

2007-018427

Klamath County, Oregon

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Klamath Falls, OR 97601

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ATE:65212MS

COVER SHEET

DOCUMENT: 36869 Highway 62, Ltd./TM Trackage Rights Easement Agreement

GRANTOR: Quentin L. Breen, Trustee of the Train Mountain Foundation, an Oregon charitable trust ("TMF"), Train Mountain, Inc., an Oregon Corporation ("TMI"), and Train Mountain Railroad Museum, an Oregon Corporation ("TMRM").

GRANTEE: 36869 Highway 62, Ltd., a British Columbian limited company acting for Carl Vanderspek and Marg Hope ("HOMEOWNER")

#171-A

**36869 Highway 62, Ltd./ TM
TRACKAGE RIGHTS
EASEMENT AGREEMENT**

1.0 Parties

1.1 36869 Highway 62, Ltd., a British Columbian limited company acting for Carl Vanderspek and Marg Hope ("HOMEOWNER"); and

1.2 Quentin L. Breen, Trustee of the Train Mountain Foundation, an Oregon charitable trust ("TMF"), Train Mountain, Inc., an Oregon corporation ("TMI"), and Train Mountain Railroad Museum, an Oregon corporation ("TMRM"). Throughout this Agreement, TMF, TMI, and TMRM shall be referred to collectively as "TM".

2.0 Definitions

"AGREEMENT" shall mean this Trackage Rights Easement Agreement.

"EASEMENT" shall mean:

A) A permanent access for ingress, transit, and egress upon the grantor's land to operate TRAINS on TRACKAGE across the grantors land and to walk along the track or an area 5' either side of the centerline of the TRACKAGE for a total of ten (10) feet of width for a single line track and fourteen (14) feet of width for double track and five (5) feet from the center line of the outside track in the case of more than two tracks, AND,

B) A permanent access for ingress, transit, and egress upon the grantor's land by any means for the purpose of:

- 1) Supporting use of the TRACKAGE, including providing emergency or medical assistance, photography, surveying present or future TRACKAGE,
- 2) Inspecting, Surveying, or Maintaining the TRACKAGE, structures supporting or protecting the TRACKAGE, and other miniature railway improvements,

provided that no road vehicles except a GATOR shall drive across any TRACKAGE except at a road crossing unless responding to a bona fide emergency.

"HOMEOWNER LAND" shall mean the real property owned by HOMEOWNER.

"GATOR" shall mean a light weight vehicle with balloon tires such as a John Deere Gator or substantially similar vehicle.

"MAINLINE TRACKAGE" shall mean all TRACKAGE except SIDINGS.

"MAINTENANCE" shall mean work performed and materials used to facilitate repairs, replacements, overhaul, or expansion of TRACKAGE

"MEMBER" shall mean any member of TM in good standing.

"RELEASE" shall mean the Train Mountain Liability Release in Exhibit V.

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"TRACKAGE" shall mean all miniature railroad track, normally of approximately 7.5" gauge, which exists as of the date of signature or may be subsequently developed on TM LAND including everything constructed and resting upon, or immediately adjacent to and thereby a part of, the respective land easements, and consists of, but not limited to: plastic underlayment, track panels, switches, crossovers, road crossings, switching systems, signal systems, electrical power, water systems, signage, ballast, culverts, trestles, turntables, loading and unloading facilities, fueling facilities, bridges and tunnels that exist within the land.

"TM LAND" shall mean Parcels 1 through 45 as listed in Exhibit B except for parcels 32, 36, and 42, as legally described in Exhibit C and shown by the map in Exhibit D.

"TM TRACK LAND" shall mean those parcels of TM LAND that have track laid on them at the date of execution of this AGREEMENT, or on which there has begun grading for track, which the parties agree are Parcels 22, 25 through 27, 33 through 35, and 37 through 41, as listed in Exhibit B and as legally described in Exhibit C and shown by the maps in Exhibits D. As additional grading for track is done or track is laid, TM TRACK LAND will expand to include the parcels with grading or track.

"TRACK STANDARDS" shall mean TM's Track and Railroad Standards as shown on Exhibit S.

"TRAINS" shall mean any equipment designed to move on the TRACKAGE.

"SIDINGS" shall mean those portions of the TRACKAGE where

A) miniature railroad track ends in a dead end less than two hundred (200) feet from the place that it branches off the portion of TRACKAGE carrying the majority of the TRAINS in that area, AND,

B) miniature railroad track that branches off the TRACKAGE carrying the majority of the TRAINS, runs parallel to the portion of TRACKAGE carrying the majority of the TRAINS for less than five hundred (500) feet, and rejoins the portion of TRACKAGE carrying the majority of the TRAINS.

3.0 Trackage Rights Easement Grant -- In consideration for \$1.00 and other valuable consideration, the receipt of which is hereby acknowledged, TM grants and conveys to HOMEOWNER permanent EASEMENTS on TM LAND.

3.1 TM reserves the right to use the Servient Tenement in a manner consistent with the HOMEOWNER's free use and enjoyment of the EASEMENTS.

3.2 EASEMENTS are unrestricted as to time of day or night.

3.3 HOMEOWNER, their immediate family and their personal guests, may utilize the access granted by the EASEMENT.

3.4 The EASEMENTS and covenants created by this AGREEMENT burden the TM TRACK LAND and benefit the parcel of land owned by HOMEOWNER as legally described in Exhibit Y. The parties to this AGREEMENT agree that one purpose for and function of the EASEMENTS granted herein is to preserve existing cultural aspects of miniature railroading as that hobby pertains to the TM TRACK LAND, and the parties agree that the EASEMENTS and covenants created by this AGREEMENT can be characterized as a "Conservation Easement" as that term is defined at Oregon Revised Statute 271.715(a) (2005).

3.5 The EASEMENT granted to HOMEOWNER by this AGREEMENT shall be non-exclusive. TM may grant EASEMENTS to others so long as the property for which an EASEMENT is owned without limitation or encumbrance and is controlled entirely by TM.

3.6 The EASEMENTS are for all future expansion of TRACKAGE that is installed on the TM LAND, regardless of whether any new TRACKAGE connects to existing TRACKAGE. Removal or closure of the TRACKAGE does not extinguish any portion of the EASEMENTS, nor do such actions constitute an abandonment of the EASEMENTS by HOMEOWNER. The EASEMENTS, whether presently existing or installed in the future, may only be reduced in scope, size, or length, whether by decommissioning, renovation, re-routing, or in any other manner, by written agreement, which shall be signed by both parties and be recorded as an amendment to this AGREEMENT.

3.7 The parties agree that when HOMEOWNER, their immediate family or personal guests, use the TRACKAGE for odd numbered rail trips over the TRACKAGE each year, they are solely utilizing the privileges and rights granted by the EASEMENT are not exercising privileges or rights otherwise granted to them to use the TRACKAGE on account of membership in TM or by some other mechanism. Parties also recognize that for even numbered rail trips over the TRACKAGE, HOMEOWNER must be current members of TM, while TM offers memberships, or be authorized to use the TRACKAGE by TM by some other mechanism. At these times and on these occasions of HOMEOWNER's exclusive use of its EASEMENTS TM shall not be liable to HOMEOWNER or their immediate family, or their guests or agents, for any injury or damage to any property, whether belonging to HOMEOWNER, their immediate family, their guests, or agents or to any of its representatives. TM acknowledges that it remains responsible for any liability to any third party to the extent such liability arises from TM's negligence or other misconduct.

