Response to the December 8, 2017 RFP
Proposal for Operator of Rail Service
Offered by the Santa Cruz County Regional Transportation Commission (SCCRTC)

Railmark Holdings, Inc.
www.railmark.com
And its Operating Subsidiaries
YREKA RAILROAD COMPANY
www.rail-road.com
and
TRAIN TRAVEL, INC
www.RideOurTrains.com

January 4, 2018
January 4, 2018

Mr. Luis Pavel Mendez, Deputy Director  
Members of the SCCRTC Commission  
1523 Pacific Avenue  
Santa Cruz, CA  95060-3911

Via email delivery: lmendez@sccrtc.org

RE: RAILMARK’S RESPONSE TO THE REQUEST FOR PROPOSALS

To Mr. Mendez and Members of the SCCRTC Commission:

Railmark is delighted to again have the opportunity to submit its response and plan to become your operator. Since first submitting our response back in 2012, Railmark has remained interested in this opportunity. A year ago we established a California rail footprint with the acquisition of one of the state’s heritage railroads, the Yreka Railroad Company (YW). The YW is a 1933 California heritage railroad that does business as the Treka Western Railroaad Company. The YW is an existing common carrier railroad and Railmark will be using the YW as the operating entity for our Santa Cruz proposal. Being a California railroad since 1933, the YW has a deep history with the CPUC and FRA. Railmark plans to use its 33-year old Train Travel, Inc. subsidiary for the recreational part of its Santa Cruz business plan. Since 1984 Train Travel has provided recreational and excursion train experiences to over three million guests.

Railmark’s present team and structure can take over the operation within the time lines desired by SCCRTC and Railmark has a strong operating plan that will increase tourism and ridership, increase non-tourist railroad revenues and increase employment. Railmark’s plan works with all of the local tourist venues and attractions to combine the strengths as a tourist destination with the goal in mind of repeat ridership and repeat visits.

Railmark has experience operating a predominately tourist railroad with limited freight revenues. Railmark has developed its own year round train theme programming in order to raise ridership outside of the months of October and December. Railmark has demonstrated that its trains will attract people from all ages and backgrounds and keeps its guests coming back through our own customer loyalty program “RailPerks”, which we have developed (www.railperks.com). Railmark has immediate web and social media resources available for this project with our www.RideOurTrains.com website and @RideOurTrains Twitter accounts.
Railmark has been in the market looking for a new tourist train operation and we would like to be your operator. Unlike the corporate goals of Iowa Pacific, Railmark is not looking to operate tourist trains all over the U.S., rather, we want to operate and focus our attention on one tourist rail operation, the SCCRTC’s Santa Cruz Rail Line.

Railmark’s plan for the Santa Cruz rail line provides better use of the resource which will translate into jobs and positive economic activity. Railmark’s Plan focuses on the overall customer experience which we believe is the key to repeat business. Through its rail excursions and programs, Railmark seeks to provide lasting, memorable experiences to our customers.

We understand that you are on a short time frame and Railmark is ready and able to work with you to turn this around. I have some concerns regarding the Iowa Pacific transition out, but I am sure you can provide the answers or work with us on a plan.

The remainder of this response follows the outline provided in the RFP and we invite you to visit our site www.railmark.com. Regarding the complete history of our Train Travel, Inc. subsidiary and the unique tourist train programming that we have developed over the years, please refer to the “About Us” section of www.RideOurTrains.com.

I would appreciate hearing from you and will be available day or night for an interview. I would like to be able to directly answer any question that you would have. My contact information is listed below and Railmark has a conference call line we could use as well.

Thank you for the opportunity to submit a response to your Request For Proposals for the Operator of the SCCRTC Rail Service. Railmark’s Plan will positively add to the area’s economy in both passengers and freight, creating economic value and jobs. I look forward to hearing from you.

