Cumbres & Toltec Scenic Railroad Ongoing Capital Programs



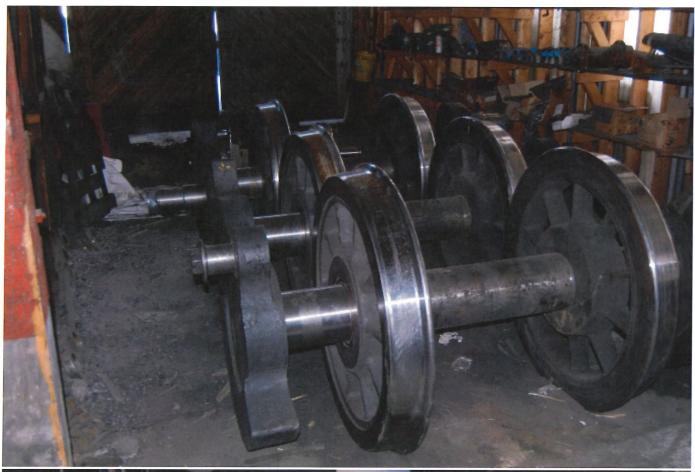


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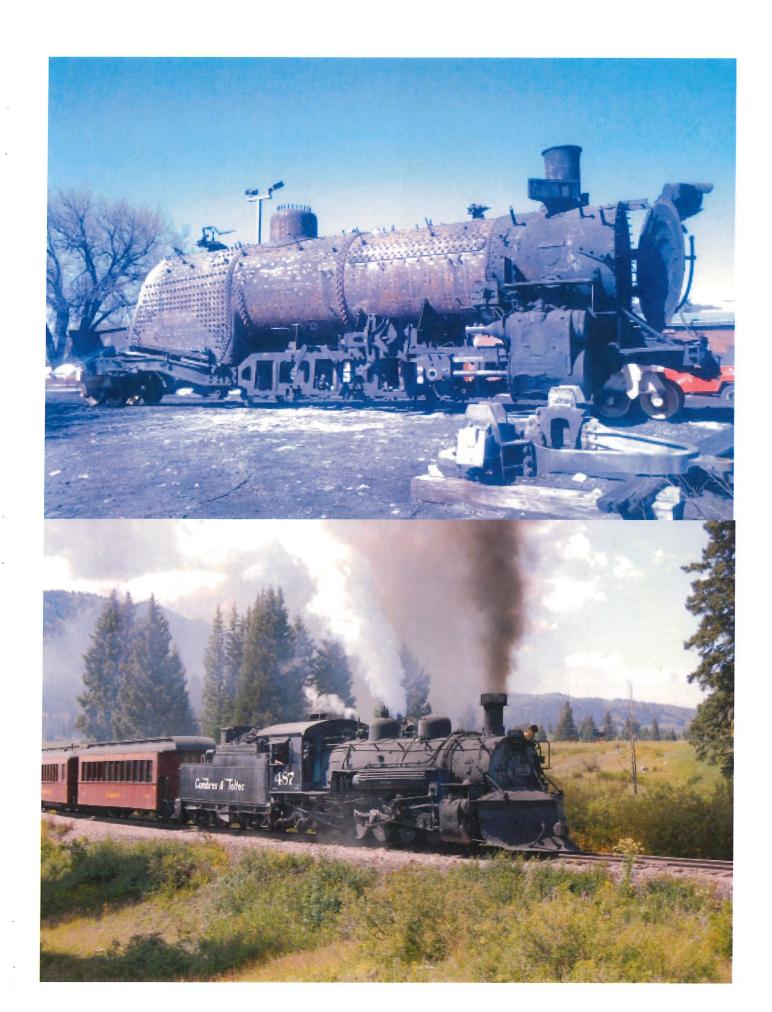
Capital Improvement Program

Locomotives

- Five active Steam Locomotives.
- Complete "tear down" inspection required every 1472 steam days.
- Boilers rebuilt every 9 years.
- Running gear rebuilt every 5 years.
- Maintenance mandated by Federal Regulations.
- Program must be continuously maintained.