4.0 Track Repair

- 4.1 TM covenants to HOMEOWNER that it will maintain TRACKAGE to STANDARDS at its sole expense where TRACKAGE is on TM LAND not leased to FTM.
- 4.2 TM agrees to keep all of the TRACKAGE available to run TRAINS at all times except as provided in paragraphs 4.3 and 4.5.
- 4.3 TM shall not be required to keep the TRACKAGE clear of snow during the winter.
- 4.4 Should TM fail to maintain TRACKAGE to STANDARDS, HOMEOWNER may elect, but is not obligated, to repair or replace TRACKAGE to STANDARDS at its own expense, and TM shall reimburse and indemnify HOMEOWNER for such costs incurred.
- 4.5 TM may temporarily close any portion of the TRACKAGE temporarily for purposes of maintenance except TM agrees to limit TRACKAGE closures:
- A) From May 1st to September 31st of each year, TM agrees not to close remove, relocate, decommission, isolate, or in any way decrease the utility of more than an aggregate one thousand feet (1000') of TRACKAGE for more than 15 days without prior written approval of FTM which will not be unreasonably withheld if the closure is designed to improve the quality of the TRACKAGE.
 - B) TM agrees not to take actions that result in closing off or isolating any section of MAINLINE TRACKAGE longer than one hundred feet (100') for more than 30 days in any year without the prior written approval of FTM which will not be unreasonably withheld if the closure is designed to improve the quality of the TRACKAGE.

5.0 Liability

- 5.1 TM shall require every one of their MEMBERS, to annually sign a RELEASE as a condition of securing or renewing membership. It is the intent of the parties that MEMBERS assume all financial liability for those participants, guests, invitees, licensees, permittees, owners, operators, riders, volunteers, observers, employees and staff, event organizers, purveyors, concessionaires, or others who they invite or bring on to the EASEMENT who fail to sign a RELEASE.
- 5.2 TM agrees to keep a file of the signed RELEASE forms available for inspection.
- 5.3 TM agrees to at its sole cost maintain commercial policies of general liability coverage, at all times in an amount of not less than Two Million Dollars (\$2,000,000) which names HOMEOWNER as an additional insured and to

provide HOMEOWNER with a copy of the insurance and any modifications or renewals. . HOMEOWNER agrees that while HOMEOWNER has track on HOMEOWNER LAND that connects to TM TRACKAGE and that is not private track, but is open to MEMBERS, that HOMEOWNER at its sole cost maintain policies of general liability coverage, at all times in an amount of not less than two million dollars (\$2,000,000) which names TM as an additional insured and to provide TM with a copy of the insurance and any modifications or renewals.

5.4 TM has the maintenance responsibility for the track, except for TRACKAGE on Leased parcels listed in Exhibit M and mapped on Exhibit L, and agrees to indemnify and hold harmless HOMEOWNER for and against any and all liability, arising from injury to person or property, occasioned wholly or in part by any act or omission of TM, or its "participants," which term is defined to include, but is not limited to, members, guests, invitees, licensees, permittees, owners, operators, riders, volunteers, observers, employees and staff, event organizers, purveyors, and concessionaires.

6.0 Remedies – If HOMEOWNER notifies TM in writing that it believes that TM has violated or is about to violate the terms of Paragraph 3 or 4, then the parties agree to an amount of Liquidated Damages of One Thousand Dollars (\$1000) per day in 2007 dollars adjusted for inflation using the Consumer Price Index (Portland, Oregon). TM and HOMEOWNER agree that if a substantially similar liquidated damages provision exists in other Track Rights Easement(s), that TM's liquidated damages from all such Track Rights Easement(s) will be capped at One Thousand Dollars (\$1000) per day in 2007 dollars adjusted for inflation using the Consumer Price Index (Portland, Oregon).

6.1 TM shall have thirty (30) days from the day TM receives notice that it is in violation to cure the problem.

6.2 Liquidated Damages shall commence on the day that the opportunity to cure provided for in 6.1 expires.

6.3 Liquidated Damages are to compensate HOMEOWNER for each day that HOMEOWNER is prevented by TM from using or enjoying the EASEMENTS.

6.4 Liquidated Damages will not be a penalty or a forfeiture of rights. The liquidated damages is not established *in terrorem* of the offending party, but rather as an amount that is a reasonable estimate of damages which would probably be caused by a breach and that is reasonably proportionate to injury sustained as a result of a breach. The parties intend and agree that the amount of liquidated damages set forth in this paragraph is for each occurrence and is only for damages suffered as a result of such occurrence.

6.5 Liquidated Damages shall not be used as a pecuniary guide or benchmark for purchase or lease of EASEMENT rights by any party.

6.6 Payment of Liquidated Damages will in no way terminate that portion of the EASEMENT or permanently alter the substantive rights created by this AGREEMENT.

6.7 The parties agree that a suit with a claim for Liquidated Damages under this paragraph is not an election of a legal remedy over an equitable remedy that would bar the latter, and that nothing contained in this Section shall prohibit the exercise of any other remedy that HOMEOWNER may have at law or in equity for violation of the terms of this AGREEMENT.

7.0 Transfer of Property -- The provisions of this AGREEMENT are personal in nature, are in gross, are not assignable, transferable, or devisable, and do not run with the land unless Trackage has not yet connected Parcel 4 to track on HOMEOWNER's LAND in which case any subsequent conveyance by either party hereto of all or part of any interest in the real property described in this AGREEMENT shall carry, for an effective period ending the earliest of 3 years from the date of conveyance or when the Trackage has connected Parcel 4 to track on HOMEOWNER LAND, with such conveyance, as an appurtenance to the property conveyed, all the rights, responsibilities, duties, liabilities, burdens and benefits as set forth by this AGREEMENT. TM agrees to consider granting a similar Track Rights Easement to subsequent purchasers of the HOMEOWNER LAND.

8.0 Jurisdiction -- This AGREEMENT is made in Oregon and the parties agree that it is subject to Oregon law. In the event of litigation to enforce this AGREEMENT, the parties agree that jurisdiction is vested in the State of Oregon and that venue is appropriate in Klamath County.

9.0 Property Taxes -- The parties agree that if TM has not paid in full the property taxes that are assessed annually by Klamath County against TM LANDS prior to the property taxes becoming delinquent, then HOMEOWNER may pay the property taxes due thereon, together with any penalties due, and recover the costs incurred, including attorney fees, court costs and prejudgment interest at the statutory rate, including costs of any appeals.

10.0 Severability -- This AGREEMENT sets forth the entire agreement between the parties and replaces and supersedes all prior understandings and agreements. No amendment hereto shall be valid unless in writing and signed by both parties. If any provision of this AGREEMENT is unenforceable, it shall be deemed stricken from this AGREEMENT and shall have no effect on any other provision. The Headings are for convenience only and shall not affect the interpretation of this AGREEMENT. Time is of the essence of this AGREEMENT and of each covenant, term and condition hereof. Some Exhibits in this AGREEMENT contain Copyrights held by TM and are used with permission, thereby becoming part of the entire AGREEMENT.

11.0 Addresses: The parties have the following addresses for delivery of notices under this AGREEMENT:

11.1 TRAIN MOUNTAIN
36941 S. Chiloquin Rd.
Chiloquin, Oregon 97624
Phone: 541-783-3030
FAX: 541-783-2013

11.2 36869 Highway 62, Ltd.
c/o Carl Vanderspek
340 N Glynde
Burnaby, BC V5B 1G9

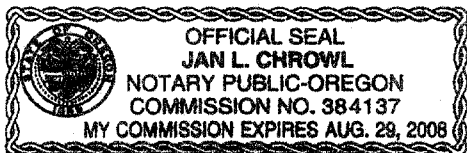
Signatures

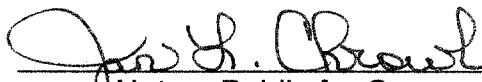
36869 Highway 62, Ltd., a British Columbian limited company ("HOMEOWNER"):

By: 
Carl Vanderspek, Owner/Manager

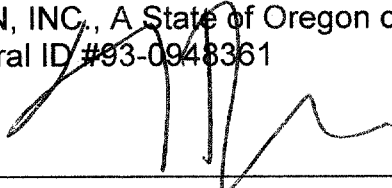
STATE OF OREGON)
) ss.
County of Klamath)

SUBSCRIBED AND SWORN to me by Carl Vanderspek, who personally appeared this 3rd day of September, 2007




Notary Public for Oregon
My commission
expires: 8-29-08

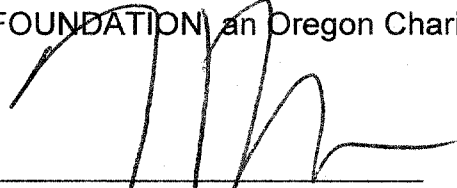
TRAIN MOUNTAIN, INC., A State of Oregon corporation 2/20/87 State Registry #062570-83, Federal ID #93-0948361

