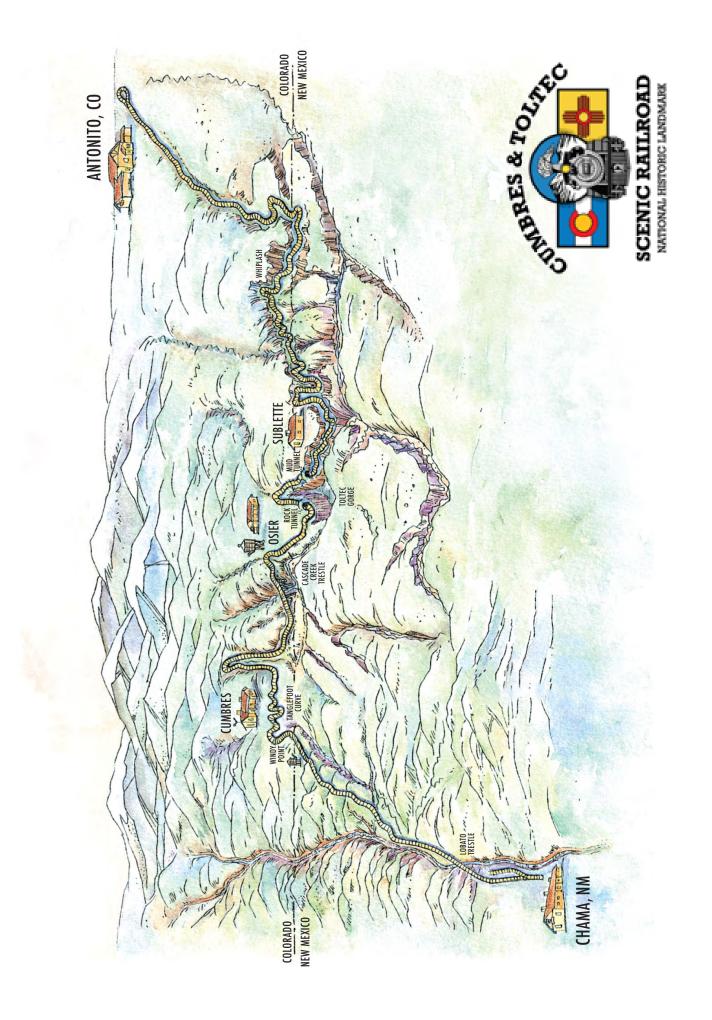
Cumbres & Toltec Scenic Railroad Ongoing Capital Programs





C&TSRR

Capital Improvement Program

Locomotives

- Five active Steam Locomotives.
- Complete "tear down" inspection

required every 1472 steam days.

- Boilers rebuild every 9 years.
- Running gear rebuilt every 5 years.
- Maintenance mandated by Federal Regulations.
- Program must be continuously maintained.



