

America's Trains Inc. (ATs) - Term Sheet

TERMS AND CONDITIONS OF CLASS B COMMON SHARE OFFERING

This Term Sheet provides a summary of the principal terms with respect to the Class B common share offering (“Offering”) by America's Trains Inc., a Wyoming corporation (“ATs”). Except for the section entitled “Binding Terms,” this summary of terms is not legally binding. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

Security description:	Class B common voting shares (“Class B shares”).
Total Class B Shares:	Up to 369,048 Class B shares will be sold.
Aggregate Proceeds:	\$285,714
Price per Share:	The price per Class B share is \$0.70 with an early-bird bonus that discounts the price to \$0.60 until a total investment of \$50,000 occurs.
Class A Share Bonus:	Until a total investment of \$20,000 occurs, investors also receive one Class A share from original ATs principals for each Class B share purchased.
Purchasers:	Accredited and non accredited investors.
Use of Funds:	Proceeds will be used for rail car acquisition and improvements, related management and support, Wefunder fees and funding costs.
Minimum Funding:	The minimum fund raise is \$20,000.00.
Maximum Funding:	A present maximum of 369,046 Class B shares are offered to raise \$249,998.80. Up to an additional \$750,000 may be raised by selling more Class B shares at a price of \$0.80 or more, with benefits to be determined, depending on evolving factors that may include, but not be limited to, (1) increased demand for Journeys by Rail and a need to expedite the introduction of additional rail cars, (2) capital source variables including availability of economical commercial equipment (car) financing, (3) the extent of positive cash flow, and (4) otherwise.
Capitalization:	To date, there are 1,238,540 paid issued Class A common voting shares (“Class A shares”). There is an additional 340,000 unpaid Class A share options for and to incentivize management and reward shareholders that contribute valuable business benefits, at not less than \$0.50 per share. There will be a total of 1,578,540 issued Class A shares when all Class A shares are issued.
Pre funding valuation:	The pre funding valuation of ATs is \$957,000.
Post funding valuation:	The ATs post funding valuation if 285,712 Class B shares are issued will be \$1,207,000.
Board of Directors:	The board of directors consists of up to five directors.
Class B Share Rights:	<p><u>Dividends:</u> Class A and Class B shares earn equal dividends.</p> <p><u>Voting:</u> Class A and Class B shares have equal voting rights, one vote per share. Class B voting rights are proxied to a moderator.</p> <p><u>ATs stock buyback:</u> 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 buy back 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 the cash amount of Class B share dividends paid to such shareholder to date and less the cash value of used vacation Credits, payable by ATs within 60 days after receipt of the Notice. Payment will be made from net earnings or other sources as determined by ATs. Failure to give such Notice as stated terminates all related rights.</p> <p><u>Reimbursement of investment:</u> 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”) and they keep their shares. This amount shall be credited towards payment of future dividends and is not repayable if such future dividends do not occur.</p> <p><u>Anti-dilution:</u> To avoid dilution of the percent 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 the Company by purchasing an additional proportionate number of shares of any future stock issue.</p>

Vacation Bonus: Investors purchasing the first 83,334 Class B shares 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 entity selected by ATs. 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, up to 100% for an investment of \$15,001 or more (you get the stock and the vacation(s); one of them is free). 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. See the following chart for Credit amounts.

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+

Journey by Rail vacation use: All Class A and Class B shareholders can purchase Journeys by Rail that might come available within 14 days of departure because of cancellations or otherwise, at a price equal to 35% of the price of the Journey on a first come first serve basis. Available Journey details are published on the shareholder page of ATs’ web site. There is no guarantee that such Journeys will be available. Vacation Credits can not be used for payment.

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.

See shareholder <https://americantrainvacations.com/atv/documents/benefitprocedures> for Class B share rights and benefit details.