By: 
QUENTIN L. BREEN, President/Secretary

TRAIN MOUNTAIN RAILROAD MUSEUM, A State of Oregon Non-Profit Corporation State Registry #221030-89

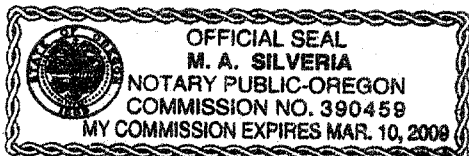
By: 
QUENTIN L. BREEN, President/Secretary

TRAIN MOUNTAIN FOUNDATION, an Oregon Charitable Trust, Federal ID #93-1015723

By: 
QUENTIN L. BREEN, Trustee

STATE OF OREGON)
) ss.
County of Klamath)

SUBSCRIBED AND SWORN to me by Quentin L. Breen, who personally appeared this 6 day of September, 2007





Notary Public for Oregon
My commission
expires: 3/10/09

Exhibit B -- List of Train Mountain Parcels

July 2007		Reference			
Parcel	Owner	Number	Parcel	Acres	Description
1	TMF	R794162	R-3407-20-602	11.95	NW Tip Steiger Butte
2	TMF	R705295	R-3407-20-701	4.72	NE Tip Steiger Butte
3	TMF	R729769	R-3407-29-102	58.55	S of Steiger Tip Piece
4	TMRM	R875540	R-3407-29-401	2.50	N Easement Piece
5	TMF	R17617	R-3407-29-701	105.89	Behind Ferguson
6	TMF	R196415	R-3407-29-800	160.00	Old Nest Site
7	TMF	R18028	R-3407-28-101	2.64	Felbers Front
8	TMF	R196451	R-3407-29-1100	119.49	Tower Site
9	TMF	R18055	R-3407-28-301	149.13	S Butte Entrance
10	TMF	R196148	R-3407-28D-2500	16.78	NE Tip 97 & 422
11	TMF	R197076	R-3407-32-100	460.00	Valley Floor
12	TMF	R197352	R-3407-33-300	120.00	NW Forest Service
13	TMF	R197343	R-3407-33-200	20.00	NW State Pit 1 Piece
14	TMF	R197334	R-3407-33-100	17.79	N & NW State Pit
15	TMF	R197085	R-3407-32-200	60.00	Cinder Pit
16	TMI	R872044	R-3407-31D-500	19.93	62 Caboose
17	TMI	R197156	R-3407-32-900	20.00	North of Farmer
18	TMI	R197147	R-3407-32-800	10.00	SE of Cinder Pit
19	TMI	R872045	R-3507-06A-100	6.49	S 62 Caboose
20	TMI	R218954	R-3507-05-400	22.40	E of 62 Caboose
21	TMRM	R218936	R-3507-05-300	180.25	Liebold Piece
22	TMI	R223323	R-3507-04-100	84.00	N End Cab Ridge
23	TMI	R787027	R-3507-06A-200	0.29	S 62 Caboose
24	TMI	R218963	R-3507-05-500	22.40	SE 62 Caboose
25	TMF	R218561	R-3507-05-900	160.00	Aspen Grove Loop
26	TMF	R223332	R-3507-04-200	20.00	SE of Brooks
27	TMF	R223341	R-3507-04-300	117.24	Caboose Ridge
28	TMI	R223412	R-3507-04-400	20.00	W of Museum Cab SP
29	TMRM	R223760	R-3507-04A-2800	14.75	Both Sides SCR@97
30	TMI	R223733	R-3507-04A-2600	6.39	E of Benson
31	TMRM	R223458	R-3507-04-1200	4.60	E of Benson
32	VERTEL				
33	TMF	R223396	R-3507-04-1600	6.41	6 acre Camp
34	TMF	R223403	R-3507-04-1700	2.56	K&W Parking
35	TMF	R599711	R-3507-04-1800	5.00	K&W House
	TMF	R223387	R-3507-04-1800		Extra land by K&W
36	VERTEL				
37	TMF	R232073	R-3507-09-100	123.85	S End Tunnel & Backshop
38	TMF	R232064	R-3507-09A-1900	2.00	Fuel Site
39	TMF	R232037	R-3507-09A-1800	10.47	K & W Track
40	TMI	R231895	R-3507-09A-1700	8.87	Blue Cab & Central Station
41	TMI	R232135	R-3507-09A-1600	10.39	Serpentine
42	Farmer	R197165	R-3407-32-100	20.00	Farmer Property
43	TMRM	R202836	R-3407-34DC-400		Chiloquin 1st Addition Block 9 Lot 9
44	TMRM	R202827	R-3407-04DC-0500		Chiloquin 1st Addition Block 9 Lot 9-12
45	TMRM	R202809	R-3407-34DD-2100		Chiloquin 1st Addition Block 9 Lot 15

Exhibit C

PARCEL 1:

That portion of the SE 1/4 of the SW 1/4 of Section 20, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southerly of State Highway #422; EXCEPT the West 660 feet thereof. AND EXCEPT that portion conveyed to the State of Oregon for highway purposes by deed recorded July 17, 2002 in Volume M-02 on Page 40625, records of Klamath County, Oregon.

CODE 138 MAP 3407-02000 TL 00602 KEY #794162

PARCEL 2:

That portion of the SW 1/4 of the SE 1/4 of Section 20, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southwesterly of State Highway #422. EXCEPT that portion conveyed to the State of Oregon for highway purposes by deed recorded July 17, 2002 in Volume M-02 on Page 40625, records of Klamath County, Oregon.

CODE 138 MAP 3407-02000 TL 00701 KEY #705295

PARCEL 3:

The NE 1/4 of the NW 1/4; EXCEPT the West 660 feet thereof; AND that portion of the N 1/2 of the NE 1/4 lying Southwesterly of State Highway #422; ALL in Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-02900 TL 00102 KEY #729769

PARCEL 4:

A parcel of land situated in the SW 1/4 of the NW 1/4 of the NW 1/4 of Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southwest corner of said parcel, from which the North 1/16 corner of Sections 29 and 30, Township 34 South, Range 7 East of the Willamette Meridian bears Westerly 330.00 feet along the South line of the NW 1/4 of the NW 1/4 of Section 29; thence Northerly and parallel to and 330.00 feet from the West section line of Section 29 - 330.00 feet to a point; thence Easterly and parallel to and 330.00 feet from the South line of the NW 1/4 of the NW 1/4 of Section 29 to a point at the intersection of the East line of the SW 1/4 of the NW 1/4 of the NW 1/4 of Section 29; thence Southerly along the East line of the SW 1/4 of the NW 1/4 of the NW 1/4 of Section 29 to a point at the intersection of the South line of the NW 1/4 of the NW 1/4 of Section 29; thence Westerly along the South line of the NW 1/4 of the NW 1/4 of Section 29 to the point of beginning.

TOGETHER WITH a non-exclusive easement, 30 feet wide, for ingress and egress over and across the following property:

Beginning at the North 1/16 corner of Sections 29 and 30, Township 34 South, Range 7 East of the Willamette Meridian; thence Northerly along the West section line of Section 29 to a point at the intersection of the Southerly right of way line of Highway #422; thence Northeasterly along the Southerly right of way line of said Highway #422 to a point at the intersection of the East line of the W 1/2 of the NW 1/4 of the NW 1/4 of Section 29, being the Northeast corner of said parcel, the true point of beginning; thence Southerly along the East line of the W 1/2 of the NW 1/4 of the NW 1/4 of Section 29 to a point at the intersection of a line running parallel to and 330.00 feet Northerly from the South line of the NW 1/4 of the NW 1/4 of Section 29; thence Westerly and parallel to and 330.00 feet Northerly from the South line of the NW 1/4 of the NW 1/4 of Section 29 - 30.00 feet; thence Northerly and parallel to and 30.00 feet from the East line of the W 1/2 of the NW 1/4 of the NW 1/4 of Section 29 to a point at the intersection of the Southerly right of way line of Highway #422; thence Northeasterly along the Southerly right of way line of Highway #422 to the true point of beginning.

