accompanying forecast assumes that the minimum total funding is \$682,000. It also conservatively represents performance with optimum new investment of \$1,000,000, the additional \$318,000 would speed up early growth. A forecast showing accelerated domestic and foreign expansion with funding of \$5,000,000 is available.

Demand for luxury train vacations and Journeys continues to grow, see <https://americantrainvacations.com/atv/documents/referencesrail.pdf>.

ATs offers two primary Journey by Rail products for sale, individual/single Journey vacations and Train'Shares™ (timeshares) which are both fastest growing segments of the vacation leisure industry, see <https://americantrainvacations.com/atv/documents/referencesluxurytravel.pdf> and <https://americantrainvacations.com/atv/documents/referencetimeshare.pdf>.

This multi product hybrid business model has been proven to offer significant flexible advantages by major vacation resort developers (Wyndham, Marriott, Disney, etc), and ATs management for a prior vacation project. See line 612 in the accompanying Forecast Clarifying Notes.

Based on evolving circumstances, the number of Journey time periods assigned for sale as individual Journeys or Train'Shares can be easily adjusted to maintain best overall performance. Favorable earnings would occur if the number of sales were unexpectedly up to 50% lower than forecast and if only/either one of the primary products, individual Journey by Rail or Train'shares were sold. A single self sufficient Car like the 1st Car (the Sunflower) can generate desirable profit margins.

A combination of growing demand, no meaningful similar product competition in the USA, unmatched management, existing sales capabilities, ongoing scalability, and unique operating economies further enhance forecast achievability; along with additional other advantages, see <https://americantrainvacations.com/atv/documents/majorpoints.pdf>.

Although favorable earnings projections may appear to be overly optimistic, they have been pragmatically scrutinized, can be affirmed and are supported by unique and enhancing revenue and expense considerations.



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CONFIDENTIALITY AGREEMENT: Excluding information that is generally available to the public, or that persons having access to this information or information accessed by links from this document ("Data") can confirm they were previously aware of, the Data contains confidential and proprietary information for the exclusive use and that is the property of America's Trains Inc ("ATs"), which may include, but is not limited to, unique and distinctive concepts, business ideas, documents, procedures and projections regarding rail vacations in the United States and into Canada, and/or timesharing of passenger rail cars, and/or shared ownership of passenger rail cars. Except as otherwise expressly set forth herein, on behalf of themselves and any entity which they represent, persons having access to the Data assume an obligation to and by viewing the Data do accept the confidential and proprietary status of and agree not to, directly or indirectly, disclose, copy, distribute or use Data for any purpose except as required to consider an involvement in and/or that is in the best interest of ATs and its business.

Forecast Summary, Clarifying Notes*

* The following notes are for **shaded** line item numbers on the accompanying forecast spread sheet(s). Some lines are missing because they refer to secondary information.

These notes apply to forecasts based on a minimum additional funding of \$682,000, that includes debt financing of \$440,000. Enhanced performance would occur with no debt financing and optimum equity investment of \$1,000,000. Maximum funding of up to \$5,000,000 would accelerate domestic and foreign expansion.

1. Expenses are based on related costs applicable in Texas or other pertinent geographic areas where operating costs occur.
2. Some calculations may have minor, inconsequential errors due to computer rounding.
3. Some amounts represent averages intended to appropriately calculate overall forecast expectations.
4. Amounts are not adjusted for and it is assumed that revenue and expenses will be equally affected by inflation.
5. Expense amounts payable at uncertain times are distributed on a monthly basis as specific reserve amounts for related expenses.

Column

Pre Year 1 'Pre Year 1' expenses occurred before the acquisition of the 1st Car.

Year 1 Year 1 starts when funding is first acquired. Individual Journey sales during the first several months of Journey by Rail operations may include prolonged layovers at points of departure and final destinations to allow the parked Car to be used to enhance sales.

Accrued 'Accrued' refers to revenue not yet received for the conversion of 10 Year to Perpetual Term Train'Shares. Although considered unlikely, if accrued revenue is not received, starting in year 11 revenue will increase because Journeys that would otherwise belong to Train'Share owners are returned to the company for sale as Train'Shares or individual Journeys.

Line(s)

Car Information

- 1 ATs has or has access to the required number of Cars. The first Car, the Sunflower (Cars are named after flowers), has been mechanically rebuilt and has been Amtrak certified. Based on post Covid demand, the interior floor plan is being modified; two lower category bedrooms are being changed to highest category bedrooms. The next three Cars have been selected. However, ATs has the option to and change to alternative preferred Cars based on related opportunities arising out of increased availability of Amtrak and lower prices of other cars. Sources of Cars include individual owners, Amtrak, Via rail (Canada), and eventually the possibility of new built cars.
- 35 When Cars are acquired they need varying degrees of mechanical repair, and interior remodeling to install desired bedrooms and common area facilities. This takes several months to finish. Mechanical work has been outsourced but overseen by ATs managers. Interior improvements are made under the direct supervision of ATs at a different interim shop. ATs expects to open its own shop with capabilities able to support the completion of all improvement work and ongoing maintenance for all Cars; see line137. Car improvements can be made after optimum related future Car occupancy is affirmed by demand and advance sales; reservations are typically made at least 8 months prior to departure dates. This avoids surplus capacity and superfluous Car related costs.
- 36 The cumulative total number of Cars in service varies based on the amount of money available to pay for them. A greater, maximum investment will provide more money to expedite acquisition of Cars which provide more bedrooms and Journeys for sale, with related earlier increases in revenue and profits. In any event, 140 Cars will eventually be in service. Existing individual Journey vacation and Train'Share demand and markets are sufficient to absorb the available number of Journeys.
- 37 There are 4 standard bedroom categories, all deluxe and having full private bathrooms (with showers), including: Grande Suites (about 125 sq. ft., 11.6 sq. m) on the lower level of high level Cars that are the full width of the Car. They are relatively large and have a king or 2 twin beds; Master Suites (about 105 sq. ft., 9.8 sq. m) with a king or 2 twin beds; Deluxe Doubles (about 97 sq. ft., 9.0 sq. m) with a queen bed; Classic Doubles (about 88 sq. ft., 8.2 sq m) with a lower double and an upper twin bed, which can accommodate 1 or 2 passengers. On a limited basis, some Crew bedrooms (about 81 sq. ft, 7.7 sq. m), with a twin upper and lower and full bathroom, can be used for 3rd and 4th persons traveling with other passengers. In this event crew can use accommodations on accompanying Amtrak cars. Bedroom occupancy is normally for 2 persons (double occupancy. Over a 5 year period there will be about 140 bedrooms on standard Cars, an average of 4.8 bedrooms per Car, ranging from none on dining Cars to 6 on sleeper Cars.
- 44 Standard Cars are typically passenger sleeper, lounge and dining train cars.
- 52 Most business Cars are older self sufficient cars originally owned by wealthy individuals and companies. They may have an open platform on the back, which can no longer be occupied when a train is moving for safety reasons. They have 2 or 3 bedrooms comparable to Master Suites with full private bathrooms or duplex suites made up of 2 master suites with private toilets and sinks and an adjoining shared shower. Each bedroom accommodates 2 passengers. Business Cars are normally sold as fractional interests, see line 614. Although business Cars can travel as part of Train Sets, fractional interest owners have the option of selecting the duration, routes and layover locations of Journeys. If any, unsold Business Car Journeys can be sold as individual Journeys.
- 55 The combined total number of standard Car plus private Car bedrooms will occur earlier with funding of up to \$5,000,000.

