



FEATHER RIVER RAIL SOCIETY

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October 19, 2006

Dear FRRS Member

In May 2004 the Board of Directors approved a policy on "Privately Owner Rail Equipment on FRRS Property". This policy went into effect on May 1st, 2004. The Board of Directors had delayed the enforcement of this policy until it could be reviewed and revised.

At the October 7th 2006 Board of Directors meeting, the directors voted on a revised policy and authorized enforcement of that policy starting immediately.

This policy is attached to this letter for your reference.

You have been identified with private rail equipment that is presently on FRRS property. Also attached with this letter you will find a list of equipment that has been identified as equipment owned by you.

With this notice you have 90 (ninety) days to meet the requirements of this policy.

Your options are as follows:

- A. Meet the requirements of the policy and execute a storage agreement with the FRRS,
- B. Donate the equipment to the FRRS,
- C. Come to a use agreement with the FRRS for the use of the equipment,
- D. Remove the equipment from the FRRS Property.

It will be necessary that you communicate with the President, Rod McClure indicating your choice of option above not later than February 1st, 2007.

Sincerely

Rod McClure
President, FRRS

ENC:



Privately Owner Rail Equipment on FRRS Property

POLICY AND PROCEDURES MANUAL

Effective Date: 09/09/06
Review Date: 05/01/11
Replaces: 05/01/04

Privately owned equipment physically located on FRRS property will be subject to one or all of the following requirements effective 05/01/04. If the owner is not agreeable to the stipulations as prescribed, the privately owned equipment will be removed from FRRS property within 6 months of notification. Notification will be made by certified return receipt US mail.

1. Private owner will be charged a sum of ~~\$300.00~~^{100.00} per month per rail car stored on FRRS property.
2. Private owner of Motor Cars will be charged a sum of \$25.00 per month per motor car stored on FRRS Property.
3. Each private owner will maintain a damage and liability insurance policy for each rail car on the property. The minimum liability amount must be \$500,000.00 per incident, \$1,000,000.00 aggregate. A current certificate of liability must be on file with the FRRS, indicating the FRRS as an additional insured on the policy.
4. Motorcars operating on FRRS/PRM property (owner or leased) shall have NARCOA operator license and NARCOA insurance.
5. Each privately owned rail car or equipment will have a written storage agreement signed by the owner and the FRRS with a copy of this policy attached.
6. Any privately owned rail car on FRRS property will be placed at the FRRS yardmasters discretion. FRRS will not be required to store any privately owned rail car inside the FRRS shop.

7. FRRS will not be responsible for vandalism or damage of any kind inclusive of theft, fire, wind, water, neglect, derailment or Acts of God.
8. All privately owned rail equipment shall be maintained to operate within the FRRS property in order to move the equipment at any time.
9. All privately owned rail equipment shall be maintained in a good general appearance while stored on FRRS property.
10. The monthly sum of \$100.00 may be waived if FRRS is allowed to use said privately owned equipment for FRRS sponsored events such as its summer caboose trains, off property events, or special events allowing public access. This will be on a case-by-case basis with approval of the Board of Directors or its agent.
11. Any owners of private equipment on the property who wish to use FRRS shop space, tools, or services must have a separate agreement negotiated and approved by the Board of Directors prior to commencement of any utilization of said resources.
12. Any private equipment owner who does not reach an agreement with FRRS ninety (90) days from official notification of intent will be considered negligent and said owners rail car will be considered abandoned. Once considered abandoned, said rail car will become the sole property of the FRRS.
13. Nothing in this agreement will prevent the FRRS and privately held equipment owner from agreeing to a purchase or donation of said equipment, as long as the above prescribed timelines are adhered to.
14. FRRS reserves the right to demand outright removal of said equipment without cause at anytime with 120 days notice.