CODE 138 MAP 3407-02900 TL 00401 KEY #875540

PARCEL 5:

The S 1/2 of the NW 1/4; AND that portion of the S 1/2 of the NE 1/4 lying Southwesterly of State Highway #422; ALL in Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-02900 TL 00701 KEY #17617

PARCEL 6:

The SW 1/4 of Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-02900 TL 00800 KEY #196415

PARCEL 7:

That portion of the N 1/2 of the NE 1/4 of the SW 1/4 of Section 28, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southerly of State Highway #422. EXCEPT that portion conveyed to the State of Oregon for highway purposes by deed recorded July 17, 2002 in Volume M-02 on Page 40625, records of Klamath County, Oregon.

CODE 138 MAP 3407-02800 TL 00101 KEY #18028

PARCEL 8:

The S 1/2 of the N 1/2 of the SE 1/4 AND the S 1/2 of the SE 1/4; ALL in Section 29, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon; EXCEPT that portion described as follows:

Commencing at the section corner common to Sections 28, 29, 32 and 33 All in said Township and Range; thence North 80° 54' 10" West, 614.85 feet to the true point of beginning of the parcel of land to be described; thence South 52° 29' 30" West 150.00 feet; thence North 37° 30' 30" West, 150.00 feet; thence North 52° 29' 30" East, 150.00 feet; thence South 37° 30' 30" East, 150.00 feet to the true point of beginning.

CODE 118 MAP 3407-02900 TL 01100 KEY #196451

PARCEL 9:

The SW 1/4 of the SE 1/4 AND that portion of the S 1/2 of the SW 1/4 AND that portion of the S 1/2 of the N 1/2 of the SW 1/4; ALL in Section 28, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Southerly of State Highway #422. EXCEPT that portion conveyed to the State of Oregon for highway purposes by deed recorded July 17, 2002 in Volume M-02 on Page 40625, records of Klamath County, Oregon.

CODE 138 MAP 3407-02800 TL 00301 KEY #18055

PARCEL 10:

The E 1/2 of the SE 1/4 of Section 28, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Dalles-California Highway #97 and Southwesterly of Chiloquin-Agency Highway #422. EXCEPT that portion taken by the State of Oregon for highway purposes under Klamath County Case No. 90-2779CV and recorded January 5, 1993 in Volume M-93 on Page 121, records of Klamath County, Oregon.

CODE 138 MAP 3407-028D0 TL 02500 KEY #196148

PARCEL 11:

The N 1/2; The E 1/2 of the NE 1/4 of the SW 1/4; The N 1/2 of the SE 1/4; AND the SW 1/4 of the SE 1/4; ALL in Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03200 TL 00100 KEY #197076

PARCEL 12:

The N 1/2 of the NW 1/4; AND the N 1/2 of the S 1/2 of the NW 1/4; ALL in Section 33, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03300 TL 00300 KEY #197352

PARCEL 13:

The N 1/2 of the NW 1/4 of the NE 1/4 of Section 33, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03300 TL 00200 KEY #197343

PARCEL 14:

That portion of the N 1/2 of the NE 1/4 of the NE 1/4 AND the N 1/2 of the S 1/2 of the NE 1/4 of the NE 1/4 lying West of Highway #97; AND the N 1/2 of the S 1/2 of the NW 1/4 of the NE 1/4; ALL in Section 33, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon. EXCEPT that portion taken by the State of Oregon for highway purposes under Klamath County Case No. 90-2779CV and recorded January 5, 1993 in Volume M-93 on Page 121, records of Klamath County, Oregon.

CODE 138 MAP 3407-03300 TL 00100 KEY #197334

PARCEL 15:

The W 1/2 of the NE 1/4 of the SW 1/4; AND the NW 1/4 of the SW 1/4; ALL in Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03200 TL 00200 KEY #197085

PARCEL 16:

All that portion of the S 1/2 of the N 1/2 of the SE 1/4 of the SE 1/4, AND the S 1/2 of the SE 1/4 of the SE 1/4 lying East of State Highway #62 being situate in Section 31, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-031D0 TL 00500 KEY #872044

PARCEL 17:

The N 1/2 of the SE 1/4 of the SE 1/4 of Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03200 TL 00900 KEY #197156

PARCEL 18:

The SE 1/4 of the SE 1/4 of the SW 1/4 of Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3407-03200 TL 00800 KEY #197147

PARCEL 19:

All that portion of Government Lot 1 lying East of State Highway #62 being situate in Section 6, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-006A0 TL 00100 KEY #872045

PARCEL 20:

Government Lot 4 also described as the N 1/2 of the NW 1/4 of the NW 1/4 of Section 5, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00500 TL 00400 KEY #218954

PARCEL 21:

Government Lots 2, 3, 6, 7, 11, 14 and a portion of Government Lots 12, 13, 19, 20 and 22, lying Easterly of State Highway #62 in Section 5, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00500 TL 00300 KEY #218936

PARCEL 22:

Government Lots 3, 4, 5 and 6 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00400 TL 00100 KEY #223323

PARCEL 23:

That portion of Government Lot 6 in Section 6, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly of State Highway #62.

CODE 138 MAP 3507-006A0 TL 00200 KEY #787027

PARCEL 24:

That portion of Government Lot 5 in Section 5, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly of State Highway #62.

CODE 138 MAP 3507-00500 TL 00500 KEY #218963

PARCEL 25:

Government Lots 9, 10, 15, 16, 17, 18, 23 and 24, situate in Section 5, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00500 TL 00900 KEY #218561

PARCEL 26:

The W 1/2 of Government Lot 14; The W 1/2 of Government Lot 15 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00400 TL 00200 KEY #223332

PARCEL 27:

The E 1/2 of Government Lots 14 and 15; The W 1/2 of Government Lots 16 and 22; All of Government Lots 23, 24, 25, 32 and 35; ALL in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying North of State Highway #422.

EXCEPTING THEREFROM the following:

Beginning at a 5/8" iron pin marking the Northwest corner of Government Lot 31; thence from said point of beginning South 89° 36' 32" East along the North line of said Government Lot 31, 666.29 feet to a 5/8" iron pin on the Westerly right of way of Oregon State Highway #422; thence Southerly and Westerly along the Westerly and Northerly right of way of said Oregon State Highway #422 the following eight bearings and distances: along the arc of a 2620.91 feet radius curve to the left (Delta = 06° 13' 43" long chord = South 10° 40' 32" East 284.78 feet) 284.93 feet; thence South 13° 47' 26" East 116.10 feet; thence along the arc of a 326.07 feet radius curve to the right (Delta = 44° 29' 20" long chord = South 08° 27' 14" West 246.87 feet), 253.18 feet; thence South 30° 41' 54" West 80.61 feet; thence along the arc of a 260.93 feet radius curve to the right (Delta = 53° 22' 15" long chord = South 57° 23' 02" West 234.36 feet) 243.06 feet; thence South 84° 04' 09" West 939.83 feet; thence along the arc of a 821.14 feet radius curve to the left (Delta = 23° 05' 07" long chord = South 72° 31' 36" West 328.62 feet) 330.85 feet; thence South 60° 59' 02" West 0.61 feet; thence leaving said State Highway #422 right of way North 29° 00' 58" West 10.55 feet; thence along the arc of a 70.00 feet radius curve to the right (Delta = 24° 22' 31" long chord = North 16° 49' 43" West 29.36 feet) 29.78 feet; thence North 04° 38' 27" West 114.16 feet; thence along the arc of a 470.00 feet radius curve to the right (Delta = 16° 24' 46" long chord = North 03° 33' 56" East 134.18 feet) 134.64 feet; thence North 11° 46' 19" East 193.60 feet; thence along the arc of a 1030.00 feet radius curve to the left (Delta = 03° 00' 05" long chord = North 10° 16' 16" East 53.95 feet) 53.96 feet; thence North 08° 46' 14" East 221.33 feet; thence along the arc of a 81.00 feet radius curve to the right (Delta = 64° 10' 39" long chord = North 40° 51' 33" East 86.06 feet) 09.73 feet; thence North 72° 56' 53" East 165.58 feet; thence along the arc of a 530.00 feet radius curve to the left (Delta = 17° 47' 22" long chord = North 64° 03' 12" East 163.90 feet) 164.56 feet; thence North 55° 09' 31" East 178.68 feet to a point on the North line of Government Lot 32; thence South 89° 43' 28" East along the North line of said Government Lot 32, 200.01 feet to the point of beginning.