- 61 The number of Journeys by Rail will grow as an increased number of Cars start service; see line 36. Existing sales capabilities should ensure that optimum occupancy occurs for a couple of years without significant promotion, and thereafter with relatively limited promotional efforts.
- 62 Within several years 29 standard Cars with a total of up to 140 bedrooms will provide about 6,000 annual Journeys.
- 84 Capital costs are for rail Cars and infrastructure, including an ATs shop and layover location facilities, which will occur earlier with maximum investment.
- 85 More Cars are acquired sooner with maximum investment Sources of suitable unimproved Cars include private railroad aficionado owners, Amtrak and Via Rail (in Canada). Total Car costs include acquisition and related Car improvement costs. The improved cost of Cars is forecast at a high average amount. Without significant funding, growth would be slower and, except for the first couple of Cars, payment for each Car can come from revenue, starting after demand and advance sales assure optimum related Car occupancy. Because Journey reservations are typically made about 8 or more months in advance and Car improvements take less than 8 months to complete, improvements and related costs can be delayed until future demand assures high occupancy when Cars begin service. Total Car costs might be lower but will not exceed forecast amounts.
- 87 By agreement with the seller, mechanical improvements on the 1st Car valued at \$180,000 were completed and paid for by the seller, which is included in the Car acquisition price. The balance owed for the 1st Car including the \$180,000 is \$440,000. See line 650.
- 133 The average cost to acquire and improve Cars is about \$675,000, about 30% of the cost of a comparable newly built car that provides equivalent revenue capabilities. The total cost of the Sunflower is about \$720,000. The market value of improved Amtrak certified Cars exceeds the cost of acquiring and improving them; for example, the Sunflower's market value should be over \$875,000.
- 137 Shop costs are presently a part of outsourced Car maintenance and repair expenses. The location of an ATs shop with Car rebuilding and maintenance capabilities is being considered based on access to Amtrak service and economic benefits available from government entities. Most support services will also be based at the shop, although many management functions can be provided from other locations. Greater investment will provide for earliest completion of the shop which will provide for accelerated in-house Car improvement and maintenance capabilities at reduced costs with subsequent enhanced profitability.
- 138 Improvement and construction of facilities including rail sidings will enhance passenger service and operations, with reduced switching and other layover costs.
- 141 Total capital costs will remain about the same with minimum or maximum but will occur sooner with maximum funding.
- 144 See line 612.
- 145 Train'Shares (timeshares) give buyers the right to annual or more frequent train set Journeys, using a common, proven timeshare industry 'points' concept..
- (a) Train'Share ownership is represented by a number of points, each permanently having a \$1.00 value for the purpose of acquiring Journey vacations.
 - (b) The present full price to purchase a point is \$1.40. Prices will increase over time.
 - (c) Journeys will vary in length from 5 to 11 days. The average Journey is for 7 nights and 8 days in a Master Suite bedroom, which is used for forecast purposes.
 - (d) Based on the number of points purchased, Train'Share Owners are assigned a specific designated time period each year which they can fully or partially use for Journeys at their option; or, they can select other available time(s) and give up all or a portion of the designated time.
 - (e) The inflated retail fare before reductions is currently \$19,186 for two passengers in a bedroom, see line 251. Therefore, a typical Train'Share points package would include 19,186 points, see line 153.
 - (f) To offset difference between the number of points owned and the price of a desired Journey, a flexible plan allows Train'Share Owners to enjoy Journeys having different prices.
 - (g) Train'Share owners pay Journey Use Fees (with cash, not points) to cover administration and operating costs for each Journey they use, payable through a Train'Share Owner's Association managed by ATs, see line 223. Typical Journey Use Fees vary between about \$4,500 and \$7,000 depending on the duration and/or specific aspects of each Journey.
 - (h) The total cost of Train'Share related Journeys including the cost to buy points and payment of per Journey Use Fees is about 50% of the cost for individual Journey vacation fares.
- 146 The number of available Journeys increases as more Cars and related bedrooms start service, which depends on the amount of capital available. See line 36. Journeys are available for about 336 days each year. Based on an average Journey being for 7 nights and 8 days, there are 48 Journeys each year. The remaining annual time is for maintenance and repositioning of Cars. For forecast purposes, it is assumed that Train'Share Journeys are for an average of 7 nights. The number of Train'Share sales is not calculated depending on and does not change based on the number of Cars and bedrooms.
- 147 The number of Journeys available for sale as individual Journey vacations varies based on the number of Cars and bedrooms, which is governed by the availability of funding. Forecasts with minimum funding assume that 49% of available Journeys are consumed by Train'Share sales and 51% are for individual Journey vacations. Forecasts with maximum funding assume that 44% of available Journeys are consumed by Train'Share sales and 56% are for individual Journey vacations. The number of Journeys used for Train'Share sales does not vary if minimum and maximum funding occurs. If desired the number of Journeys available to sell as Train'Shares can be controlled to make more or less Journeys available for sale as individual Journey vacations.
- 148 An Initial Term includes rights to Journeys for 10 years.
- 149 A Perpetual Term is for the life of Cars. The operating life of rail cars is primarily dependent on the quality of maintenance and repairs. Some privately owned well maintained rail cars built in the 1930s and numerous cars built before 1960 are still operating.

- 152 An Initial Term Train'Share can be converted to a Perpetual Term by purchasing an Extended Term; see line 166.
- 153 The number of points required to acquire a Journey is the same as the current published (on the ATs web page) selected Journey fare paid for individual Journey vacations, 1 Point = \$1.00, which is 19,186 Points for a Journey priced at \$19,186. This is an inflated price, see line 251.
- 155 The price per point will increase over time from the present \$1.40 based on an expected growing recognition of the value of and general demand for Journeys; apart from inflation.
- 157 Except for price reductions reducing the 10% fare inflation, see line 251, future price discounting will be minimal. Early discounts will be used to enhance promotional efforts.
- 164 Total Train'Share sales revenue will vary depending on the number of Initial Term, see line 148, subsequent Extended Term, see line 152, and Perpetual Term, see line 149, Train'Shares that are sold; see lines 144(c), (d) and (e). Forecast numbers of sales are best estimates based on scrutinized pertinent factors. An expected or intentional change in the forecast ratio of Train'Shares and individual Journey sales which is about 50/50, see lines 176 and 177, does not adversely impact and could enhance eventual profitability. Such changes would be accompanied by pertinent corresponding expense revisions.
- 166 Extended Terms must be purchased within 425 days after an Initial Term is purchased. If an Extended Term is not purchased, rights to Journeys attached to Train'Shares revert to ATs after 10 years for subsequent sale as individual Journeys or otherwise.
- 167 See line 613.
- 169 ATs generates names of prospective buyers ("leads"). Up to 40% of Train'Share sales are expected to be sold to these leads.
- 170 ATs is reimbursed from existing marketing budgets or sales persons to cover ATs lead costs plus a reasonable markup.
- 176 Train'Share owners have rights to use Journeys each year and can use additional available Journeys by paying for them with future year points or delay use until future years.
- 177 Journey time periods not used by Train'Share owners are sold as individual (single) Journeys. See line 146.
- 180 In-house Tracks to Adventure™ and other tour sales include recreational and other activities during layovers at en-route destinations. Revenue comes from markups and commissions.
- 182 Goods are primarily branded attire and gifts. They are sold during Journeys, by outside gift retailers, and directly on the Internet.
- 184 Exclusive events include personal and business events, special occasion celebrations and other significant happenings that may be available to all Car and train set passengers or exclusively to a specific group.
- 187 See line 614.
- 188 For purposes of the forecast, it is assumed that all sales are for a 1/12th, 4 week ownership.
- 189 See line 614.
- 193 Extended Terms must be purchased within 425 days after an Initial Term is purchased. If an Extended Term is not purchased, rights to Journeys attached to fractional interest's revert to ATs after 10 years for subsequent resale.
- 205 See line 193.
- 206 Fractional interest owners have rights to use Journeys each year during the time periods that they purchase, or other available time periods. It is assumed that all available Journeys will be used by fractional interest owners. If fractional interest sales unexpectedly don't meet forecasts, related Journeys can be sold as individual Journey by Rail vacations.
- 216 See line 180.
- 218 See line 182.
- 220 See line 184.
- 223 See line 615.
- 236 See line 616.
- 237 See lines 146 and 147.
- 239 Journey time periods not allocated to Train'Share owners are sold as individual (single) Journeys. Based on evolving circumstances, the number of Journeys allocated to Train'Shares and individual Journeys can be adjusted to enhance profitability. Favorable profits would occur if just one of these products is sold.
- 241 The forecast number of individual Journey sales is supported by the following:
- (a) As described at <https://americantrainvacations.com/atv/documents/referencesluxurytravel.pdf>, the luxury vacation market is strong and growing.
 - (b) As described at <https://americantrainvacations.com/atv/documents/referencesrail.pdf>, demand for luxury train vacations is strong and growing.
 - (c) There is a very limited number of available bedrooms (inventory) compared to the huge luxury vacation and growing luxury train vacation market.
 - (d) There is no climate related low season because Cars move to desirable geographic locations.
 - (e) There is a favorable price point compared to equivalent, competitive luxury vacation products, including other (foreign) luxury trains.
 - (f) Management has substantial prior travel/vacation sales experience.
 - (g) Strategic and tactical relationships with travel industry marketers enhance their support.
 - (h) Sales capabilities of existing selected retail travel agent and other travel industry sale outlets is more than sufficient to sell all available Journeys in early years with nominal consumer promotional efforts, and in subsequent years with limited additional marketing and sales expense.
 - (i) The sales volume of a single travel agency specializing in train vacations can be sufficient to sell all early Journey vacations.