Respectfully,

B. Allen Brown
B. Allen Brown
Chairman & CEO
Railmark Holdings and Subsidiaries
January 4, 2018

(248) 860-7219, Office
(888) 998-RAIL, Fax (7245)
(309) 370-5160, Cell
www.railmark.com
www.RideOurTrains.com
PROPOSAL FOR OPERATOR OF RAIL SERVICE
SCCRTC’s Santa Cruz Branch Rail Line
January 4, 2018

(1.) Transmittal Letter

   a) B. Allen Brown II, President & CEO of Railmark and its Subsidiaries, which includes the Yreka Railroad Company and Train Travel, Inc

   b) Location of Principal Office

       Railmark Holdings, Inc.
       Corporate Office
       P. O. Box 1185
       Madisonville, KY  42431

       Railmark is closing on a new corporate office building in Evansville Indiana on January 20, 2018 and will be announcing its move from Michigan to Indiana. Railmark still maintains a presence in Michigan with Railmark Rail Services Inc. and Railmark Track Works Inc.

       The Yreka Railroad Company is located in its owned facility at:
       300 East Miner Street; Yreka California  96097

       Railmark will have a complete and publicly accessible presence in Santa Cruz for this operation.

   c) Railmark does not plan on using any outside subcontractors with its Santa Cruz business plan.

   d) B. Allen Brown, President & CEO  abrown@railmark.com
      (248) 860-7219 or (309) 370-5160 for Voice; (888) 998-7245 for Fax

(2.) Organizational Chart

   ➢ B. Allen Brown, President & CEO
   ➢ Court Hammond. Railmark Western Region Manager
   ➢ Bruce Richardson, Passenger Train Marketing & Sales
   ➢ George McMahon, Maintenance
   ➢ To Be Determined – Local General manager
   ➢ Nathaniel Hardwick, Accounting Manager
   ➢ To Be Determined – Local Staff / Customer Service
   ➢ Robert Lenderman – Vice President – Sales & Marketing
   ➢ To Be Determined – Freight & Rail Services Marketing
(3.) **Demonstrated Ability & Safety Record**

Railmark’s demonstrated ability and safety record is derived from years of actual experience in the railroad industry. Railmark’s principal, Mr. Brown, has been in the industry for 31 years. Railmark, itself, is a twenty-year old company. In 2006 Railmark acquired Train Travel, Inc. and its predecessor Trains Unlimited LLC. Train Travel Inc. is a 33-year old company who created the first modern day dinner train in North America and has carried over three million passengers to date safely. In 2015 Railmark ran a contract scheduled passenger train in Canada successfully with a 297-mile route. Yreka Railroad Company was acquired in December 2016 and it is a California heritage railroad formed and in continuous operation since 1933. In a couple of weeks Railmark will be filing with the U.S. Surface Transportation Board (STB) the acquisition of a terminal railroad in the east. In Railmark’s freight and passenger operations we have never had a reportable injury. Since acquiring the Yreka Railroad Company, Railmark has already established contacts and dialog with the state’s FRA representatives and the CPUC, both of whom has had a long-term experience with the Yreka Railroad Company. One of Railmark’s consultants that would be available for this project is a retired FRA administrator. Railmark has never had a passenger injury claim. The safety of our passengers entering and departing the train has always been a paramount concern and focus and the Company has developed certain procedures to ensure top safety in this regard.

Railmark will also exceed expectations without use of our own line of bio-based rail curve and switch lubricants and other steps we will take to reduce the environmental impact of its rail operations.

(4.) **Mobilization Plan**

If awarded, Railmark would have an immediate team available for the project and would immediately work to hire local staff. Integration and coordination with other tourist attraction operators and venues is an important part of Railmark’s plan so we would have teams out to visit representatives of these. Railmark’s plan calls for not only increasing tourism for its own events and trains, but to create repeat business. In addition to our own customer communications strategies, we want to create and offer packages so that our customers would have a variety of reasons to visit Santa Cruz again.

All of our web-based and social media tools are in place and our teams would immediately produce schedules and events to begin marketing. Railmark will send equipment to Santa Cruz to operate its rail excursion schedules.

On the freight side we will immediately visit with the online freight customers and maintain constant communications with them until the date we can legally begin operations. Railmark has the structure and ability to offer these freight customers more than the previous operator, making it easier to do business with rail. Railmark will send its track inspector to the property prior to the STB award and make the determinations of materials, equipment and tasks needed when Railmark receives operational control from the STB.
Railmark will send its FRA consultant to the property prior to the STB award to make a full determination of programs and compliance that needs to be addressed, with the goal of having this all of this in place when operational control is awarded by the STB.