CODE 138 MAP 3507-00400 TL 00300 KEY #223341

PARCEL 28:

Government Lot 13 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00400 TL 00400 KEY #223412

PARCEL 29:

That portion of Government Lot 17 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying between Chiloquin Secondary Highway #422, also known as the South leg of the Chiloquin Cut-over on the West and the new Dalles-California Highway #97 on the East. EXCEPT that portion taken by the State of Oregon for highway purposes under Klamath County Case No. 90-492CV and recorded May 21, 1991 in Volume M-91 on Page 9622, records of Klamath County, Oregon.

CODE 118 MAP 3507-004A0 TL 02800 KEY #223760

PARCEL 30:

That portion of Government Lot 12 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Westerly of U.S. Highway #97; EXCEPT that portion conveyed to the State of Oregon by Deed recorded in Volume M-90 of Official Records, Page 2680; AND EXCEPT that portion lying within the right of way of Chiloquin Highway (SH No. 422).

CODE 138 MAP 3507-004A0 TL 02600 KEY #223733

PARCEL 31:

That portion of Government Lot 21 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying between Chiloquin Secondary Highway No. 422, also known as the South leg of the Chiloquin Cut-over on the West and the new Dalles-California Highway #97 on the East. EXCEPT that portion taken by the State of Oregon for highway purposes under Klamath County Case No. 90-492CV and recorded May 21, 1991 in Volume M-91 on Page 9622, records of Klamath County, Oregon.

CODE 118 MAP 3507-00400 TL 01200 KEY #223458

PARCEL 33:

That portion of Government Lot 35 lying South of the South Chiloquin State Highway, situate in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-00400 TL 01600 KEY #223396

PARCEL 34:

A parcel of land situated in Government Lot 36 in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin marking the South one-quarter corner of said Section 4; thence North 89° 38' 24" East along the South line of said Section 4, 280.00 feet to a 5/8" iron pin; thence North 412.17 feet to a 5/8" iron pin on the Southerly right of way line of The South Chiloquin State Highway #421; thence South 84° 04' 09" West along said Southerly right of way 281.44 feet to a 5/8" iron pin; thence South 00° 00' 30" West 384.85 feet to the point of beginning.

CODE 118 MAP 3507-00400 TL 01700 KEY #223403

PARCEL 35:

A parcel of land situated in Government Lots 31 and 36 in Section 4 and Government Lots 2 and 7 in Section 9, ALL in Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the section line common to said Sections 4 and 9 from which the quarter corner common to said Sections 4 and 9 bears South 89° 38' 24" West a distance of 280.00 feet; thence from said point of beginning South 949.17 feet; thence East 502.11 feet to a point on the Westerly right of way line of U.S. Highway #97; thence North 04° 02' 34" East along said Westerly right of way line 2,273 feet, more or less, to a point on the North line of said Government Lot 31; thence West along said North line of Government Lot 31, 187 feet, more or less, to the Easterly right of way line of the South Chiloquin State Highway; thence Southerly and Westerly along said Easterly and Southerly right of way line of said South Chiloquin State Highway to a point that is North of the point of beginning; thence South 412 feet to the point of beginning.

SAVE AND EXCEPT that portion deeded to the State Highway.

EXCEPT that portion lying within said Section 9, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 & 118 MAP 3507-00400 TL 01800 TL 599711
CODE 118 & 138 MAP 3507-00400 TL 01800 TL 223387

PARCEL 37:

All of Government Lots 6, 11 and 14 and that portion of Government Lots 3, 4, 5, 12 and 13 lying East of State Highway #422 being situate in Section 9, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 118 MAP 3507-00900 TL 00100 KEY #232073

PARCEL 38:

A parcel of land situated in Government Lot 2, Section 9, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwest corner of said Government Lot 2, said point of beginning, also being the North one-quarter corner of said Section 9; thence North 89° 38' 24" East along the North line of said Section 9, 280.00 feet; thence South 311.14 feet; thence South 89° 38' 24" West 280.05 feet, more or less, to the West line of said Government Lot 2; thence North 00° 00' 30" East along the West line of said Government Lot 2, 311.14 feet to the point of beginning.

CODE 138 MAP 3507-009A0 TL 01900 KEY #232064

PARCEL 39:

A parcel of land situated in Government Lots 31 and 36 in Section 4 and Government Lots 2 and 7 of Section 9, ALL in Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the section line common to said Sections 4 and 9 from which the quarter corner common to said Sections 4 and 9 bears South 89° 38' 24" West a distance of 280.00 feet; thence from said point of beginning South 949.17 feet; thence East 502.11 feet to a point on the Westerly right of way line of U.S. Highway No. 97; thence North 04° 02' 34" East along said Westerly right of way line 2,273 feet, more or less, to a point on the North line of said Government Lot 31; thence West along said North line of Government Lot 31, 187 feet, more or less, to the Easterly right of way line of the South Chiloquin State Highway; thence Southerly and Westerly along said Easterly and Southerly right of way line of said South Chiloquin State Highway to a point that is North of the point of beginning; thence South 412 feet to the point of beginning.

SAVE AND EXCEPT that portion deeded to the State Highway.

EXCEPT that portion lying within said Section 4, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

CODE 138 MAP 3507-009A0 TL 01800 KEY #232037

PARCEL 40:

A parcel of land situated in Government Lots 2, 7 and 10, Section 9, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the Northwest corner of said Government Lot 2 (said point also being the North one-quarter corner of said Section 9); thence South 00° 00' 30" West along the West line of said Government Lot 2, 311.14 feet, to the true point of beginning of this description; thence from said point of beginning North 89° 38' 24" East 280.05 feet; thence South 638.03 feet; thence East 502.11 feet, to a point on the Westerly right of way line of U S Highway #97; thence South 04° 02' 34" West along the Westerly right of way of said U S Highway #97 1020.29 feet, to a point on the South line of said Government Lot 10; thence North 89° 59' 02" West along the South line of said Government Lot 10, 710.46 feet, to the Southwest corner of said Government Lot 10; thence North 00° 00' 30" East along the West lines of Government Lot 10, Government Lot 7 and Government Lot 2, 1653.82 feet to the true point of beginning.

TOGETHER WITH an easement as disclosed by instrument recorded in Volume M84 at Page 20462 and TOGETHER WITH an easement as disclosed by instrument recorded in Volume M86 at Page 14044.

EXCEPT that portion lying within said Government Lot 10.

CODE 118 & 138 MAP 3507-009A0 TL 01700 KEY #231895

PARCEL 41:

A parcel of land situated in Government Lots 2, 7 and 10, Section 9, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the Northwest corner of said Government Lot 2 (said point also being the North one-quarter corner of said Section 9); thence South 00° 00' 30" West along the West line of said Government Lot 2, 311.14 feet, to the true point of beginning of this description; thence from said point of beginning North 89° 38' 24" East 280.05 feet; thence South 638.03 feet; thence East 502.11 feet, to a point on the Westerly right of way line of U S Highway #97; thence South 04° 02' 34" West along the Westerly right of way of said U S Highway #97 1020.29 feet, to a point on the South line of said Government Lot 10; thence North 89° 59' 02" West along the South line of said Government Lot 10, 710.46 feet, to the Southwest corner of said Government Lot 10; thence North 00° 00' 30" East along the West lines of Government Lot 10, Government Lot 7 and Government Lot 2, 1653.82 feet to the true point of beginning.

EXCEPT that portion lying within said Government Lots 2 and 7.