- (j) The unique characteristics of Journey vacations attracts free or low cost public relations exposure, has already generated hundreds and will continue to be a significant source of qualified leads.
- (k) Journeys are ideal for small group vacations that are easily approached. Over half of pending sales are for all the bedrooms on a single self sufficient Car; a single sale represents the sale of four bedrooms (individual Journeys). Full occupancy on the Sunflower would occur with only 48 sales per year.
- (l) There is an existing pool of potential customers that are repeat buyers of foreign luxury train vacations.
- (m) There is a significant already identified market of upscale river cruise and other luxury vacations that are comparable to Journeys by Rail.
- (n) Journeys are one of a kind U.S. vacation experiences that provide attributes desired by the growing number of upscale vacation consumers.
- (o) There is no meaningful train vacation competition in the U.S.
- 242 Significant discounting of fares is minimized and considered unnecessary because demand plus the limited number of available bedrooms supports high occupancy. Except for early promotional discounts, significant fare discounts are avoided to minimize perceived product brand devaluation. Fare reductions and pricing sales incentives are normally offered to consumers on a quid pro quo basis (for example, in return for referrals) or as full or part payment of add-ons (air fares, tours, etc). Fare increases over the 5 year forecast period are not inflation related, they represent expected increased vacation values based on various criterion.
- 246 Promotional fares are for public relations and travel industry familiarization Journeys.
- 247 In the event that there are unsold Journeys, they are sold shortly before departure dates at the forecast reduced fare prices, or higher, to predetermined resellers and users. This ensures that related operating costs are covered.
- 251 To provide flexible selling opportunities, current published fares (on the ATs web page) are the forecast retail sale price of \$17,267, before discounts, inflated by 10% up to an average of \$19,186 for 8 day Master Suite Journeys. Depending on actual sales results, this may result in higher sales revenue than forecast.
- 252 Except for higher discounts when service first starts, an average discount of about 10% is included in forecasts.
- 256 Revenue depends on the number of Journeys available for sale based on the number of Cars and related bedrooms in service. See line 36. Consumer demand is sufficient to support the accelerated introduction of more Cars and bedrooms.
- 261 Journey sales are typically made 8 months or more in advance (month when sale made), when a Journey is first reserved. As a prudent cash management procedure and to generally respect non mandatory travel industry consumer protection policies, all or an adequate portion of advance payments are held to show that funds are available to provide related Journeys to the extent that diminishing rights to refunds occur which end 14 days before departure dates. Fare revenue is recognized in the month of departure.
- 265 See line 180.
- 267 See line 182.
- 269 See line 184.
- 307 See line 618.
- 310 Passengers from other Cars traveling with an activity Car in the same train set are consumers of activity Car goods and services.
- 311 Individual Journey fares may be increased when an activity Car provides special extra services that are included in all-inclusive Journeys.
- 312 Additional revenue includes charges for exclusive use of activity Cars by affinity, personal or corporate groups for fees that probably can be much greater than forecast.
- 313 Revenue is generated by the sale of special beverage and other services and goods to individual passengers.
- 318 See line 621.
- 330 Operating costs vary based on routes, related mileage, layovers and passenger services. Typical costs are included in the forecast. Actual expenses for each route are used to calculate all-inclusive fares. Some pertinent factors related to Car operating expenses follow:
 - (a) Operating expenses vary between Journeys based on route distances, the number of Journey nights/days, the number of passengers, en-route layover factors, on-board passenger services and related costs.
 - (b) Amtrak charges \$4.09 per mile to pull the 1st and \$3.14 per mile for additional Cars traveling together, which is a reasonable amount of under \$0.40 per mile per passenger. This is under 6% of the total fare.
 - (c) Although not expected soon, any future increased Amtrak mileage charges can be readily absorbed or offset by related increases in Journey fares.
 - (d) Amtrak trains are limited to the number of cars they can pull by the combined weight of the cars, particularly on hilly and mountainous routes. In this event, if the number of Cars in an ATs train set exceeds Amtrak's capabilities, an additional engine may be required on part of a route. Additional charges will be added to related Journey fares.
 - (e) In some instances, use of an exclusive special engine that only pulls ATs Cars becomes economical for a train set having several Cars, while also reducing en-route destination switching costs.
 - (f) A computer program is used to calculate operating expenses for each specific Journey. As more Cars enter service, some expenses may decrease as a percentage of revenue.
- 337 Car maintenance costs are in large part governed by the number of miles that a Car travels. Related factors follow:
 - (a) Car care includes ongoing preventative maintenance, continuing maintenance when Cars are parked during Journeys, and scheduled maintenance during times when Cars are not available for Journey service, for about 28 days each year.

- (b) Planning provides for unexpected maintenance requirements while Cars are in service and include use of Amtrak facilities, selected private rail car shops, a mobile repair crew to prevent extended operating delays, and interim emergency fixes that permit continuing temporary operations.
- (c) When initial mechanical improvements and repairs are made to Cars, common and standardized parts and components are used; outdated, uncommon items are replaced with more readily available parts when reasonably possible.
- (d) Car interior maintenance includes continuous crew care, inspections, scheduled and as needed repairs, refurbishing, and replacement of furnishings, fixtures, flooring and otherwise as needed to ensure that highest interior quality is maintained.
- (e) Mechanical and equipment parts and component availability management is a primary requirement. A basis for selection of Cars to be acquired is the availability of Car parts. Standardized equipment and components are installed and used on all Cars whenever possible. Parts are normally on hand or immediately available from known suppliers. Parts that may need more frequent replacement are kept in inventory if they are not immediately available from suppliers. Repairable replaced parts are overhauled and kept in inventory, or traded in for serviceable parts. An inventory or sources of parts that are hard to come by is maintained. Sources have been located that economically supply or manufacture replacement parts.
- 351 The number of crew varies based on the types of Car (sleeper, dining, etc), the number of passengers using a Car, and related services.
 - (a) Based on multiple Journeys being operated, there is an average of 2.3 crew members on standard Cars. Two full crew shifts are required, one on duty and the other off duty.
 - (b) Crew schedules normally include 1 or 2 consecutive Journeys on duty on board, about 14 nights, followed by a similar period off duty.
 - (c) Crew costs including benefits, before tips (which are not mandatory) and bonuses, is \$5,290 per employee per month. Remuneration is increased for crew on Cars that frequently operate in geographic areas where higher wages prevail, which are offset by higher fares. Forecast pay amounts are not adjusted for and it is assumed that revenue and expenses will be equally affected by inflation.
 - (d) Crew benefits do not include paid vacations.
 - (e) Adequate crew quarters are on ATs Cars. In special circumstances additional crew can sleep on accompanying Amtrak train cars.
 - (f) Contracted off Car crew are used during some en-route layovers for Car interior cleaning and to otherwise assist on board crew.
- 359 En-route support costs at Amtrak station stops and layover locations include waste and garbage disposal, water, toilet system, Car washing, utilities and other services. The cost ranges between free and expensive, depending on routes and available support supplier arrangements, and are factored into related fares.
- 368 Layovers where passengers stay on board Cars while enjoying nearby things to do may be at the initial point of departure, en-route locations and the final disembarking station. The number of layover nights/days, related services and costs vary for different routes.
 - (a) For forecast purposes an average of 4 layovers and related typical expenses for switching (moving Cars to and from parking places), Car servicing, parking, additional security, passenger shuttle service to transport passengers to and from local attractions and activities, and other pertinent expenses are included.
 - (b) Costly switches include movement of Cars to and from parking locations/sidings when dropped off or being picked up by Amtrak or other trains at layover locations. Depending on layover location facilities, switches may be done by Amtrak trains at no or a reasonable additional cost, or by separate switch engines. The number of switches per Journey depends on the number of layover locations. Switch costs may be the same for a single or multiple Cars traveling together. At such time as an exclusive Amtrak or other engine is used, most switch charges will be eliminated because the engine moves the Cars. Shuttle service to and from nearby attractions and activities is provided as part of all-inclusive fares.
 - (c) Cars park on available branch lines, sidings or spurs which range from specific tracks reserved exclusively for ATs or for all private Cars to less attractive locations. Depending on the parking location, efforts are made to create a secure, not unattractive ambiance, which in some instances features an intriguing railroad environment.
 - (d) Electricity is provided by Amtrak and other train engines while traveling. During layovers, electricity may come from a train engine if it is also parked, or Car generators or an outside source.
- 383 All-inclusive passenger services and support includes:
 - (a) Scheduled dining and other food service.
 - (b) All types of beverages, including complimentary alcohol during meals and at frequent scheduled social events.
 - (c) Optimal bedroom service and housekeeping.
 - (d) Take-home robes and slippers.
 - (e) 24 hour mean service.
 - (f) On board functions.
 - (g) Hosted off Car tours and special dining.
- 386 See line 622.
- 388 Fractional (shared) interest ownership rights are sold in Business Cars, see line 614.
- 420 If a business Car travels as part of a train set, already existing crew on other train set Cars are supplemented by an average of 1.5 additional crew. If a business Car travels alone there are 2 crew.
- 453 See line 623.
- 455 No business Car costs are included because they are fully paid by credits; see line item 623(d).