If awarded, Railmark’s “GO TEAM” would consist of:

- **B. Allen Brown II, CEO** – Mr. Brown’s expanded profile is on [www.railmark.com](http://www.railmark.com) and his resume is being provided as an attachment. Mr. Brown would basically stay there until the operation was up and running smoothly and Railmark’s Business Plan, both passenger and freight, has been implemented. Mr. Brown would hire and train, hopefully with experienced former employees, and create a dynamic organization structure. Eventually a General Manager for this operation will be named who will continue to report to Mr. Brown and Mr. Hammond.

- **Court Hammond, Chief Operations Officer** - In addition to a long career in the railroad industry, Mr. Hammond also has 18 years direct experience with retail train excursions, including steam locomotives, in the areas of operations, mechanical, FRA compliance and preservation. Mr. Hammond is available for extended stay in Santa Cruz until Railmark could ensure that the operating and mechanical functions are staffed and operating normally and then would be providing ongoing oversight to the operation through “to be designated” local operations and mechanical supervisors.

- **George McMahan, Roadmaster** – Mr. McMahan runs Railmark’s new Houston Area Rail Service Center. Mr. McMahan is also available for extended stay until this operation is operating correctly. As a part of Railmark’s overall plan for the Santa Cruz railroad operation, we would be transferring as much as possible of our new rail service business in the State of California to this operation in order to assist with providing additional non-tourist revenues. On an ongoing basis, Mr. McMahan will be overseeing the track construction & maintenance and track inspections.

- **Additional Marketing, Administrative and Operations Personnel.** Railmark would be hiring and training locally sourced employees in the areas of customer service, onboard personnel, marketing and business development. They would be supported by Railmark’s corporate office staff and regional staff.

- **FRA Compliance** - One of Railmark’s consultants is a long time Federal Railroad Administration (FRA) division manager from the State of California. If awarded this project, Railmark would have this gentleman come in to ensure an immediate and complete compliance with all FRA regulations prior to STB approval.

Railmark has the immediate management oversight and immediate FRA compliance capabilities to quickly take over the Santa Cruz rail line in a professional manner. This operation would be an “operating division” of the Yreka Railroad Company, an existing 1933 California shortline railroad operation with the retail train promotions being conducted by 33-year old Train Travel, Inc.
Railmark Presence in Santa Cruz:

Railmark will operate the Santa Cruz rail line using two entities:

1. Yreka Railroad Company – Santa Cruz Division; and
2. Santa Cruz Senic Railway, by Train Travel, Inc.

Railmark will establish its freight and maintenance operations in Watsonville and establish its ticketing and passenger operations office in a prominent and visible location in Santa Cruz. Railmark has existing California-based customers and other customers which it will offer its railcar services, transloading services and track construction & maintenance services using Watsonville as its operational headquarters. Railmark is not interested in railcar storage, unless it is short term and is related to a repair project that has been awarded to the Company. Railmark will seek to clear the line of indefinite railcars for storage.

The Yreka Railroad Company is a current interchange partner with the Union Pacific Railroad and has maintained a good relationship for decades. Railmark is planning to explore with them some use of their tracks on the northern end of the line for additional retail train offerings.

Within days of the award, Railmark will update its websites and launch new ones to jumpstart both its freight and passenger marketing on the line.

(5.) Service Plan

➢ Rolling Stock & Equipment

It is Railmark’s plan to maintain three (3) locomotives on the line and all of the necessary passenger equipment for its planned operations. Initially Railmark will have coach and excursion related railcars and will eventually locate a full dinner train in Santa Cruz. Railmark anticipates a snack/lounge car, 4 coaches and a premium car. This is to be used in its themed excursions throughout the year. Eventually Railmark will add a dinner train consisting of a power car, kitchen car, four (4) dining cars and a premium car/lounge car. This is a configuration that we have had great success with in the past. Railmark is also exploring the re-launch of its Pullman Palace Bed & Breakfast concept which would require an additional 4 sleeping cars and another dining/lounge car.

Both Railmark’s excursion train and dinner train equipment will each have a targeted capacity of 250 passengers.

Railmark is also wanting to explore with the SCCRTC new concepts in rail eco-tourism and the rail pedal cars as shown in the photo on the next page.
➢ Needs of the Communities

Railmark will be a good steward of the rail line and will make sure that it is presented and maintained professionally. Railmark will make it a point to have a direct relationship with all business leaders. Given its years in the railroad business, Railmark has already conformed its operations around sensitive community needs and concerns. Railmark’s operations will use environmentally safe products and go above and beyond the law for railroad operations.