CODE 138 MAP 3507-009A0 TL 01600 KEY #232135

PARCEL 42:

The S 1/2 of the SE 1/4 of the SE 1/4 of Section 32, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER WITH a non-exclusive easement for ingress and egress over and across the Westerly 30 feet of Government Lots 4 and 5 in Section 4, township 35 South, Range 7 East of the Willamette Meridian, as described in "General Easement Agreement" recorded January 18, 2005 in Volume M-05 at Page 3542, Records of Klamath County, Oregon.

AND TOGETHER WITH a non-exclusive easement for ingress and egress 30 feet in width, over and across a portion of the NW 1/4 of Section 9 and a portion of the W 1/2 of Section 4, ALL in Township 35 South, Range 7 East of the Willamette Meridian, as described in "General Easement Agreement" recorded January 18, 2005 in Volume M-05 at Page 3547, Records of Klamath County, Oregon.

CODE 138 MAP 3407-03200 TL 01000 KEY #197165

PARCEL 43:

Lot 8, Block 9, FIRST ADDITION TO CHILOQUIN, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE 012 MAP 3407-034DC TL 00400 KEY #202836

PARCEL 44:

Lots 9, 10, 11 and 12, Block 9, FIRST ADDITION TO CHILOQUIN, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE 012 MAP 3407-034DC TL 00500 KEY #202827

PARCEL 45:

Lots 15 and 15A, Block 9, of the Supplemental Plat of Lots 14, 15 and 16, Block 9, FIRST ADDITION TO CHILOQUIN, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE 012 MAP 3407-034DD TL 02100 KEY #202809