- 456 See line 624.
- 487 The number of crew per activity Car varies depending on the number of crew and mix of other Car types traveling in the same train set as an activity Car. Generally 1 additional activity Car crew is required.
- 516 See line 625.
- 519 Other Car operations include:
- (a) Route planning, scheduling and related services which are provided by Amtrak.
 - (b) Tour development that includes creating and arranging for in-house Tracks to Adventure™ and independent operator tours, excursions and other activities at en-route destination.
 - (c) Coordination with Amtrak and other sources of engine and support services, and otherwise.
- 534 Marketing, sales and reservation expenses are in great part income related; no income no expense. Although other luxury vacations target similar wealthy consumer markets, Journeys by Rail have unique some differences that optimize sales results. Sales expectations are expected to be achieved because:
- (a) Luxury vacation demand is significant, see <https://americantrainvacations.com/atv/documents/referencesluxurytravel.pdf>.
 - (b) Luxury train vacation demand is significant, see <https://americantrainvacations.com/atv/documents/referencesrail.pdf>.
 - (c) Scheduled and luxury train vacations are considered to be an essential travel/vacation industry segment. There has been a related void in the USA for many years
 - (d) Timeshare (Train'Share) demand is significant, see <https://americantrainvacations.com/atv/documents/referencetimeshare.pdf>.
 - (e) There are no other train timeshares available.
 - (f) RCI supports Train'Share sales; see line 140(f).
 - (g) Management has substantial prior travel/vacation and timeshare marketing and sales experience.
 - (h) Travel agency sales outlets with more than adequate selling capabilities already exist.
- 535 See line 629.
- 540 Marketing and sales promotion costs are relatively low because adequate demand, selling outlets and capabilities already exist and are expected to produce optimum individual Journey and desired Train'Share sales.
- 555 Marketing sales and promotion includes special Train'Share related and typical items and activities, including:
- (a) Sales documentation, Train'Share offering statements that conform to State regulations, contracts, ownership documents and related materials.
 - (b) Direct advertising that generates 20% of individual Journeys and 25% of Train'Shares that are sold in-house-direct, while avoiding conflict with outside agency selling activities. Fractional interest leads are generated by already existing promotional and other activities.
- 557 See line 631(a).
- 560 See line 631(b).
- 563 See line 631(c).
- 565 See line 632.
- 573 General and administration expenses combine and include functions for the overall management of Journey operations plus Train'Share and fractional interest owner association management.
- 590 A significant portion of route, itinerary and timetable development and planning comes from Amtrak, at a nominal cost. This creates a significant expense reduction.
- 591 Before Year 1 (Pre Year 1) management personnel costs were paid with equity (ATs common stock) at a fraction of the value of typical remuneration for similar work and services. Other senior manager remuneration is included in related line item expenses.
- 595 The present General Manager is also the CEO/President. Remuneration is primarily based on ATs earnings performance.
- 599 A to be employed Administrative Manager may also be or eventually become the CFO. Remuneration is primarily based on ATs earnings performance.
- 600 Personnel remuneration is based on reasonable amounts applicable in Texas. Upward adjustments may be appropriate if personnel are based at locations where higher wages prevail.
- 601 The personnel bonus is a specific reserve to be distributed on an annual basis at management's discretion.
- 606 Although there are no known reasons for unexpected reduced revenue or higher expenses, this supplemental reserve is included for contingency purposes. If revenue and expense projections are achieved, supplemental surplus reserve amounts will enhance earnings.
- 613 Most revenue comes from the sale of two primary Journey by Rail products, individual Journeys, see line 616, and Train'Shares (timeshares), see line 145. Sales will increase if more Cars are in service offering more Journeys; see line 146.
- (a) Revenue is not seasonal because Cars are moved to geographic locations to avoid adverse climates. Cars operate to places preferred by consumers because of weather (like ski resorts) and to attend major events (like the football super bowl or Kentucky Derby). High season fare and revenue benefits occur throughout the year. Apart from times when vacation travel typically decreases during which scheduled Car maintenance will occur, there are no low sales seasons.
 - (b) Revenue forecast achievement is supported by planned, timely line item adjustments to optimize performance based on metrics, evolving circumstances and continuing analysis of operations.
 - (c) The forecast number of Train'Share and individual Journey sales are separately based on their related markets, both are substantial. Management can easily revise the number of Journeys allocated to either product (individual Journeys or

Train'Share) to emphasize related short or long term revenue and profitability based on evolving circumstances. Although a business plan with two primary products is being implemented, favorable profits would occur if just one primary product was sold.

- (d) If the only primary product was individual Journeys (no Train'Shares), related sales revenue and earnings in early years would be lower while allowing the repeated sale of the same Journey time periods and higher revenue in future years.
- (e) If the only primary product was Train'Shares (no individual Journeys), related sales revenue in early years would be higher with favorable elevated profits, income would include advance payment of Car operating costs (Journey Use Fees) from Train'Share buyers/owners, and Train'Share management fee income would be earned. However, revenue in future years would be lower because Train'Shares are a one time sale and ongoing annual Journey time period use is owned by Train'Share buyers.
- (f) Because operating expenses, management remuneration and other expenses are in great part income related (no income no expense), and for other reasons, lower total profits with adequate profit margins would occur if primary product sales revenue of either or both primary products was below forecasts.

614 The forecast number of Train'Share sales is supported by the following existing factors:

- (a) As described at <https://americantrainvacations.com/atv/documents/referencetimeshare.pdf>, the already strong timeshare market is growing.
- (b) Interest in luxury train vacations is significant, see <https://americantrainvacations.com/atv/documents/referencetrain.pdf>.
- (c) The price point compared to equivalent, competitive luxury timeshare products is favorable.
- (d) Journeys by Rail offer a choice of changing vacation locations unlike competitive timeshare resorts at fixed locations.
- (e) Management has extensive prior timeshare sales experience.
- (f) ATs has access to numerous timeshare buyer leads.
- (g) RCI, a Wyndham company and the world's largest timeshare exchange entity with over 3,000,000 members, many owning multiple timeshares, provides marketing support. Journeys by Rail have been included as one RCI's 500 Registry Collection of "top-tier affiliated resorts" out of about 4,300 total RCI properties worldwide.
- (h) Journeys offer unique characteristics and vacation experiences to Train'Share owners that are not otherwise available through shared use or timeshare ownership.
- (i) Perceived undesirable timeshare factors are avoided because Train'Share owners: only pay a single fee that is relatively low compared to equivalent quality timeshares, there are no taxes or administrative fees; don't have to pay any fees if they don't use a scheduled Journey by Rail vacation; can readily rent a scheduled Journey through a travel agency; and, can sell the Train'Share back to ATs if they don't enjoy their first Journey.
- (j) If Train'Share sales unexpectedly don't meet forecasts, related Journeys can be sold as individual Journey by Rail vacations.

615 Fractional (shared) interest ownership of business Cars include from a 1/12th ownership (4 weeks use per year) to a 1/4th ownership (12 weeks use per year). Fractional interest owners pay Journey Use Fees (credits) to cover operating costs through a fractional interest Owner's Association managed by ATs, reducing the total operating expenses accordingly. Business Cars can travel as part of a train set or alone on routes elected by fractional interest Owners. The forecast number of fractional interest sales and related or alternative revenue is supported by the following existing factors.

- (a) Very few leads are required to sell the very limited number of fractional interests offered for sale.
- (b) Key corporate and wealthy consumer markets are easily identified and targeted.
- (c) Fractional interest sales of yachts and aircraft have developed an existing and approachable market.
- (d) Increasing interest in luxury train vacations, see <https://americantrainvacations.com/atv/documents/referencetrain.pdf>.
- (e) Journey price points are favorable compared to equivalent, competitive luxury shared ownership products.
- (f) RCI provides marketing and sales support; see line 167(g).
- (g) The unique characteristics and vacation experiences of Train'Share Journey by Rail vacations are not otherwise available through shared use or timeshare ownership.
- (h) Perceived undesirable shared vacation ownership factors are avoided, see line 167(i).

616 Train'Share and fractional interest Owners are members of respective owner associations managed by a Managing Agent, similar to a HOA (home owners association).

- (a) ATs, directly or as a separate entity is the Managing Agent and is paid to administer the business of the associations.
- (b) Some administrative and management costs are shared by ATs and the Managing Agent.
- (c) Standard Car Train'Share and business Car fractional interest Owners pay Journey Use Fees to their association which are used to cover Car operating costs and association administrative expenses.

617 Journey by Rail products include individual 5 to 11 night Journey vacations, normally for two passengers in a bedroom. For purposes of this forecast all Journeys are assumed to average 7 night Master Suite bedroom Journeys.

619 Activity Cars have no bedrooms. Services are normally not included in all-inclusive Journey fares. Passengers on other Cars traveling in the same train set pay for activity Car recreation, services, beverages, goods and intriguing functions. The limited number of activity Cars will be moved among train sets as required to best enhance related Journey experiences and revenue generation.

622 Car operating expenses are in great part income related; no income no expense. Accuracy of operating cost projections is supported by the following existing factors; anticipated and unexpected increases can be easily absorbed within existing or by adjusting fares, which are below competitive vacation foreign luxury train prices.

- (a) The comprehensive railroad and car operating experience of management and associates.
- (b) Management's significant, applicable hospitality business experience.
- (c) Strategic and tactical relationships with key railroad entities.