➢ Optimal Service to Freight Customers

FREIGHT: Railmark will base its engine tie up facility and maintenance operations in Watsonville. Since rail freight service delivery is essential to growing the freight business, Railmark will provide service commensurate with the shipper’s needs. Service will be offered five days per week and on weekends if needed. Having a regular passenger train schedule also ensures that Railmark can keep its promises. As we have done in the past, all train crews will be cross trained for both the freight and passenger operations so that a freight job can be performed, before or after a regular scheduled passenger train. Since a regular passenger train excursion will be two hours in duration and dinner train excursions three hours in duration, and the hours of service rules allow for twelve hours of allowed train operations, nothing would be compromised. Additionally, this arrangement will be more acceptable to the train crews as it allows them to accumulate more work hours and have full time employment as opposed to part time employment or short days with a passenger-only scheduled work.

Aggressive marketing from both Railmark’s corporate office and the railroad’s local personnel will occur immediately after an award of the line. Railmark has established national accounts in its transload and track construction business that will be targeted to bring business to the Santa Cruz line.
Service to freight customers is not just the physical placement and delivery of railcars. It covers support services such as assisting with rates, loading or unloading assistance, tracking and tracing, inventory management and other rail logistical services. Railmark has twenty years of experience in this area and its principal a total of thirty-one years.

Railmark’s non-passenger revenues will also consist of railcar repairs (both passenger and freight), rail transloading/rail logistics, and track maintenance. These additional revenue activities will provide Railmark’s Santa Cruz operation with the need to hire and train local employees.

➢ Recreational Train Service Offerings

PASSENGER: Within thirty (30) days of an award, Railmark will establish its Ticketing & Passenger Office in Santa Cruz and will immediately begin its marketing to its vast network of US and international tour groups. Railmark plans to offer:

- Year Around, Themed Excursion Trains
- Professional annual Christmas Trains using both Railmark’s themes and the widely popular and successful Polar Express program.
- Group and Individual Travel Packages which include stops and visits to the area’s tourist venues, hotels and restaurants
- Rail Eco-Tourism Events
- Full Service Dinner Train
- Overnight Pullman Sleeping Experiences (stationary equipment)

All Railmark trains will contain an entertainment component and a theme or educational focus. Railmark’s Train Travel, Inc. will operate and brand these excursion trains under the banner “SANTA CRUZ SCENIC RAILWAY” and offer such trains as the “Santa Cruz Express”, “Teddy Bear Picnic Train”, “Easter Bunny Express”, “Hobo Halloween Express”, “Moonlight Ghost Train”, and “Santa Express” to name a few. Each of our family oriented excursion trains offers an interactive commissary car with snacks and drinks and our trademark interactive family game we call “Quest for the Golden Spike”. For more information on Railmark’s branded trains through its Train Travel, Inc. subsidiary, visit www.RideOurTrains.com and view the history and “About Us” pages.

It is Railmark’s plan to be offering its full dinner train operations within nine to twelve months of the award. Railmark will use its branded Star Clipper logo and refer to the train as the “SANTA CRUZ STAR CLIPPER” dinner train. With this train we will offer entertainment and themed lunch and dinner trains where the food is prepared fresh onboard by a chef and his staff. Quality and ambiance will be unmatched. After 28 years in the dinner train business Railmark and its team knows what its passengers want in their dinner train experience. Railmark’s dinner train schedule will offer something that will interest people of all ages. Railmark’s lunch trains and its programming offer great experiences with senior bus and tour groups. Railmark will coordinate other activities with local tourist venues and businesses to provide the tour group with a package of events in the Santa Cruz area with the dinner train experience being the centerpiece.
At least once per month Railmark will offer one of its famous children’s themed breakfast or lunch trains, such as “Lunch with Dora & Diego”, “Princess Lunch Train”, “Green Eggs & Ham Breakfast Train”, “Lunch with Tigger & Pooh”, “Lunch with Farmer McGregor & Friends”, “Breakfast with the Easter Bunny” and “Breakfast with Santa”. The evening dinner trains offer the passengers an entertainment selection between a theatrical show or a musical show. Headlining the theatrical shows are our famous murder mystery shows, such as our named show, “Murder on the Star Clipper”. To win back repeat business we offer other similar shows like “Murder Madness”, “Who Shot the Sherriff” and a holiday version of our murder mystery shows called “Holiday Madness”. Our musical shows include “MOWTOWN on the Star Clipper”, “Broadway on the Star Clipper”, “The SAXMAN” and others. We have offered more musical shows than we can list, such as country & western musical shows, oldies, impressionists, gospel and more. By offering such a variety of shows, changing the chef prepared meals quarterly, and connecting with our customer base with social media and our own e-newsletter and rewards program, we foster repeat business at a high rate. On Sunday afternoons we offer the “Sunday Family Luncheon”, where we cater to families wishing to celebrate an event together. The departure time allows for families to attend church prior to or after the two-hour train ride. These trains attract multiple generations and we find that many family reunions and celebrations occur on these trains. Popular entertainment for this train is laid back jazz and Mother’s Day and Father’s Day are sold out trains to the point that we will run two different runs each day.

