



FEATHER RIVER RAIL SOCIETY POLICY

Privately-Owned Rail Equipment on FRRS Property

Effective Date: 01/01/2018

Legal Review Date:

Next Review Date: 01/01/2021

Replaces: 09/09/2006

BoD Approved 12-9-2017

A private owner (“Owner”) of rail cars and/or motor cars (individually and collectively referred to as “Equipment”) located on property owned or leased by Feather River Rail Society (“FRRS”), including the property operated as the Western Pacific Railroad Museum in Portola, CA (collectively, the “Property”), shall be subject to all requirements herein (the “Equipment Policy”) effective as of _____, 2023.

1. Owner shall execute FRRS’ standard Storage Agreement for all Equipment stored on the Property and the terms and conditions of this Equipment Policy shall be incorporated in the Storage Agreement by reference.
2. Owner shall pay to FRRS the sum of One Hundred Fifty Dollars (\$150.00) per month per rail car stored on the Property (“Rail Car Fees”).
3. Owner shall pay to FRRS the sum of Forty-Five Dollars (\$45.00) per month per motor car stored on the Property (“Motor Car Fees”).
4. Owner shall pay such Rail Car Fees and Motor Car Fees (individually and collectively referred to herein as “Fees”) monthly, quarterly, bi-annually, or annually as Owner and FRRS shall agree in the Storage Agreement (the “Fees Due Date”).
5. Any payment of Fees that FRRS receives more than thirty (30) calendar days after the Fees Due Date shall be deemed delinquent and FRRS shall, commencing on the sixty-first (61st) calendar day after such Fees Due Date, result in the assessment of a late charge equal to fifteen percent (15%) of the outstanding Fees. FRRS shall, in each subsequent month(s) after such delinquency and until all delinquent amounts are paid in full, assess late charges in an amount equal to fifteen percent (15%) of any outstanding Fees and late charges. FRRS shall notify Owner of any such delinquency(ies) and/or late charge assessments in writing by regular USPS mail and/or email within a reasonable period of time after such delinquency and/or assessment occurs.

6. Owner may not, without the prior written approval of FRRS, remove from the Property any Equipment subject to delinquent Fees and/or late charges and Owner shall continue to be responsible and liable for Fees and/or late charges for all periods during which Equipment continues to remain on the Property. If Fees and/or late charges remain delinquent for more than six (6) months after the Due Date when such Fees were first due, FRRS shall notify Owner in writing, by regular USPS mail and/or email at the expiration of such six (6)-month period, that if Owner does not respond to FRRS' notice within thirty (30) calendar days after the date of such notice, the Equipment shall be deemed abandoned and shall become the sole property of FRRS as of the expiration of thirty (30) calendar day period.
7. Owner shall maintain a damage and liability insurance policy for all Equipment located on the Property with a minimum liability amount of \$500,000.00 per incident and a \$1,000,000.00 aggregate claims limit, with FRRS and its directors, officers, employees and volunteers named as additional insureds. Owner shall provide FRRS with a current endorsement to the policy and certificate/proof of insurance evidencing such coverage before Owner brings any Equipment onto the Property and from time to time as FRRS may reasonably request.
8. Owner shall maintain a NARCOA operator license and NARCOA liability insurance for all motor cars (owned or leased) that Owner stores on the Property. Owner shall provide FRRS with a current endorsement to the policy and certificate/proof of insurance before Owner brings any Equipment onto the Property and from time to time as FRRS may reasonably request.
9. Owner shall, before bringing any Equipment onto the Property, provide to FRRS the name(s) and contact information for any persons or entities holding an ownership interest in and/or liens on Equipment. Owner shall provide to FRRS updated ownership and lienholder information if such information changes during the term of Owner's Storage Agreement.
10. Owner shall defend, indemnify and hold FRRS and its directors, officers, employees and volunteers harmless from and against any and all claims, demands, liabilities, and expenses arising from or in connection with any injury or damage to any person or property arising from Owner's storage and/or operation of Equipment on the Property, and FRRS shall in no event be liable to Owner for damage to or theft from any Equipment stored on the Property for any reason whatsoever.