- (d) Reasonable Amtrak charges to pull Cars.
- (e) Availability of support services from Amtrak at a nominal cost.
- (f) Availability of detailed operating and cost records from a variety of passenger train and car operations.
- (g) Constant Car preventative maintenance and preemptive operating procedures.
- (h) Quick response planning and capabilities for unexpected Car maintenance and repairs.
- (i) Availability of outsourced support entities along Journey routes.
- (j) Standardization of components and parts wherever possible.
- (k) Constant awareness regarding sources of and ready access to parts and immediately required services.
- (l) Pertinent crew training.
- (m) Route planning for Car care contingencies.
- (n) Constant cost awareness and reviews of operating metrics with subsequent pertinent operating adjustments.
- 623 The forecast includes costs for all Journeys used by individual Journey vacation users and Train'Share Owners on standard Cars. Train'Share Owners pay Journey Use Fees (credits) cover related costs. The credits reduce operating expenses.
- 624 Generally, business Car operating costs are similar to costs for standard Cars, with some differences.
 - (a) Route costs may vary if a business cars travel alone on a route selected by fractional interest Owners.
 - (b) When a business Car travels alone, Amtrak mileage fees are the higher 1st/single Car amounts. See line 330(b).
 - (c) When a business Car travels with a train set, Amtrak mileage fees are the lower additional rather than the higher 1st Car amount.
 - (d) All business Car operating and administrative costs are paid by fractional interest Owners (credits). Administrative and non operating business Car expenses are included as part of Management Fee revenue; see line 223.
- 625 Generally, activity Car operating costs are similar to costs for standard Cars, with some differences.
 - (a) Activity Cars travel with other Cars in a train set as an additional Car with lower Amtrak mileage fees.
 - (b) There are no bedrooms on activity Cars and no normal passenger related accommodation service expenses.
- 626 Senior operations management includes:
 - (a) The Operations Manager responsible for en route and other car operations, repair, maintenance, parts management and related requirements.
 - (b) The Passenger Service Manager responsible for all on board guest services. The first Crew Chief, starting on the 1st Car, is expected to be quickly promoted to become the Passenger Service Manager.
- 630 Senior marketing and sales management includes:
 - (a) The Marketing and Sales Manager responsible for all related activities.
 - (b) A Train'Share and a Travel Industry sales manager with related responsibilities.
 - (c) Remuneration that is primarily based on performance, paid by sales commissions and/or overrides.
- 632 (a) It is expected that 75% of Train'Share sales are made by independent contractors, commissionable at an average of 50% of the sale price, which is in line with timeshare selling costs for comparable timeshare properties. This amount may be appreciably reduced by emphasizing in-house direct sales. Lead and some promotional material costs are deducted from commissions when sales are made to leads created by ATs. 25% of Train'Share sales are made in-house by employees at a cost equal to 15% of the sale price.
 - (b) It is expected that 55% of fractional interest sales are made by independent contractors, commissionable at 20% of the sale price. This amount may be appreciably reduced by emphasizing in-house direct sales. Lead and some promotional material costs are deducted from commissions when sales are made to leads created by ATs. 45% of fractional interest sales are made in-house by employees and are commissionable at 5% of the sale price.
 - (c) In-house and travel/tour agency individual Journey sales costs or commissions start at 12% and increase based on performance criterion that includes sales volume. Commissions average 18% of the sale price and are paid for accommodations and every all-inclusive service which creates a relatively high total commission for travel industry sellers. A commission for the sale of a single Journey can exceed \$2,500.
- 633 The same reservation procedures are used for individual Journey vacations and Train'Share owner Journeys. The limited amount of Journey inventory simplifies early reservation procedures. An on-line reservation system is used; however, whenever possible direct or personal contact by qualified in-house or independent agents will be made with each Journey buyer to ensure full understanding of the vacation experience, to offer tour and other add-ons and to solicit referrals. Reservation costs include document delivery to customers.
- 644 Revenue is dependent on the number of bedrooms available, which in part depends on the amount of funding.
- 645 Expenses are in great part income related; no income no expense.
- 649 Assuming funding as forecast, a cash surplus occurs when the 1st Car begins operations, about 7 months after funding occurs.
- 651 In addition to ongoing costs to acquire and improve Cars, capital costs in Year 1 include \$440,000 as final payment for the acquisition of the 1st Car. See line 87. If a minimum investment occurs it is assumed that an extension of the present finance contract or other short term equipment financing is used to make this payment, which is subsequently paid in full with interest in month 15; see line 654. If a maximum investment occurs the \$440,000 is paid from the investment.
- 652 These notes refer to a forecast with funding from \$682,000 to \$1,000,000..
 - (a) If a minimum additional investment of \$250,000 occurs, it offsets a cash deficit peak of about \$237,000 in month 6.
 - (b) If maximum additional investment of \$5,000,000 would offset a cash deficit peak of almost \$5,000,000 in month 15 and permits accelerated expansion and enhance profitability. It is assumed that a cash deficit is offset by related additional investment.

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1	CAR INFORMATION	Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	% total
35	Total Cars improved, in service		1	5	11	12	9	38		38	
36	Cumulative, from Year 1		1	6	17	29	38				
37	Bedrooms, in service										
44	Standard Cars, total		4	21	41	43	31	140		140	
52	Business Cars, total 3 and 2 bedrooms			3	2	5	3	13		13	
61	Number of individual Journeys, average 7 nights										
62	Standard Cars, total 48 seven night Journeys per bedroom year		96	648	2,164	4,256	5,884	13,048		13,048	
69	Business Cars, total 12 four week Journeys per Car year			20	84	156	228	488		488	
83											
84	CAPITAL COSTS	Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	
85	Rail, Car acquisition and improvement										
116	Total standard Cars	\$58,300	\$1,326,500	\$3,430,500	\$6,640,000	\$5,520,000	\$2,750,000	\$19,667,000		\$19,725,300	7.74%
124	Total business Cars			\$900,000	\$900,000	\$1,200,000		\$3,000,000		\$3,000,000	1.18%
130	Total activity Cars				\$550,000	\$1,100,000		\$1,650,000		\$1,650,000	0.65%
132	Car design, improvement planning	\$11,000								\$11,000	0.00%
133	Total Car acquisition and improvement	\$69,300	\$1,328,000	\$4,536,500	\$8,490,000	\$7,220,000	\$2,750,000	\$24,324,500		\$24,393,800	9.57%
135	Cumulative, from Year 1		\$1,328,000	\$5,864,500	\$14,354,500	\$21,574,500	\$24,324,500				
136	Infrastructure										
137	Shop and equipment		\$1,150,000	\$5,470,000				\$6,620,000		\$6,620,000	2.60%
138	Layover facilities			\$350,000	\$600,000	\$470,000		\$1,420,000		\$1,420,000	0.56%
139	Total Infrastructure			\$550,000	\$1,800,000	\$5,170,000	\$320,000	\$7,840,000		\$7,840,000	3.08%
140	Cumulative, from Year 1			\$550,000	\$2,350,000	\$7,520,000	\$7,840,000				
141	Total Capital Costs		\$1,328,000	\$5,086,500	\$10,290,000	\$12,390,000	\$3,070,000	\$32,164,500		\$32,164,500	12.62%
142	Cumulative, from Year 1		\$1,328,000	\$6,414,500	\$16,704,500	\$29,094,500	\$32,164,500				
143											
144	REVENUE	Startup	Year 1	Year 2	Year 3	Year 4	Year 5	5 Years	Accrued	Total	
145	Train'Share Point Sales, average 8 day master suite Journeys										
146	Total available 7 night Journey time periods, departure month		96	648	2,164	4,256	5,884	13,048		13,048	
147	Number of Train'Share sales, with recurring annual Journeys										
148	Initial Term		53	418	552	552	552	2,127		2,127	
149	Perpetual Term		27	208	276	276	276	1,063		1,063	
150	Total Initial + Perpetual Term		80	626	828	828	828	3,190		3,190	
151	Cumulative		80	706	1,534	2,362	3,190				
152	Extended Term % of Initial Term sales 100%			20	192	276	276	764	299	1,063	
153	No. of Points per Train'Share 18,500		18,500	19,055	19,610	20,165	20,720	19,629		19,629	
154	Price per Point										
155	Full Initial Term \$1.40		\$1.40	\$1.44	\$1.49	\$1.53	\$1.58	\$1.45			
156	Perpetual Term, % of Initial Term 135%		\$1.89	\$1.94	\$2.01	\$2.07	\$2.13				
157	Discount, typical		14%	7%	5%	5%	5%				
158	Sales price, discounted Initial Term		\$1.20	\$1.35	\$1.41	\$1.45	\$1.50	\$1.45			
159	Perpetual Term, % discounted Initial Term 135%		\$1.62	\$1.82	\$1.90	\$1.96	\$2.02	\$1.96			
160	Extended Term, % discounted Initial Term 60%		\$0.72	\$0.81	\$0.85	\$0.87	\$0.90	\$0.87			
161	Average per sale discounted point price Initial Term		\$22,211	\$25,648	\$27,670	\$29,306	\$31,016	\$28,430		\$28,430	
162	Perpetual Term		\$29,944	\$34,619	\$37,354	\$39,564	\$41,872	\$38,377		\$38,377	
163	Extended Term			\$15,646	\$16,602	\$17,584	\$18,610	\$17,657		\$17,657	
164	Revenue, points, discounted point price Initial Term		\$1,177,194	\$10,720,822	\$15,273,647	\$16,177,098	\$17,121,010	\$60,469,771		\$60,469,771	23.72%
165	Perpetual Term		\$808,485	\$7,200,759	\$10,309,712	\$10,919,541	\$11,556,681	\$40,795,179		\$40,795,179	16.01%
166	Extended Term			\$312,912	\$3,187,544	\$4,853,129	\$5,136,303	\$13,489,888	\$5,564,328	\$19,054,216	7.48%
167	Total revenue, Train'Share, point, sales		\$1,985,679	\$18,234,492	\$28,770,903	\$31,949,769	\$33,813,994	\$114,754,837	\$5,564,328	\$120,319,165	47.21%
168	Cumulative, from Year 1		\$1,985,679	\$20,220,172	\$48,991,075	\$80,940,844	\$114,754,837		\$120,319,165		
169	Lead sales revenue % of total sales 40%		22	250	331	331	331	1,266		1,266	
170	Total lead sales revenue Per lead price \$400		\$8,640	\$100,160	\$132,480	\$132,480	\$132,480	\$506,240		\$506,240	0.20%
176	Total number of Journeys used by Train'Share Owners		11	378	1,189	2,017	2,845	6,440		6,440	49.36%
177	Journeys not used, available to sell as individual Journeys		85	270	975	2,239	3,039	6,608		6,608	50.64%
178	Train'Share related revenue, net										
180	Tour sales Commission/markup 18%		\$1,980	\$68,040	\$214,020	\$363,060	\$512,100	\$1,159,200		\$1,159,200	0.45%
182	Goods sales Commission/markup 40%		\$660	\$22,680	\$71,340	\$121,020	\$170,700	\$386,400		\$386,400	0.15%
184	Exclusive events Markup 30%		\$6,600	\$226,800	\$713,400	\$1,210,200	\$1,707,000	\$3,864,000		\$3,864,000	1.52%
185	Total Train'Share related revenue, net		\$9,240	\$317,520	\$998,760	\$1,694,280	\$2,389,800	\$5,409,600		\$5,409,600	2.12%
186	Total Train'Share sales and Train'Share related revenue		\$2,003,559	\$18,652,172	\$29,902,143	\$33,776,529	\$36,336,274	\$120,670,677		\$120,670,677	47.34%
187	Fractional interest Sales, business cars, average 4 weeks per sale										
188	Number available, 4 weeks, 1/12th ownership, 12 per year			5	21	39	57				
189	Number of sales Initial Term			2	6	6	6	20		20	
190	Perpetual Term			3	6	6	6	21		21	
191	Total			5	12	12	12	41		41	
193	Extended Term				2	6	6	14	6	20	
194	Price			\$165,000	\$165,550	\$167,200	\$168,850	\$166,980		\$166,980	
196	Sales price, discounted Initial Term			\$148,500	\$148,995	\$150,480	\$151,965	\$150,282		\$150,282	
197	Perpetual Term, % Initial Term 135%			\$200,475	\$201,477	\$203,482	\$205,487	\$203,053		\$203,053	
198	Extended Term, % Initial Term 60%			\$89,100	\$89,397	\$90,288	\$91,179	\$90,169		\$90,169	
199	Revenue Initial Term Deposit 10%			\$59,400	\$89,694	\$90,585	\$90,885	\$300,564		\$300,564	
200	Balance 90%			\$267,300	\$804,573	\$812,592	\$820,611	\$2,705,076		\$2,705,076	
201	Total			\$326,700	\$894,267	\$903,177	\$881,496	\$3,005,640		\$3,005,640	
202	Perpetual Term Deposit 10%			\$80,190	\$121,087	\$122,290	\$102,844	\$426,410		\$426,410	
203	Balance 90%			\$541,283	\$1,087,978	\$1,098,803	\$1,109,629	\$3,837,693		\$3,837,693	
204	Total			\$621,473	\$1,209,065	\$1,221,093	\$1,212,473	\$4,264,103		\$4,264,103	
205	Extended Term				\$178,200	\$537,273	\$542,619	\$1,258,092	\$545,292	\$1,803,384	
206	Total fractional interest sales revenue, business Cars			\$948,173	\$2,281,532	\$2,661,543	\$2,636,588	\$8,527,835	\$545,292	\$9,073,127	