TRAIN MOUNTAIN LAND ID MAP

Exhibit D

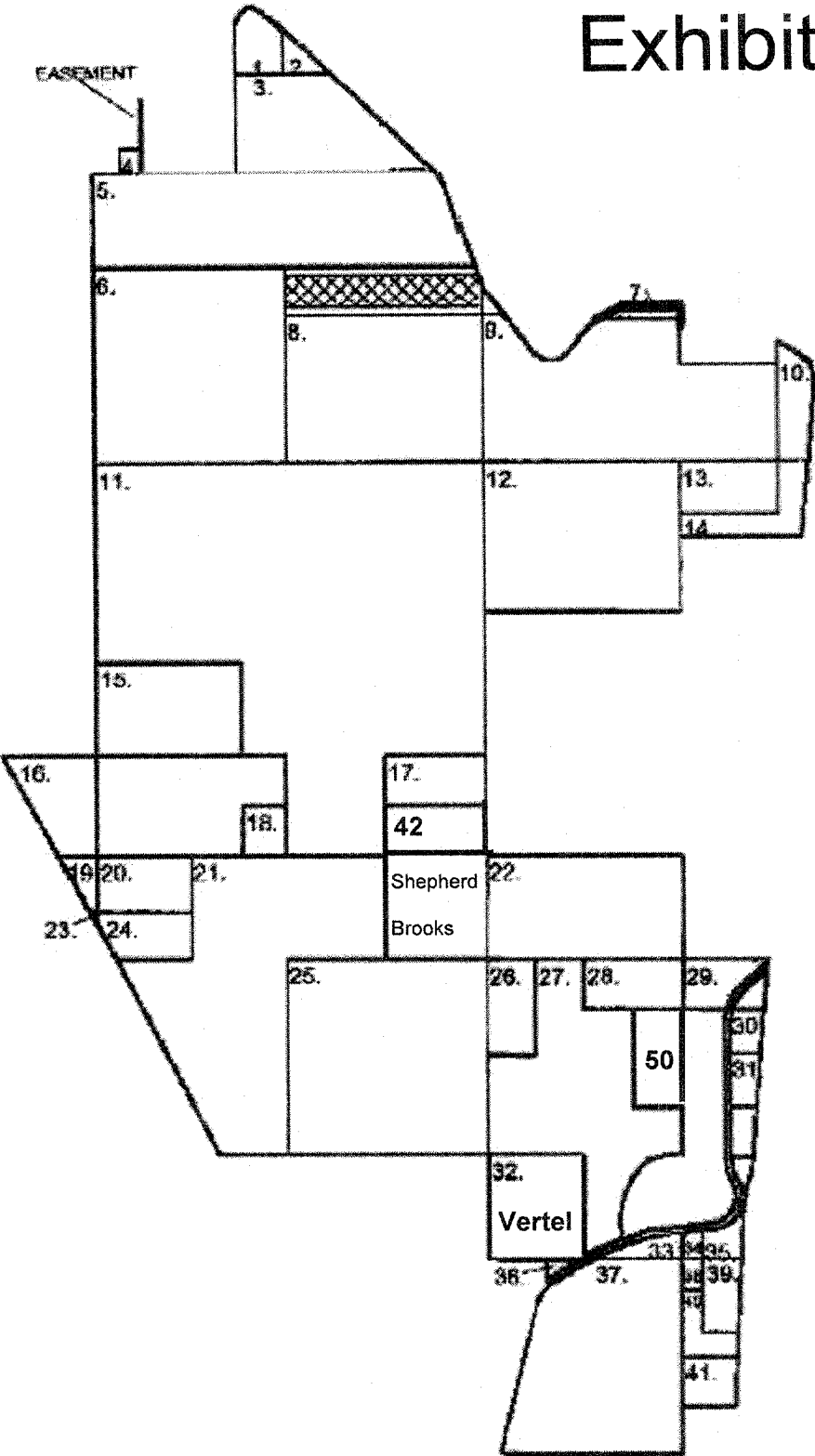


Exhibit L
Friends of TM
Lease Area Map

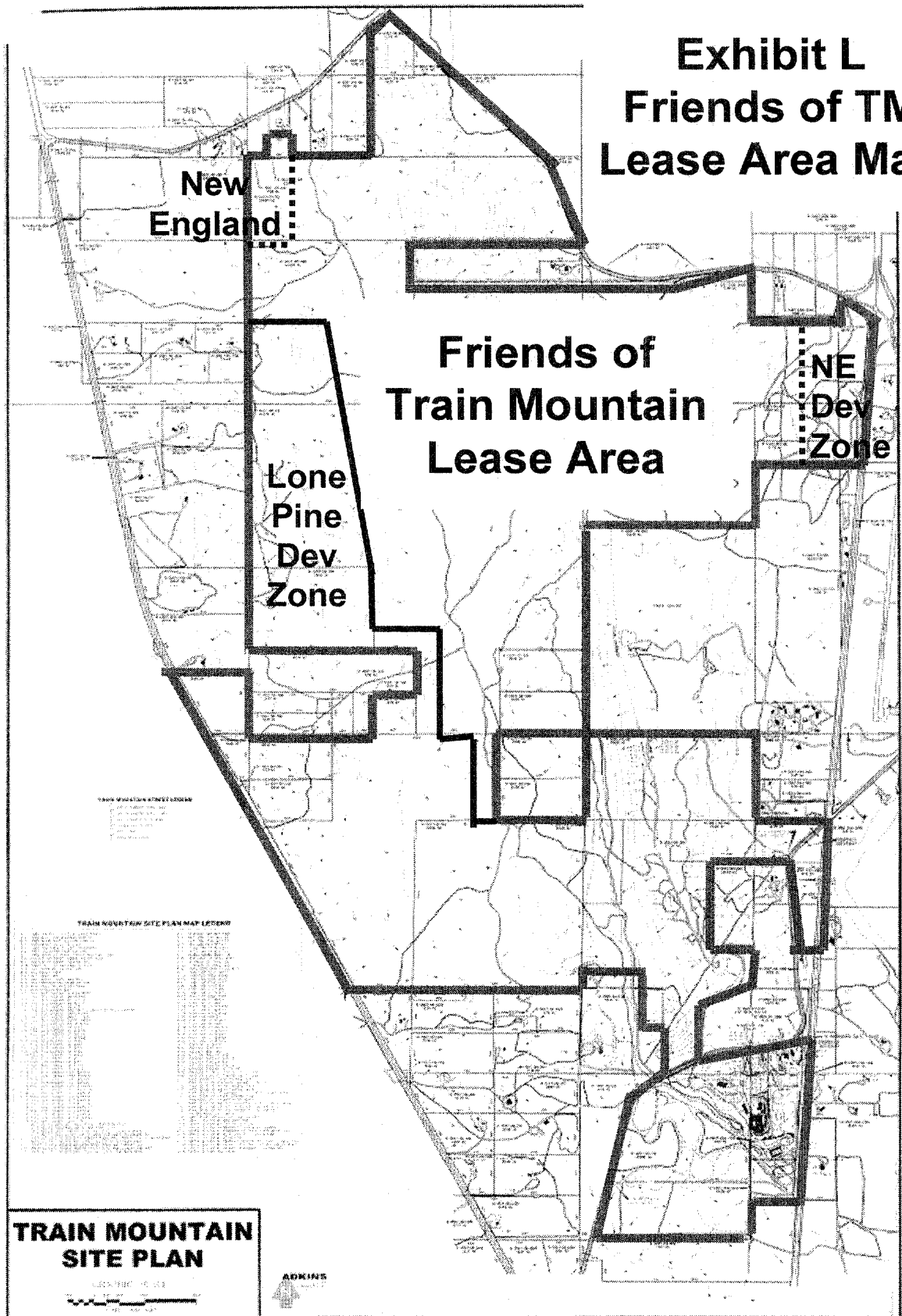


Exhibit M
Parcels Leased to Friends of Train Mountain

July 2007	Reference	Parcel	Owner	Number	Parcel	Acres	Description	Portion FTM Leases	FTM Pays Real Estate Taxes
1	TMF	R794162	R-3407-20-602	11.95	NW Tip Steiger Butte	All	100%		
2	TMF	R705295	R-3407-20-701	4.72	NE Tip Steiger Butte	All	100%		
3	TMF	R729769	R-3407-29-102	58.55	S of Steiger Tip Piece Behind Ferguson	All	100%		
5	TMF	R17617	R-3407-29-701	105.89		All, but if TM subdivides Parcel 5 then FTM lease of Parcel 5 will not cover the western 660 feet of Parcel 5 and FTM will pay 88% of the taxes and TM will pay 12% of the taxes	100%		
6	TMF	R196415	R-3407-29-800	160.00	Old Nest Site	Northern half and Southeast quarter	75%		
7	TMF	R18028	R-3407-28-101	2.64	Felbers Front	All	100%		
8	TMF	R196451	R-3407-29-1100	119.49	Tower Site	That portion below the 4710 foot contour	95%		
9	TMF	R18055	R-3407-28-301	149.13	S Butte Entrance	All, but if TM subdivides Parcel 9 then FTM lease will cover only that portion of Parcel 9 West of a line beginning 520 feet east of the NW corner of Parcel 13 and running North to the northern border of parcel 9 and FTM will pay 85% of the taxes and TM will pay 15% taxes.	100%		
10	TMF	R196148	R-3407-28D-2500	16.78	NE Tip 97 & 422	All, but if TM subdivides Parcel 10 then FTM's lease on Parcel 10 Terminates and TM pays 100% of the taxes.	100%		
11	TMF	R197076	R-3407-32-100	460.00	Valley Floor	That portion of Parcel 11 East of a line running from the NE corner of Parcel 15 to the midpoint of the southern boundary of Parcel 6 except for that portion of Parcel 11 south and west of a line commencing at the mid point of the east side of Parcel 15 and running east 1000' and then south to the southern boundary of Parcel 11. FTM will pay 75% of the taxes and TM will pay 25% of the taxes	75%		
12	TMF	R197352	R-3407-33-300	120.00	NW Forest Service	All	100%		

Exhibit M
Parcels Leased to Friends of Train Mountain

July 2007 Parcel Owner	Reference Number	Parcel	Acres	Description	Portion FTM Leases	FTM Pays Real Estate Taxes
13 TMF	R197343	R-3407-33-200	20.00	NW State Pit 1 Piece	All, but if TM subdivides Parcel 13 then FTM lease will only cover the western 520 feet of Parcel 13 FTM will pay 39% of the taxes and TM will pay 61% of the taxes	100%
14 TMF	R197334	R-3407-33-100	17.79	N & NW State Pit	All, but if TM subdivides Parcel 13 then FTM lease will only cover the western 520 feet of Parcel 13 FTM will pay 20% of the taxes and TM will pay 80% of the taxes	100%
17 TMI	R197156	R-3407-32-900	20.00	North of Farmer	All	100%
21 TMRM	R218936	R-3507-05-300	180.25	Liebold Piece	Eastern 330'	6%
42 Farmer	R197165	R-3407-32-100	20.00	Farmer Property	All	100%
TOTAL ACRES			1467.19			

Exhibit S

Train Mountain Railroad Track Standards

a. Ballast. Ballast shall be 3/4" clean crushed rock that is three inches deep. Neither 3/4" minus rock nor round river rock are acceptable. Ballast on Train Mountain mainline shall be eight-feet wide for single track and twelve-feet wide for double track. Ballast on private track connected to Train Mountain mainline shall be a minimum of four feet wide for single track and eight-feet wide for double track.

b. Bridges. Bridges may be of any design as long as they meet the following specifications. Bridges over other tracks, roads or walking paths shall have a minimum clearance above the track, road or path below of 83". Single-track bridges shall be a minimum of 64" wide, double-track bridges shall be minimum of 112" wide and all bridges shall have a minimum internal vertical clearance of 84". Bridges more than 30" above the ground shall have a railing 42" above the deck surface and no opening below the top railing larger than a 4" sphere.

c. Curves. The minimum curves for mainline and yard tracks shall be 75' radius, except that curves leading to car storage buildings or car storage tracks may have a minimum radius of 50'. Steel track on plastic ties shall be comprised of track panels with rail pre-bent to the following radius curves: 75', 90', 105', 120', 135', 150' and 165' so that all pre-bent steel rail curved track panels on Train Mountain Railroad and all private track connected to Train Mountain mainline are fully interchangeable.

d. Fouling Point. The fouling point on a switch is measured at 34" from the center of the two tracks of a switch and shall be indicated by a two-inch washer in the middle of the track. Where a siding length sign is provided, the fouling point is at the top edge of the sign.

e. Grade. Grade for newly constructed right of way shall not exceed 2%. Better is for the grade not to exceed 1 1/2%. Best is for the grade not to exceed 1%.

f. Grade Crossings. There are three grade crossing types. The simplest, for crossings that are infrequently used by Gators, is 1" boards laid on ties with gravel up the tie level on both sides. The next, for regular Gator traffic, is fabricated using steel beams, rail and angle iron set in 3/4" minus ballast, examples of which are found on the Klamath & Western main line. The final, for automobile and truck traffic, is a steel beam crossing set in concrete that is 24" inches wide, 12" deep and that extends at least 12" past the edge of the roadway being crossed, examples of which are found on the three existing grade crossings on Hidden Valley Road.

g. Grade Crossing Signs. All grade crossings shall be protected by crossbucks. Crossing lights shall be installed at all steel beam crossings set in concrete. Both the crossbucks and the crossing lights shall meet the crossing light specifications set forth in the Train Mountain Encyclopedia.

h. Passing Sidings. The minimum distance between passing sidings shall be 3,000'. In the case of bidirectional track where the two ends are not visible to each other, a passing siding

shall be provided at an appropriate mid- point on the bidirectional track. The minimum siding length shall be 140' between fouling points. A switch and stub track at least 12' long for storage of bad order equipment shall be provided at one end of each passing siding.

i. Rail. Rail may be either steel or aluminum and shall be rolled or extruded to match the existing Train Mountain rail profile. Rail sections shall be ten feet long.

j. Rail Joints. All rail shall be connected with Spall Rail Joiners between rails at joints. The gaps in rail joints shall not exceed three-sixteenths of an inch at eighty degrees Fahrenheit

k. Right of Way. The main line right of way shall be eight-feet wide for single line track and twelve-feet wide for double track.