Over the years the Star Clipper has created signature cocktails, appetizers, entrees and desserts. There are other specialty trains such as our annual New Year’s Eve Celebration Trains.

The Santa Cruz line will provide the opportunity to run many different types of special event trains and trains covering the entire line. Railmark looks forward to designing train programs for these events. At certain holiday times of the year Railmark plans to originate trains in Watsonville.

Within twelve months of the award Railmark will be offering its “PULLMAN PALACE BED & BREAKFAST” train experience. Railmark has mastered this concept and our unique overnight experiences have grown extremely popular. They basically consist of providing parked sleeping cars with a lounge so that our guests can also experience overnight accommodations on an actual sleeping car. They board three hours before train departure and include a variety of interactive railroad experiences and activities before and after the train ride. In the morning the passengers awake to a full railroad-style breakfast, also cooked fresh on the train.

Santa Cruz County will not find another operator that is as knowledgeable and experienced with recreational train operations as Railmark. Railmark provides attention to detail, presentation and customer satisfaction. Railmark anticipates achieving a level of 50,000 passengers in its third year of operation.
➢ **Return to Service**

Barring any unforeseen natural disaster, Railmark does not see a problem with returning the line to service in the event of a derailment. Ample materials and personnel will be maintained to address this situation in the event that it occurs. Most derailments can be prevented with good training, good ground communications and good advance track inspections, all of which Railmark has demonstrated a proficiency with.

➢ **Trackage Rights – Big Trees & Pacific Railway Co.**

Certainly Railmark will comply with any existing trackage rights agreement with the Big Trees & Pacific. Hopefully that agreement calls for some financial consideration for the use of the line if Railmark is to maintain it. Since the Big Trees is a local attraction and Railmark has already underscored our commitment to working with all local attractions in the creation of tourist packages, Railmark would like to state that if selected that it would seek ways to work with the Big Trees & Pacific in a mutually beneficial way. There will also be FRA regulations governing this arrangement as well.

➢ **Ability to Operate Passenger Train Service**

With the corporate history of Train Travel, Inc., scheduled passenger train service in Canada, and the operation of both scheduled passenger trains and excursion trains in California by the Yreka Railroad Company, Railmark feels that it has the demonstrated ability to operate this service. Train Travel, Inc. alone has handled over three million passengers in its corporate history.

As stated above, Railmark will not only work with the Big Trees & Pacific Railway Co. on the area where there are trackage rights in place, but will work with them to seek out ways to support their operation in the overall mix of Santa Cruz tourist venues in which to develop effective tourist packages.

Railmark has already stated its commitment to Rail Eco-Tourism and has programs to implement immediately on the Santa Cruz Rail Line.

Railmark is not opposed to the sharing of the rail right of way with a pedestrian trail but would want to be included in all planning for the sake of public safety.

(6.) **Maintenance Plan**

After the award and prior to STB approval, Railmark will send a team of track inspectors and its FRA consultant to the property for a complete and through inspection and for the creation of all FRA programs and determination of a Maintenance Plan. Railmark will follow all FRA guidelines and rules and will use environmentally safe rail products where possible. Railmark offers and sells these products to the public. As stated earlier, the location of Railmark’s maintenance facility and rolling stock is anticipated to be in Watsonville California.
(7.) **Railmark’s Financial Plan**

In May 2017 Railmark was awarded a large, multi-year international rail development contract. As a result, Railmark sold 49% of its stock to a large infrastructure development fund who injected $25M into the Company for use with expanding its domestic rail support services and other acquisitions. Some of these announcements will be made before this project would start. In addition to the initial capital injection, Railmark has gained access to and ongoing funding source.