214	Fractional interest related revenue												
216	Tour sales	Commission/markup	18%			\$900	\$3,780	\$7,020	\$10,260	\$21,960		\$21,960	
218	Goods sales	Commission/markup	40%			\$300	\$1,260	\$2,340	\$3,420	\$7,320		\$7,320	
219	Exclusive events	Per 7 night Journey, average	\$2,000			\$10,000	\$42,000	\$78,000	\$114,000	\$244,000		\$244,000	
220	Exclusive events	Markup	30%			\$3,000	\$12,600	\$23,400	\$34,200	\$73,200		\$73,200	
221	Total fractional interest related revenue					\$4,200	\$17,640	\$32,760	\$47,880	\$102,480		\$102,480	
222	Total fractional interest sales and related revenue					\$952,373	\$2,299,172	\$2,694,303	\$2,684,468	\$8,630,315	\$545,292	\$9,175,607	
223	Train'Share and fractional interest Association management												
228	Total Train'Share management				\$14,950	\$186,755	\$556,340	\$945,500	\$1,334,660	\$3,038,205		\$3,038,205	
233	Total Fractional interest management					\$6,800	\$24,810	\$37,590	\$50,370	\$119,570		\$119,570	
234	Total Train'Share and fractional interest management				\$14,950	\$193,555	\$581,150	\$983,090	\$1,385,030	\$3,157,775		\$3,157,775	
236	Individual (single) Journey sales, standard Cars												
237	Total available 7 night Journey time periods, departure month				96	648	2,164	4,256	5,884	13,048		13,048	
239	Allocated to individual Journeys				85	270	975	2,239	3,039	6,608		6,608	
241	Number of 7 night Journey sales												
242	Discount fare												
243	Occupancy %	Month of departure			95.3%	90.8%	92.4%	91.8%	90.1%	\$1.1%		91.1%	
244	Number	Month sale made			178	353	1,418	2,426	2,457	6,831		6,831	
245		Month of departure			81	245	901	2,056	2,738	6,020		6,020	
246	Promotional fare	Month of departure			4	6	6	6	6	28		28	
247	Reduced fare	Month of departure				19	68	177	295	560		560	
248	Total number of all fare sales	Month of departure			85	270	975	2,239	3,039	6,608		6,608	
249	Cumulative, from Year 1				85	355	1,330	3,569	6,608				
250	Journey fares, per bedroom for 2 passengers, average												
251	Retail	Average, full fare, 2 pax 8 days	\$17,268		\$17,268	\$17,886	\$18,626	\$19,436	\$20,172				
252	Discount % average		28.5%		9.9%	9.9%	9.8%	9.9%	10.0%				
253	Discount fare		\$12,343		\$16,108	\$16,798	\$17,514	\$18,159	\$17,573			\$17,573	
254	Promotional fare, average	% of retail fare	20%		\$3,454	\$3,577	\$3,725	\$3,877	\$4,034	\$3,754		\$3,754	
255	Reduced fare	% of retail fare	40%		\$6,907	\$7,154	\$7,450	\$7,774	\$8,069	\$7,879		\$7,879	
256	Journey sales revenue												
257	Discount fare	Month of departure			\$999,817	\$3,947,993	\$15,130,880	\$36,009,302	\$49,710,588	\$105,798,579		\$105,798,579	
258		Month sale made			\$2,544,695	\$5,810,921	\$24,250,845	\$43,196,010	\$53,900,823	\$129,703,295		\$129,703,295	
259	Promotional fare	Month of departure			\$13,814	\$21,463	\$22,351	\$23,265	\$24,206	\$105,100		\$105,100	
260	Reduced fare	Month of departure				\$135,302	\$509,535	\$1,379,357	\$2,384,570	\$4,408,764		\$4,408,764	
261	Total Journey sales revenue	Month of departure			\$1,013,632	\$4,104,758	\$15,662,766	\$37,411,923	\$52,119,364	\$110,312,443		\$110,312,443	
262	Cumulative, from Year 1				\$1,013,632	\$5,118,390	\$20,781,156	\$58,193,079	\$110,312,443				
263	Journey related revenue												
265	Tour sales	Commission/markup	18%		\$15,300	\$48,600	\$175,500	\$403,020	\$547,020	\$1,189,440		\$1,189,440	
267	Goods sales	Commission/markup	40%		\$5,100	\$16,200	\$58,500	\$134,340	\$182,340	\$396,480		\$396,480	
269	Exclusive events	Markup	30%		\$57,600	\$388,800	\$1,298,400	\$2,553,600	\$3,530,400	\$7,828,800		\$7,828,800	
270	Total Journey related revenue					\$78,000	\$453,600	\$1,532,400	\$3,090,960	\$4,259,760	\$9,414,720		\$9,414,720
271	Total individual Journey sales and related revenue												
272	Month of departure				\$1,091,632	\$4,558,358	\$17,195,166	\$40,502,883	\$56,379,124	\$119,727,163		\$119,727,163	
307	Activity Car services sale												
308	Number of 7 night Journeys						12	72	140	224		224	
309	Revenue, net												
310	Number of passengers in other Cars, same train set						282	1,711	3,375	5,369		5,369	
311	Fare add-on	Minimum per passenger, average	\$200				\$56,427	\$342,284	\$674,989	\$1,073,700		\$1,073,700	
312	Exclusive events	Per 7 night Journey, average	\$2,900				\$34,800	\$208,800	\$406,000	\$649,600		\$649,600	
313	Services	Per passenger, average	\$80				\$22,571	\$136,914	\$269,996	\$429,480		\$429,480	
314	Total activity Car services sale						\$113,797	\$687,998	\$1,350,985	\$2,152,780		\$2,152,780	
316	Total revenue, individual (single) Journeys				\$1,091,632	\$4,558,358	\$17,308,964	\$41,190,882	\$57,730,109	\$121,879,944		\$121,879,944	
317													
318	CAR OPERATING EXPENSES			Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	
319	Standard Cars												
330	Total operations, Cars				\$115,420	\$530,804	\$1,895,382	\$3,728,815	\$5,129,292	\$11,399,714		\$11,399,714	
337	Base maintenance, repairs	Per Car/year	\$114,500.00		\$19,500	\$215,271	\$792,792	\$1,942,688	\$2,982,646	\$5,952,896		\$5,952,896	
351	Total crew				\$210,204	\$886,363	\$3,026,355	\$5,953,498	\$8,189,504	\$18,265,924		\$18,265,924	
359	Total en-route services, support				\$31,144	\$164,502	\$586,040	\$1,156,658	\$1,593,617	\$3,531,961		\$3,531,961	
368	Total layover				\$173,580	\$563,840	\$1,985,320	\$3,901,180	\$5,378,120	\$12,002,040		\$12,002,040	
383	Total passenger services, support				\$97,536	\$658,368	\$2,198,624	\$4,324,096	\$5,978,144	\$13,256,768		\$13,256,768	
384	Total operating expenses	Before Journey Use Fee credits			\$647,385	\$3,019,148	\$10,484,513	\$21,006,934	\$29,251,323	\$64,409,303		\$64,409,303	
385		Journey Use Fee credits, per Train'Share Journey			\$6,744	\$4,659	\$4,845	\$4,936	\$4,971	\$4,936		\$4,936	
386		Total Journey Use Fee credits, departure date			\$73,409	\$1,750,317	\$5,764,451	\$9,956,609	\$14,143,641	\$31,688,427		\$31,688,427	
387	Balance, total operating expense after deducting credits				\$565,476	\$1,268,832	\$4,720,061	\$11,050,325	\$15,107,683	\$32,712,376		\$32,712,376	
388	Business Cars												
399	Total operations, Cars					\$72,983	\$304,625	\$564,696	\$823,698	\$1,766,002		\$1,766,002	
406	Base maintenance, repairs	Per Car/year	\$114,500			\$13,000	\$149,250	\$318,250	\$497,875	\$978,375		\$978,375	
420	Total crew					\$339,908	\$1,432,990	\$2,654,396	\$3,878,801	\$8,306,095		\$8,306,095	
428	Total en-route services, support					\$25,704	\$107,955	\$200,487	\$293,020	\$627,165		\$627,165	
437	Total layovers					\$33,520	\$134,304	\$250,656	\$364,848	\$783,328		\$783,328	
452	Total passenger services, support					\$46,860	\$168,696	\$318,648	\$459,228	\$993,432		\$993,432	
453	Total operating expenses	Before Interval Ownership credits				\$531,974	\$2,297,820	\$4,307,133	\$6,317,470	\$13,454,397		\$13,454,397	
454		Total Interval Ownership credits				\$531,974	\$2,297,820	\$4,307,133	\$6,317,470	\$13,454,397		\$13,454,397	
455	Balance, total operating expense after deducting credits												