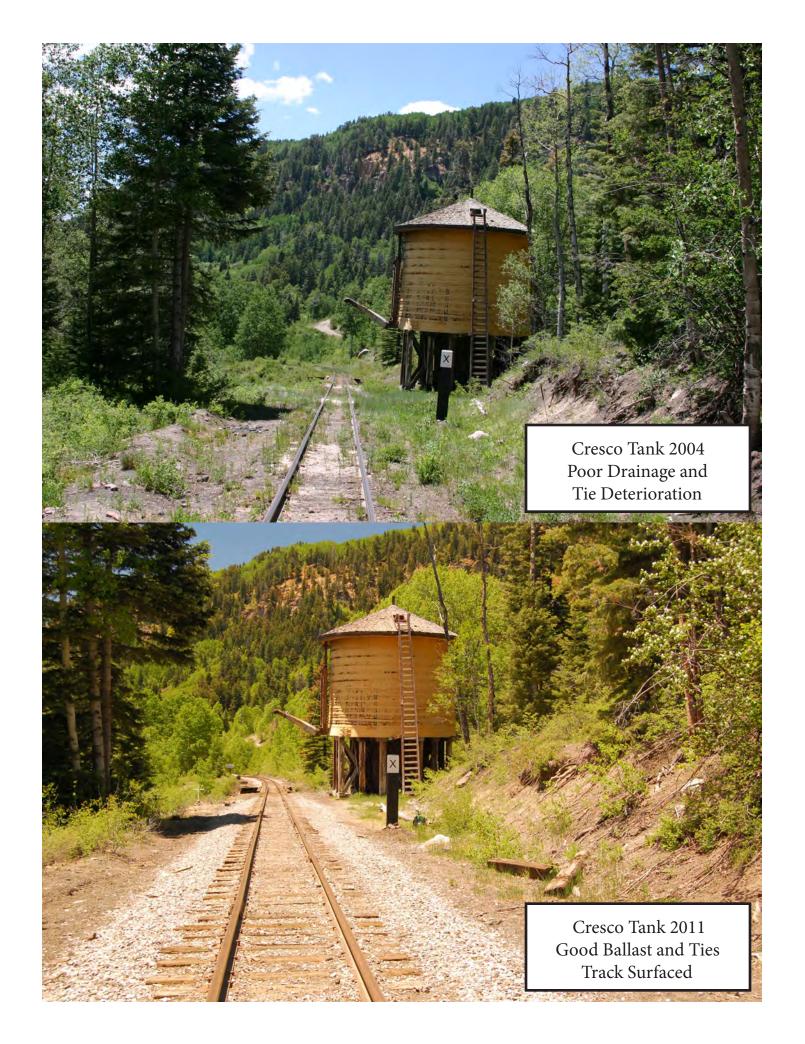


C&TSRR

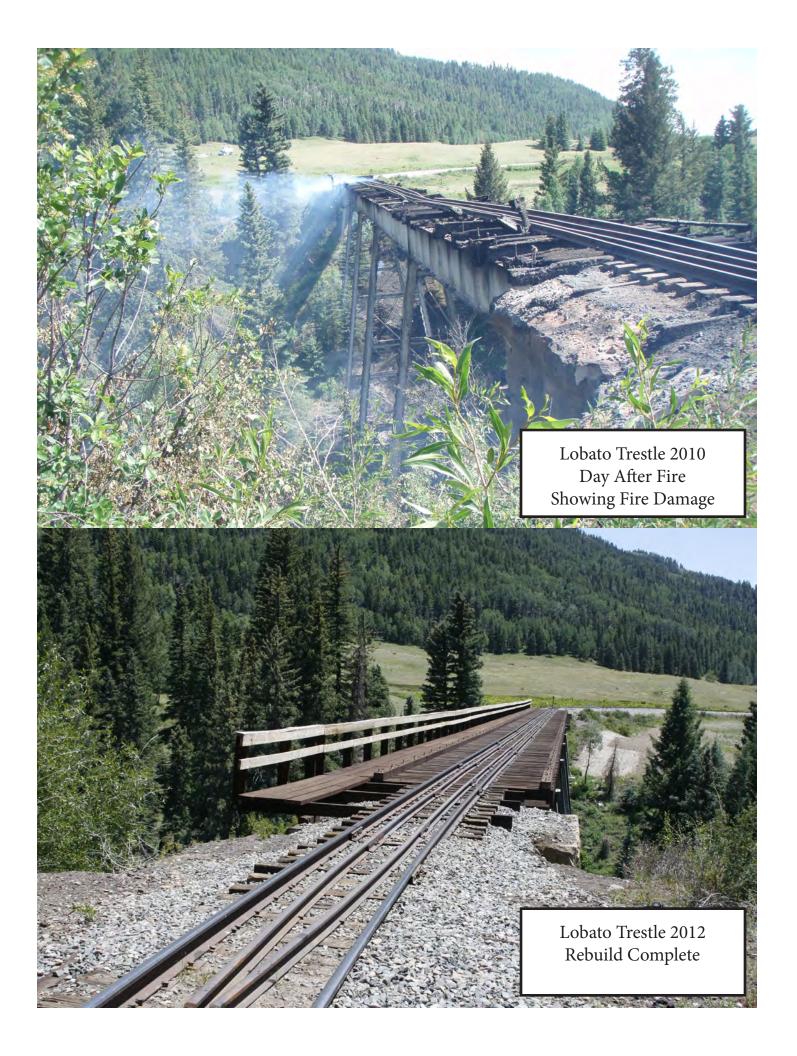
Capital Improvement Program

Track Upgrade

- 64 miles Chama to Antonito.
- Entire railroad in poor condition at beginning of the program.
- Comprehensive upgrade now 75% complete.
- No derailments in last two years.
- Maintenance mandated by Federal Regulations.
- Deferred maintenance increases costs.







C&TSRR

Capital Improvement Program

Passenger Car Program

- Fleet contains 19 passenger cars.
- All cars are home built. None available at start-up
- Early cars modified wooden box cars.
- First seven passenger cars constructed in 1981 have limited accommodations.
- Next twelve cars constructed 1986-1997 to an improved design and appearance.
- Four cars upgraded to meet demand for premium services. Two more planned.
- Two of the newer cars modified to accommodate ADA customers.
- One-third of fleet are 35 years old and are being rebuilt to current standards.