Railmark’s Santa Cruz project will be funded with internal cash.

A long-time Railmark Board Member, Louis Schillinger, owns United Shortline Railroad Insurance Agency, a 21+ year old insurance company that specifically caters to the railroad industry. With Lou’s assistance, Railmark always has the correct and appropriate insurance coverage for all of the Company’s projects. To read more about Lou, please visit Railmark’s website:

http://www.railmark.com/about-us.php

It is anticipated that Railmark will deploy $6,350,000 in capital, mostly rail equipment, to this project over a five-year term.

A projected five-year financial plan follows Railmark’s 12/31/17 financial statement, although unaudited at this point so early in 2018.
### Balance Sheet As Of December 31, 2017, Unaudited & DRAFT

**January 4, 2018**

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RAILMARK SANTA CRUZ FINANCIAL PLAN

Five Year Financial Forecast, In 000's (Except Carloads)
January 4, 2018

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<tr>
<th>Forecast</th>
<th>YEAR 1</th>
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**Freight & Service Rev**

- Online Freight: $350, $450, $600, $750, $900
- Transloading: $50, $125, $200, $250, $300
- Railcar Repair: $150, $225, $300, $350, $400
- Track Construction & Maint.: $500, $750, $1,000, $1,250, $1,500

**TOTAL Freight Rev:** $1,050, $1,550, $2,100, $2,600, $3,100

**Passenger Revenues**

- Excursion Revenue: $500, $950, $1,250, $1,500, $1,750
- Dinner Train Revenue: $0, $950, $1,350, $1,500, $1,850
- Eco-Tourism: $50, $150, $250, $350, $500
- Pullman B&B: $0, $150, $250, $350, $500
- Gift Shop Sales: $300, $450, $600, $750, $900

**TOTAL Passenger Rev:** $850, $2,650, $3,700, $4,450, $5,500

**TOTAL REVENUES**

$1,900, $4,200, $5,800, $7,050, $8,600

Less COGS

- $1,235, $2,730, $3,770, $4,583, $5,590

Less Admin

- $266, $588, $812, $987, $1,204

Less Depreciation

- $190, $420, $580, $705, $860

**Net Income Before Tax:** $209, $462, $638, $776, $946

**CAPITAL EXPENDITURES (In 000's)**

- Equipment: $2,000, $3,000, $250, $250, $250
- Development: $250, $250, $100, $0, $0

**TOTAL CAPITAL:** $2,250, $3,250, $350, $250, $250

**Total Project Capital = $6,350,000**
(8.) Railmark’s Proposed Revenue Sharing with SCCRTC

Railmark will be creating jobs, both direct and for those related to the other tourist venues. Railmark wants to provide SCCRTC with a better program than its previous operator, however, some of Railmark’s concepts like Rail EcoTourism require unique development. Additionally, Railmark’s plans do not center around railcar storage, although some of our railcar repair storage customers will require some time in storage until Railmark could order parts or complete the repairs. We understand that the present railcar storage revenue to the county is important and Railmark will not unduly harm the customer and drive off this present revenue source.

Railmark proposes the following Revenue Sharing structure:

1. **Railcar Storage** – Railmark will continue to pay the rates and structure that was in place under Iowa Pacific’s contract.

2. **Freight Railcars** – Railmark will pay five percent (5%) of the switch fees received from the Union Pacific (UP) on all loaded freight railcar traffic, in excess of 250 railcars per quarter, up to 500 railcars per quarter for both online and transloading customers. On all railcars over 500 per quarter, Railmark will pay eight percent (8%).

3. **Passenger Traffic** – Railmark will pay five percent (5%) of all ticket revenues, in excess of, $250,000 per quarter.

4. **Other Business** – Any rail business not covered under this schedule will not be accepted until Railmark and the SCCRTC can determine and agree on compensation and addressed in an addendum to this agreement.