11. Any of Owner's Equipment stored on the Property shall be subject to placement and movement on the Property at the FRRS' yardmaster's sole discretion, and Owner is not entitled, nor is FRRS obligated in any way whatsoever, to store any Equipment in the FRRS shop or in any particular location. Further, Owner is not entitled to use the FRRS shop space, tools, or shop services, except upon the prior written approval of the FRRS Board of Directors and Owner's execution of a separate written agreement with FRRS regarding same.
12. Owner shall provide FRRS with keys or other means of access for FRRS personnel to enter all Equipment on the Property for purposes of moving such Equipment, ensuring safety, performing security checks, or performing any other actions as FRRS deems necessary. Owner shall further, at its sole expense, maintain all Equipment to be operational and moveable to allow FRRS personnel to move such Equipment as provided in this Equipment Policy. If FRRS personnel determine that any Equipment is not operational and moveable, FRRS shall notify Owner, in writing by regular USPS mail or email, of such determination and Owner shall, no later than sixty (60) calendar days after the date of FRRS' notice, make all necessary repairs to restore the Equipment to an operational and moveable condition. If Owner fails to make such repairs within such sixty (60) calendar day period, FRRS reserves the right to effect such repairs and Owner shall be responsible to reimburse FRRS for all costs and expenses it incurs, no later than thirty (30) calendar days after FRRS sends Owner written notice of charges, for the cost of parts, shipping, labor charges, taxes, and any other costs and expenses incurred as a result of Owner's failure to comply with this section of the Equipment Policy.
13. Owner shall maintain the interior and exterior appearance of all Equipment in good condition and repair as is appropriate for public viewing and as FRRS reasonably requires from time to time.
14. If Owner refuses to execute a new Storage Agreement within ninety (90) calendar days after the date of FRRS' written notification to Owner that Owner is required to execute a new Storage Agreement, Owner shall be deemed in breach of the existing Storage Agreement and any other agreements between Owner and FRRS. Upon such breach, FRRS shall provide written notice of same to Owner by regular USPS mail and/or email (the "Breach/Removal Notice"). Upon such breach, Owner shall be required to remove any and all Equipment from the Property, and if Owner does not execute the required new Storage Agreement or does not remove all Equipment from the Property within ninety (90) calendar days after the date of the Breach/Removal Notice, FRRS shall notify Owner in writing by regular USPS mail or email (the "Abandonment Notice") at the expiration of such ninety (90) calendar day period, that if Owner

does not cure the breach or remove the Equipment, the Equipment shall be deemed abandoned and shall become the sole property of FRRS as of the expiration of such thirty (30) calendar day period.

15. FRRS reserves the right to demand, without cause and at FRRS' sole discretion, that Owner remove the Equipment from the Property at any time upon at least one hundred and twenty (120) calendar days' prior written notice from FRRS to Owner sent by regular USPS mail or email. If Owner fails to remove the Equipment within the one hundred and twenty (120) calendar day period and Owner and FRRS have not entered into any written agreement to extend such notice period, FRRS shall notify Owner in writing by regular USPS mail or email at the expiration of such one hundred twenty (120) calendar day period that Owner is in non-compliance with the Equipment Policy and breach of Storage Agreement and that if Owner does not remove the Equipment, the Equipment shall be deemed abandoned and shall become the sole property of FRRS as of the expiration of such thirty (30) calendar day period (the "Abandonment Date"). In the event Owner's Equipment is deemed abandoned pursuant to this paragraph, FRRS shall refund to Owner, within thirty (30) calendar days after such Abandonment Date, any storage fees Owner has pre-paid under the Storage Agreement that apply to a period after such Abandonment Date (e.g., if Owner has paid for one year of storage for a period from January 1 through December 31, and the Abandonment Date is May 31, FRRS shall refund to Owner pre-paid storage fees for the period of June 1 through December 31).

16. If Owner requires removal or movement of its Equipment from or around the Property at any time for reasons not related to FRRS' operational needs, Owner shall pay in advance FRRS' switching rates as FRRS shall determine at the time of such movement or removal.

Change Log:

| Rev Number | Changes | By | Date |
|-------------------|----------------------------|---------------|-------------|
| 1 | Initial Issue | | 05/01/2004 |
| 2 | Revised and updated | | 09/09/2006 |
| 3 | DRAFT Update to new format | Kerry Cochran | 11/29/2017 |
| 4 | | | |
| 5 | | | |