l. Roadbed. Roadbed shall either have a minimum of six-inches of fill above the surrounding ground or have ditches on both sides that are a minimum of six-inches deep and twelve-inches wide. The roadbed design shall protect the roadbed from washouts and flooding by providing for culverts, bridges, trestles, French drains, perforated pipe or other means of providing for adequate drainage as required by topography. Roadbed shall be compacted by rolling, settling or other approved method. Before track laying, the roadbed shall be finish graded and rolled to provide an absolutely smooth surface that is ready for underlayment and track panels.

m. Switches. Switches where two main lines diverge shall have a minimum radius of 100'. All other main line and yard switches shall have a minimum radius of 75', except that switches leading to car storage buildings, car storage tracks, or streaming bays may have a minimum radius of 50'. All switches shall be built to the exact specifications of existing Train Mountain switches so that all switches on Train Mountain Railroad and all private track connected to Train Mountain mainline are fully interchangeable.

n. Switch Stands. Switch stands may be of any design, provided that they do not protrude above tie level, within 24" of the center line of the track, and thereby not impede the operation of oversized snowplow and pine needle blower equipment. Remote switch stands shall be forty feet from the points of the switch that they control and the edge of the remote switch shall be a minimum of 24" from the centerline of the track. If possible, remote switch stands shall be located on the right hand side of the track.

o. Ties. Ties shall be either plastic or wood ties. The base shall be an actual 2" x 3" x 16". Ties shall be on four- inch centers, which means a two-inch space between ties and thirty ties to a ten-foot track panel.

p. Track Gauge. The distance between rails shall be seven and five-eighths inches.

q. Track Level. Track shall be level from side to side, without super-elevation, and free from longitudinal dips and humps.

r. Track Panels. Track panels shall use Spall rail joiners, and Train Mountain plates and track screws. Panels shall have a 12" rail offset, resulting in an actual track panel length of eleven

feet. All track panels shall be built to the exact specifications of existing Train Mountain track panels so that all track panels on Train Mountain Railroad and all private track connected to Train Mountain mainline are fully interchangeable.

s. Track Separation. Parallel tracks shall be four feet apart on the main line and five feet apart in yards, measured from the track centerline.

t. Trestles. Single-track trestles shall be a minimum of 64" wide and double-track trestles shall be minimum of 112" wide. Trestles more than 30" above the ground shall have a railing 42" above the deck surface and no opening below the top railing larger than a 4" sphere.

u. Tunnels. Tunnel portals shall have a minimum portal width of 48" for single track and 96" inches for double track and a minimum portal height of 75". The minimum inside tunnel width for single track shall be 72" and the minimum inside tunnel height shall be 84".

v. Underlayment. Underlayment shall be plastic that prevents plant growth and shall have a minimum thickness of 12 mil. On Train Mountain mainline, underlayment shall be eight-feet wide on single track and twelve feet wide on double track. On private track connected to Train Mountain mainline, it shall be a minimum of four feet wide for single track and eight-feet wide on double track.

w. W signs. A sign indicating that the engineer shall blow his/her locomotive's whistle shall be placed 60' before the beginning of each steel in concrete grade crossing and 60' before any diamonds where two main line tracks cross. The specifications for these "W" signs are set forth in the Train Mountain Encyclopedia.

x. Y signs. Signs indication that the engineer shall yield to cross traffic at a diamond shall be placed 60' before each diamond where the approaching track is a siding, spur or connector track and the crossing track in a main line track with mileposts. The specifications for these "Y" signs are set forth in the Train Mountain Encyclopedia.

TM Track Standards.doc

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Train Mountain Railroad Museum
Revised November 30, 2006

Exhibit V

PARTICIPANT RELEASE

This release is executed in Klamath County, Oregon, this day by: _____ (Name)
residing at _____ (Address) _____ (city, state)
("Participant"), individually and as parent and guardian of: _____
(minor children, if any) as follows:

1. In consideration of being permitted to enter, use, and enjoy any of the property and facilities of "Train Mountain," including but not limited to freeholds, rights of way, licenses, and leases (together, the "Premises"), whether owned, managed, or controlled by Train Mountain Railroad Museum, Inc., Train Mountain, Inc., Train Mountain Foundation, or any owner of private property for which Train Mountain has an agreement to use part or all of the property for miniature railroading, including but not limited to Friends of Train Mountain, Inc., and Timberlake Railroad, LLC (together, "Releasees"), for myself, my guests and those I bring and invite, those who I legally represent, and my heirs and assigns (together, "Participant"), I hereby release, waive and discharge Releasees, and their owners, officers, directors, employees, contractors, and agents, from all liability to the Participant, for any and all loss or damage, and any claim or damages resulting from the same, on account of injury to the persons or property of Participant, even injury resulting in death of the Participant, whether caused by the negligence of Releasee or otherwise resulting from permission to enter, use, and enjoy any of the Premises. I will further indemnify and hold harmless Train Mountain from any liability, including claims and any attorney's fees and costs, losses, or actions which may be presented or initiated by any person that has not separately signed an identical version of this release, who I bring or invite to Train Mountain for any reason, including but not limited to passengers in a miniature train operated by me while on the Premises, whether or not said persons are members of Train Mountain.
2. Participant agrees to indemnify Releasees and each of them from any loss, liability, damage or cost that may incur due to the presence of Participant in or upon the Premises, whether caused by the negligence of the Releasees or otherwise.
3. Participant assumes full responsibility for the risk of bodily injury, death or property damage due to the negligence of Releasees or otherwise while in or upon the Premises, and while maintaining, officiating in, working or for any purpose participating in said activity.
4. Participant warrants that no promise or inducement has been offered or made except as set forth in this release; that this release is executed without reliance on any statement or representation by Releasees or by any agents of Releasees concerning the nature and extent of the injuries and damages, or either of them, or the legal liability for the same. Participant is of legal age, is legally competent to execute this release and is legally competent to accept the full responsibility for the same.
5. Participant agrees that this release, waiver, and indemnity agreement is intended to be as broad and inclusive as permitted by the laws of the State of Oregon, and that if any portion of this agreement is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect. This release contains the entire agreement between the parties to this release and the terms of this release are contractual and not a mere recital.
6. Participant agrees that all obligations assumed and promises made by Participant under this release shall be binding on my heirs, and the executors and administrators of my estate. Participant further instructs said heirs, administrators, and executors to honor this release and make no claim against Releasees for any claim, loss, damage, or injury which this release purports to cover.

SIGNATURE: _____

DATE: _____

Clause to be amended on Train Mountain membership application and renewal form
(should be printed in bold typeface):

I acknowledge that I enter, use, and enjoy at my own risk "Train Mountain," which name as used herein encompasses all related entities and persons that serve or connect to the Train Mountain model railroading complex and includes, but is not limited to, Train Mountain Railroad Museum, Inc., Train Mountain, Inc., Train Mountain Foundation, and any owner of private property for which Train Mountain has an agreement to use part or all of the property for miniature railroading, including but not limited to Friends of Train Mountain, Inc., and Timberlake Railroad, LLC, and in consideration for the right to so enter, use, and enjoy the premises and facilities, I release Train Mountain from any liability for any claim, loss, damage, injury, or death, regardless of the cause, including the active or passive negligence of Train Mountain, sustained by me or by my property while upon the premises and any property that is owned, managed or controlled by Train Mountain. I will further indemnify and hold harmless Train Mountain from any liability, including claims and any attorney's fees and costs, losses, or actions which may be presented or initiated by any person that has not signed a Participant Release who I bring or invite to Train Mountain for any reason, including but not limited to passengers in a miniature train operated by me while on the premises, whether or not said persons are members of Train Mountain. By signing this document, I understand that I am surrendering legal rights which I may otherwise have against Train Mountain.

Exhibit Y

Lot 32 in Section 5, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER WITH an easement for ingress and egress purposes from Highway No. 62 through Lot 31 of Section 5 and Lot 2 of Section 8 to Lot 32 to Section 5, all in Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, described in the Easement Agreements that are recorded in Klamath County Deed Records Book Volume M-68, Page 9918 and Book Volume M-79, Pages 18654 and 18655.

MAP 3507-00500-01600 KEY #218641

MAP 3507-00500-01600 KEY #599631