(9.) Railmark References (Next Page):

**Railmark References**

- Vanetta Keefe, Indiana DOT Rail Group - (317) 232-1474
- Randy Gustafson, Stone Consulting – (814) 728-8905
- Jim Coston, Corridor Capital – (312) 205-1050
- Mark Lundquist, CEO Fulcrum Edge (248) 417-0048
- Francisco Piera, CEO Alpha Lending & Investments – (305) 834-5496
- Dr. Darrell W. Kelsoe – (650) 483-6052
- Michael Barron, CEO XTRAIN Enterprises – (702) 481-2343
- Sam Crowl, Michigan Director Operation Lifesaver and former Head of Locomotive Engineers for Train Travel Inc. – (248) 823-7037
- Larry Burk, Retired Locomotive Engineer For Train Travel Inc. – (248) 496-7683
**Railmark Customer References**

- Randy Kepple, Plant Engineer, JiffyMix – (734) 475-1361
- Ravi Vallabhaneni, CEO SV Steel Corp - (248) 342-3660
- Jim Wilson, CEO New York & Greenwood Lake Railroad – (570) 224-0204
- Jack Pearson, Texas Central Rail Inc. - (832) 361-2762
- Sam Lachine, CEO U.S. Transloading Inc. - (313) 366-9000

Additional References Available

(10.) **Other Points**

- Railmark will provide complete transparency and will exceed your expectations. Railmark has some unique ideas in this area that, if chosen, will address any SCCRTC’s concerns.

- Railmark and its founder has had experience with turning around approximately fifty shortline railroad operations in both the Company's 20-year history and its founder’s 31-year history.

- Railmark plans to introduce unique and new “eco-tourism” rail programs.

- Railmark’s plans will take the other tourist features and attractions in the area and develop travel packages that it will market to its well established national and regional tour companies. We will drive tourism year around with an emphasis on groups and new themed trains. This coupled with our loyalty program “RailPerks” and our time-tested e-marketing techniques will ramp up revenues year around, not just December. These year around train themes will build a strategy of attracting people of all ages and backgrounds and will encourage repeat visits with our loyalty program.

- On the non-passenger side, Railmark will increase its rail service offerings to nearby industries, as well as, receive railcars for maintenance and repair.

- Railmark will begin an aggressive rail transloading and logistics marketing campaign in order to generate non-passenger revenues. Railmark will also work closely with online industry to facilitate rail usage. Railmark and its principal Brown have spent 31 years generating rail business for short line railroads and Brown’s rail business development abilities have been reported in the national rail industry publications.

- Railmark has experience with operating common carrier freight railroads that are predominantly passenger oriented with larger revenue months in the 4th quarter. Railmark knows how to par expenses with seasonal revenues and still grow the business.
Railmark would offer the SCCRTC compete transparency and we have devised some contractual points that we are willing to accept that will ensure that what happened to the County with Iowa Pacific will never happen again. It’s important to note that Railmark does not run its organization like a rail fan. Railmark considers itself to be in the rail entertainment business and our goal with each and every passenger, is to provide an overall experience that was better than they had anticipated. This experience starts with the phone call to the reservations department or visit to the website and ends with their car leaving the property. Railmark will see that ever detail and ever interaction with our employees and equipment all combine to make the passenger experience one that they will remember for a very long time and provide an incentive for them to return again.

Railmark has the ability to begin immediately.

In Addition To This Response, Please See The Following Photos Of Railmark Passenger Train Experiences:

More Information Can Be Found on Train Travel’s Website

www.RideOurTrains.Com

Serving Guests Onboard The Michigan Star Clipper Dinner Train®
Cast of One of Train Travel’s Famous Holiday Trains