456	Activity Cars													
467	Total operations, Cars						\$12,925	\$74,005	\$142,245	\$229,175		\$229,175	0.09%	
473	Total maintenance, repairs	Per Car/year	\$111,000				\$27,750	\$123,000	\$258,500	\$409,250		\$409,250	0.16%	
487	Total crew						\$18,469	\$110,512	\$214,318	\$343,299		\$343,299	0.13%	
495	Total en-route services, support						\$15,422	\$92,533	\$179,925	\$287,879		\$287,879	0.11%	
504	Total layover						\$16,999	\$103,040	\$202,997	\$323,036		\$323,036	0.13%	
505	Total passenger services, support						\$6,048	\$36,288	\$70,560	\$112,896		\$112,896	0.04%	
506	Total operating expenses, activity Cars						\$97,613	\$539,377	\$1,068,544	\$1,705,535		\$1,705,535	0.67%	
507	Operations management		Amount											
508	Train Operations Manager			\$50,000	\$28,000	\$54,000	\$54,000	\$54,000	\$54,000	\$244,000		\$244,000	0.10%	
509			% of total revenue	0.05%	\$522	\$9,052	\$21,550	\$36,053	\$46,741	\$113,917		\$113,917	0.04%	
510			Bonus, % of net operating profit	0.05%	\$39	\$2,218	\$5,869	\$10,006	\$15,690	\$33,822		\$33,822	0.01%	
511	Total			\$50,000	\$28,561	\$65,270	\$81,419	\$100,058	\$116,431	\$391,740		\$391,740	0.15%	
512	Passenger Service Manager				\$27,000	\$51,000	\$60,000	\$60,000	\$60,000	\$258,000		\$258,000	0.10%	
513			% of total revenue	0.05%		\$8,778	\$21,550	\$36,053	\$46,741	\$113,121		\$113,121	0.04%	
514			Bonus, % of net operating profit	0.05%		\$1,572	\$5,560	\$9,615	\$15,204	\$31,951		\$31,951	0.01%	
515	Total					\$57,850	\$87,110	\$105,668	\$121,945	\$372,572		\$372,572	0.15%	
516	Managers, total			\$50,000	\$28,561	\$123,120	\$168,529	\$205,726	\$238,375	\$764,312		\$814,312	0.32%	
517			Employee benefits	21%	\$5,998	\$25,855	\$35,391	\$43,203	\$50,059	\$160,505		\$160,505	0.06%	
518	Total operations management			\$50,000	\$34,559	\$148,976	\$203,920	\$248,929	\$288,434	\$924,817		\$974,817	0.38%	
519	Other Car operations													
520	Car route/itinerary planning, support				\$1,820	\$2,720	\$6,160	\$10,000	\$12,320	\$33,020		\$33,020	0.01%	
521	Amtrak, other railroad coordination				\$1,280	\$1,580	\$2,440	\$3,400	\$3,980	\$12,680		\$12,680	0.00%	
522	Tour development				\$1,300	\$2,200	\$4,000	\$6,400	\$8,250	\$22,150		\$22,150	0.01%	
523	Materials and supplies, general				\$2,700	\$6,000	\$16,800	\$31,200	\$42,300	\$99,000		\$99,000	0.04%	
524	Communications				\$3,000	\$18,500	\$69,000	\$141,000	\$201,000	\$432,500		\$432,500	0.17%	
525	Total other Car operations				\$10,100	\$31,000	\$98,400	\$192,000	\$267,850	\$599,350		\$599,350	0.24%	
532	Total Car Operations, after deducting credits			\$50,000	\$610,135	\$1,448,807	\$5,119,994	\$12,030,631	\$16,732,511	\$35,942,079		\$35,992,079		
533														
534	MARKETING, SALES, RESERVATIONS			Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total		
535	Marketing and sales management													
536	Train/Shares sales %	% Train/Shares sales	0.25%		\$4,964	\$45,586	\$71,927	\$79,874	\$84,535	\$286,887		\$286,887	0.11%	
537	Normal Journey sale %	% of Journey sales	0.25%		\$2,500	\$9,870	\$37,827	\$90,023	\$124,276	\$264,496		\$264,496	0.10%	
538	Base	Per month	\$4,000		\$32,000	\$48,000	\$48,000	\$48,000	\$48,000	\$224,000		\$224,000	0.09%	
539	Total marketing and sales management				\$39,464	\$103,456	\$157,754	\$217,898	\$256,811	\$775,384		\$775,384	0.30%	
540	Marketing and sales promotion													
545	Total marketing and sales promotion			\$41,350	\$62,991	\$139,739	\$251,742	\$368,531	\$461,965	\$1,284,968		\$1,326,318		
556	Commissions and overrides													
557	Train/Shares													
558	Agents - % of sales, % commission	75%	50%		\$692,114	\$6,720,593	\$9,593,760	\$10,161,240	\$10,754,134	\$37,921,841		\$37,921,841	14.88%	
559	Direct - % of sales, % commission	25%	15%		\$74,463	\$718,996	\$1,437,508	\$1,744,093	\$1,845,859	\$5,820,919		\$5,820,919	2.28%	
560	Fractional interests													
561	Agents - % of sales, % commission	55%	20%			\$98,827	\$231,312	\$233,615	\$235,918	\$799,672		\$799,672	0.31%	
562	Direct - % of sales, % commission	45%	5%			\$46,202	\$125,536	\$126,787	\$128,038	\$426,563		\$426,563	0.17%	
563	Individual Journeys	80%	18%			\$179,967	\$710,639	\$2,723,558	\$6,481,674	\$8,947,906	\$19,043,744		\$19,043,744	7.47%
564	Total sales commissions and overrides				\$946,544	\$8,295,256	\$14,111,674	\$18,747,409	\$21,911,855	\$64,012,738		\$64,012,738		
565	Reservations, excludes fixed personnel and Journey fees				\$5,440	\$21,840	\$61,200	\$100,800	\$127,680	\$316,960		\$316,960	0.12%	
569	Total reservations, excluded fixed personnel, includes fees				\$6,200	\$30,280	\$90,160	\$150,640	\$196,220	\$473,500		\$473,500		
570	Total Marketing, Sales and Reservations			\$41,350	\$1,055,199	\$8,568,732	\$14,611,330	\$19,484,478	\$22,826,851	\$66,546,590		\$66,587,940	26.12%	
571														
572	GENERAL AND ADMINISTRATION			Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total		
573	General business													
590	Total general business			\$409,287	\$28,848	\$55,422	\$156,202	\$233,749	\$297,677	\$771,899		\$1,181,186	0.46%	
591	Personnel, administration													
592	General Manager (CEO)			\$278,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$360,000		\$638,000	0.25%	
593			% of total revenue	0.20%	\$1,475	\$32,094	\$81,335	\$139,947	\$184,345	\$439,194		\$439,194	0.17%	
594			Bonus, % of net EBITDA income	0.20%		\$8,249	\$22,353	\$38,381	\$60,738	\$129,721		\$129,721	0.05%	
595	General Manager (CEO), total			\$278,000	\$73,475	\$112,343	\$175,687	\$250,328	\$317,083	\$928,916		\$1,206,916	0.47%	
596	Administrative/Financial Manager (CFO)				\$40,000	\$60,000	\$60,000	\$60,000	\$60,000	\$280,000		\$280,000	0.11%	
597			% of total revenue	0.17%	\$691	\$27,280	\$69,134	\$118,955	\$156,693	\$372,753		\$372,753	0.15%	
598			Bonus, % of net EBITDA income	0.18%		\$6,948	\$20,015	\$34,615	\$54,735	\$116,313		\$116,313	0.05%	
599	Administrative/Financial Manager (CFO), total				\$16,254	\$94,228	\$149,149	\$213,570	\$271,428	\$744,628		\$744,628	0.29%	
600	Office staff, including fixed reservation				\$35,400	\$97,200	\$172,800	\$216,000	\$216,000	\$737,400		\$737,400	0.29%	
601			Office, crew bonus	% of net EBITDA income	0.20%		\$8,249	\$22,353	\$38,381	\$60,738	\$129,721		\$129,721	0.05%
602			Employee benefits	21%	\$24,807	\$65,524	\$109,198	\$150,839	\$181,702	\$532,070		\$532,070	0.21%	
603	Total personnel, administrative			\$278,000	\$149,935	\$377,544	\$629,187	\$869,118	\$1,046,951	\$3,072,735		\$3,350,735	1.31%	
604	Total General and Administration				\$178,784	\$432,966	\$785,389	\$1,102,867	\$1,344,628	\$3,844,633		\$3,844,633	1.51%	