Star Clipper Dinner Train®. This train set the standard as North America's first dinner train as over twenty-five other dinner trains would follow over the years in various parts of the United States and Canada, with practically all of them offering only catered meals. Our train experiences features three components: (a.) a five or six course meal prepared fresh onboard the train; (b.) a three or four hour train ride onboard a classic moving train; and (c.) live tableside entertainment featuring either a musical show or a theatrical performance. Today while other dinner trains exist, the Star Clipper Dinner Train® has never been matched with its fresh, chef-prepared onboard meals and excellent live tableside entertainment. Our trains have been featured in many movies and documentaries, most recently in the movie “Judicial Consent” and two “HBO” specials. The Star Clipper Dinner Train® has provided memorable rail-oriented entertainment experiences to well over three million passengers in thirty (30) years. The Star Clipper Dinner Train® set the standard for Murder Mystery theatrical shows and musical shows performed “Vegas-Style” onboard a moving train. Our Murder Mystery Show, “MURDER MADNESS”, became Michigan’s longest running murder mystery show period. No other dinner train in North America has ever completely matched the Star Clipper's unique dining and entertainment experience and today, the Star Clipper Dinner Train will continue to offer a themed rail entertainment experience to people of all ages.
In thirty (30) years the **Star Clipper Dinner Train®** has entertained over 3,000,000+ passengers providing them with lasting memories. The Company has handled these 3,000,000+ passengers on its high end dinner trains with not one reportable injury or claim as far back as the company records go. Our **SAFETY** record is **excellent**. This passenger safety record is accomplished through attention to many details and policies including, but not limited to, boarding/de-boarding practices, train cleanliness and trained staff, both on-board and station staff.

*Entertainment Examples Onboard The Star Clipper Dinner Train®*
The “Stubbs Girls” (Levi Stubbs fame) Performing a Live MOTOWN Musical Show Onboard The Star Clipper Dinner Train® While En Route

New Year's Eve Onboard “The Star Clipper Dinner Train®”
Behind the Scene Working to Feed 245 Passengers Onboard A Moving Train

Dinner Train Operations on a Snowy Night in December, But Warm Inside!
Children’s and Family Trains. Over the years the Company has developed many themed Children’s and Family Trains, such as our popular “Sunday Family Dinner Train” which is a three course, two and a half hour train ride featuring traditional Sunday family dinner favorites and live entertainment. All of our Children’s and Family Trains have the same three basic components as our premium dinner train – food, a train ride and a themed performance.

The Company has branded and demonstrated train themes such as our “HOBO HALLOWEEN EXPRESS TRAINS”, “SANTA EXPRESS”, “TEDDY BEAR PICNIC LUNCH TRAINS”, “COTTONTAIL EXPRESS TRAINS”, “LUNCH WITH THE EASTER BUNNY”, “BREAKFAST WITH SANTA”, “PRINCESS LUNCH TRAIN” and many more.

Other Company owned and branded entertainment includes the “QUEST FOR THE GOLDEN SPIKE” and later in 2018 will be announcing its own competition to the “Thomas The Tank” story and show. The Company’s new character is more in touch with U.S railroad history and modern day trains and its story lines, the Company feels, are more relevant as well.

Offering a wide variety of wholesome family and children’s themed trains.
Below the “Star Clipper Princess Lunch Train”
Train Travel’s Holiday Trains Make Lifetime Memories
“Breakfast with the Easter Bunny and Farmer McGregor & Friends” Onboard The Star Clipper Dinner Train® Posing with the Children and their Families (Above).

inspiring the Next Generation of Railroaders.
Passenger Fun Before, During and After The Train Ride

Pullman Palace Bed & Breakfast Trains. In the early 1990’s Train Travel Inc. began to offer its guests overnight accommodations on authentic railroad sleeping cars. Many guests would stay overnight when the dinner train returned to the station. The cars were kept on a stationary track and coupled with a lounge car that was used for serving an authentic railroad breakfast in the morning and bar service at night before they retired to their Pullman compartments. Sometimes these sleeping cars accompanied the dinner train creating a romantic atmosphere for the return trip back to the station and after dessert.
Interior of Sleeping Car Offered Through Pullman Palace Bed & Breakfast
Interior of Sleeping Car Offered Through Pullman Palace Bed & Breakfast

Interior of Sleeping Car Offered Through Pullman Palace Bed & Breakfast
Train Travel Inc. has a number of signature dishes and specialty drinks that it serves on its trains. No other dinner train in North America has ever completely matched the Star Clipper’s unique dining and entertainment experience.

To view official company video clips of the Star Clipper Dinner Train® please visit the Company’s Official YouTube Channel “traintravelinc”. You can also view unofficial YouTube videos of the Michigan Star Dinner Train and Columbia Star Dinner Train.

Thank you for the opportunity to submit this RFP response. The Railmark family of railroad and rail service companies looks forward to the possibility of becoming SCCRTC’s next operator.

Sincerely,

B. Allen Brown

B. Allen Brown
Chairman & CEO
Railmark Holdings and Subsidiaries
January 4, 2018

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