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606	RESERVE, SUPPLEMENTAL	Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	
	% of total revenue Variable		13.5%	30.0%	30.0%	25.9%	18.8%	24.2%			
608	% of total revenue		\$420,993	\$7,306,937	\$15,027,429	\$20,376,617	\$18,458,400	\$61,590,376		\$61,590,376	24.16%
609	% of total expenses, after Journey use fee credits 25%		\$130,042	\$335,287	\$1,149,990	\$2,868,868	\$4,102,840	\$8,587,028		\$8,587,028	3.37%
610	Total Reserve, Supplemental		\$551,035	\$7,642,225	\$16,177,419	\$23,245,485	\$22,561,240	\$70,177,404		\$70,177,404	27.53%
611											
612	REVENUE AND EXPENSE SUMMARY	Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	
613	Revenue										
614	Train/Share and related sales		\$2,003,559	\$18,652,172	\$29,902,143	\$33,776,529	\$36,336,274	\$120,670,677		\$120,670,677	47.34%
615	Fractional interest and related sales			\$952,373	\$2,299,172	\$2,694,303	\$2,684,468	\$8,630,315	\$545,292	\$9,175,607	3.60%
616	Train/Share and fractional interest Association management		\$14,950	\$193,555	\$581,150	\$983,090	\$1,385,030	\$3,157,775		\$3,157,775	1.24%
617	Individual (single) Journey and related sales Standard Cars		\$1,091,632	\$4,558,358	\$17,195,166	\$40,502,883	\$56,379,124	\$119,727,163		\$119,727,163	46.97%
618	Business Cars										
619	Activity Cars				\$113,797	\$687,998	\$1,350,985	\$2,152,780		\$2,152,780	0.84%
620	Total Revenue		\$3,110,141	\$24,356,458	\$50,091,429	\$78,644,804	\$98,135,880	\$254,338,711	\$545,292	\$254,884,003	100%
621	Expense										
622	Car Operating Expenses										
623	Standard Cars, after Train/Share Journey Use Fee credits		\$565,476	\$1,268,832	\$4,720,061	\$11,050,325	\$15,107,683	\$32,712,376		\$32,712,376	12.83%
624	Business Cars, after Interval Ownership credits										
625	Activity Cars				\$97,613	\$539,377	\$1,068,544	\$1,705,535		\$1,705,535	0.67%
626	Operations management	\$50,000	\$34,559	\$148,976	\$203,920	\$248,929	\$288,434	\$924,817		\$974,817	
627	Other Car operations		\$10,100	\$31,000	\$98,400	\$192,000	\$267,850	\$599,350		\$599,350	0.24%
628	Total Car operating expenses, after credits	\$50,000	\$610,135	\$1,448,807	\$5,119,994	\$12,030,631	\$16,732,511	\$35,942,079		\$35,992,079	14.12%
629	Marketing, sales, reservations										
630	Marketing and sales management		\$39,464	\$103,456	\$157,754	\$217,898	\$256,811	\$775,384		\$775,384	0.30%
631	Marketing and sales promotion	\$41,350	\$62,991	\$139,739	\$251,742	\$368,531	\$461,965	\$1,284,968		\$1,326,318	0.52%
632	Commissions and overrides		\$946,544	\$8,295,256	\$14,111,674	\$18,747,409	\$21,911,855	\$64,012,738		\$64,012,738	25.11%
633	Reservations, excluding fixed personnel costs		\$6,200	\$30,280	\$90,160	\$150,640	\$196,220	\$473,500		\$473,500	0.19%
634	Total marketing, sales, reservations	\$41,350	\$1,055,199	\$8,568,732	\$14,611,330	\$19,484,478	\$22,826,851	\$66,546,590		\$66,587,940	26.12%
635	General and Administration										
636	General business	\$409,287	\$28,848	\$55,422	\$156,202	\$233,749	\$297,677	\$771,899		\$1,181,186	0.46%
637	Personnel administration	\$278,000	\$149,935	\$377,544	\$629,187	\$869,118	\$1,046,951	\$3,072,735		\$3,350,735	1.31%
638	Total General and Administration	\$687,287	\$178,784	\$432,966	\$785,389	\$1,102,867	\$1,344,628	\$3,844,633		\$4,531,920	1.78%
639	Total reserve, supplemental		\$551,035	\$7,642,225	\$16,177,419	\$23,245,485	\$22,561,240	\$70,177,404		\$70,177,404	27.53%
640	Total Expenses	\$778,637	\$2,395,153	\$18,092,729	\$36,694,132	\$55,863,461	\$63,465,231	\$176,510,706		\$177,289,343	69.56%
642	OPERATING PROFIT, CASH POSITION	Pre Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total	Accrued	Total	
643	EBITDA										
644	Revenue, total		\$3,110,141	\$24,356,458	\$50,091,429	\$78,644,804	\$98,135,880	\$254,338,711	\$545,292	\$254,884,003	100%
645	Expenses, total	\$778,637	\$2,395,153	\$18,092,729	\$36,694,132	\$55,863,461	\$63,465,231	\$176,510,706		\$177,289,343	69.56%
646	EBITDA From Year 1		\$714,988	\$6,263,729	\$13,397,296	\$22,781,343	\$34,670,649	\$77,828,005	\$545,292	\$78,373,297	30.75%
647	Cumulative, from Year 1		\$714,988	\$6,978,717	\$20,376,013	\$43,157,356	\$77,828,005		\$78,373,297		
649	Cash surplus/deficit after capital costs, Cars & infrastructure										
650	Net cash from revenue, EBITDA From Year 1		\$714,988	\$6,263,729	\$13,397,296	\$22,781,343	\$34,670,649	\$77,828,005	\$545,292	\$78,373,297	30.75%
651	Total capital costs, Cars and infrastructure From Year 1		\$1,316,500	\$5,086,500	\$10,290,000	\$12,390,000	\$3,070,000	\$32,153,000		\$32,153,000	12.61%
652	Cash surplus/deficit From Year 1		-\$601,512	\$1,177,229	\$3,107,296	\$10,391,343	\$31,600,649	\$45,675,005	\$545,292	\$46,220,297	18.13%
653	Cumulative, from Year 1		-\$601,512	\$575,717	\$3,683,013	\$14,074,356	\$45,675,005		\$46,220,297		
654	Capitalization, funding										
655	Equipment refinancing, payoff		\$440,000	-\$440,000							
656	Equity Existing management/shareholders		\$30,000					\$30,000		\$30,000	
657	New		\$212,000					\$212,000		\$212,000	
658	Total capital, funding		\$682,000	-\$440,000				\$242,000		\$242,000	
659	Cash surplus/deficit		\$80,488	\$737,229	\$3,107,296	\$10,391,343	\$31,600,649	\$45,917,005	\$545,292	\$46,462,297	
660	Cumulative, from Year 1		\$80,488	\$817,717	\$3,925,013	\$14,316,356	\$45,917,005		\$46,462,297		