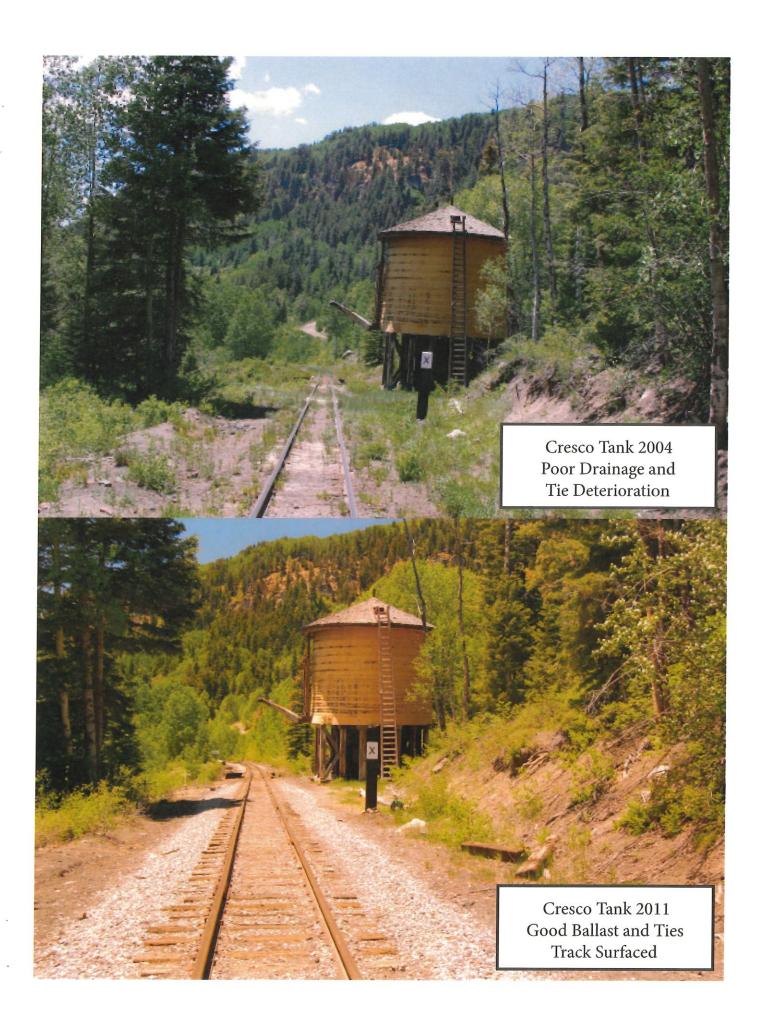


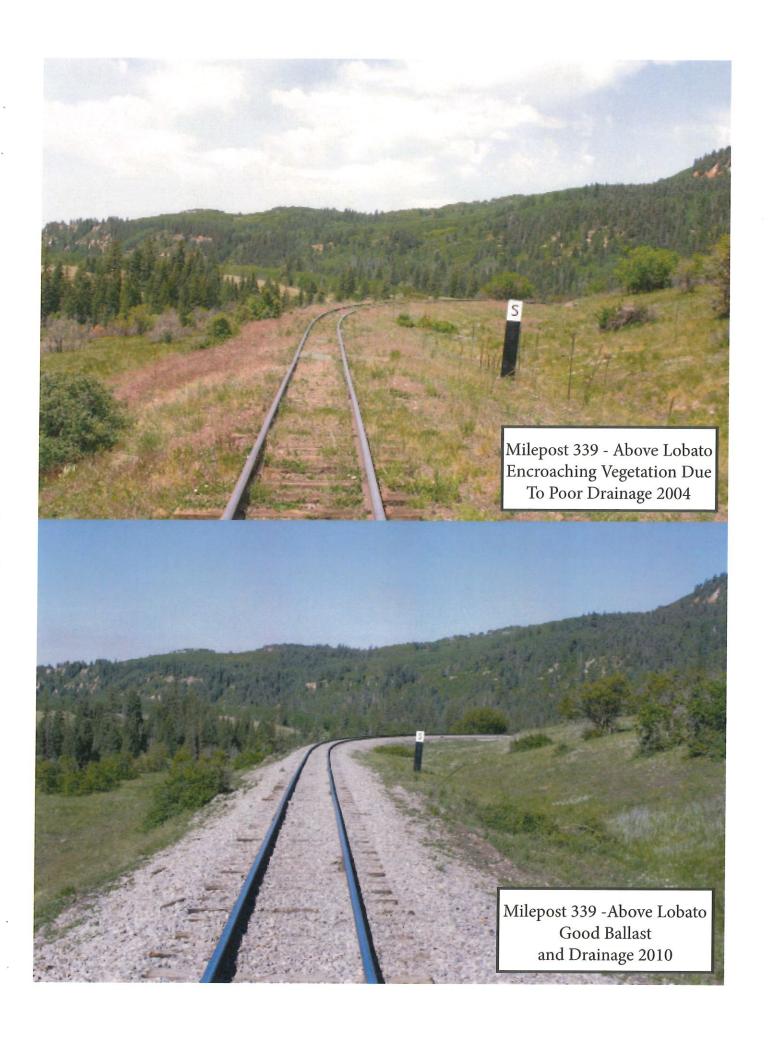
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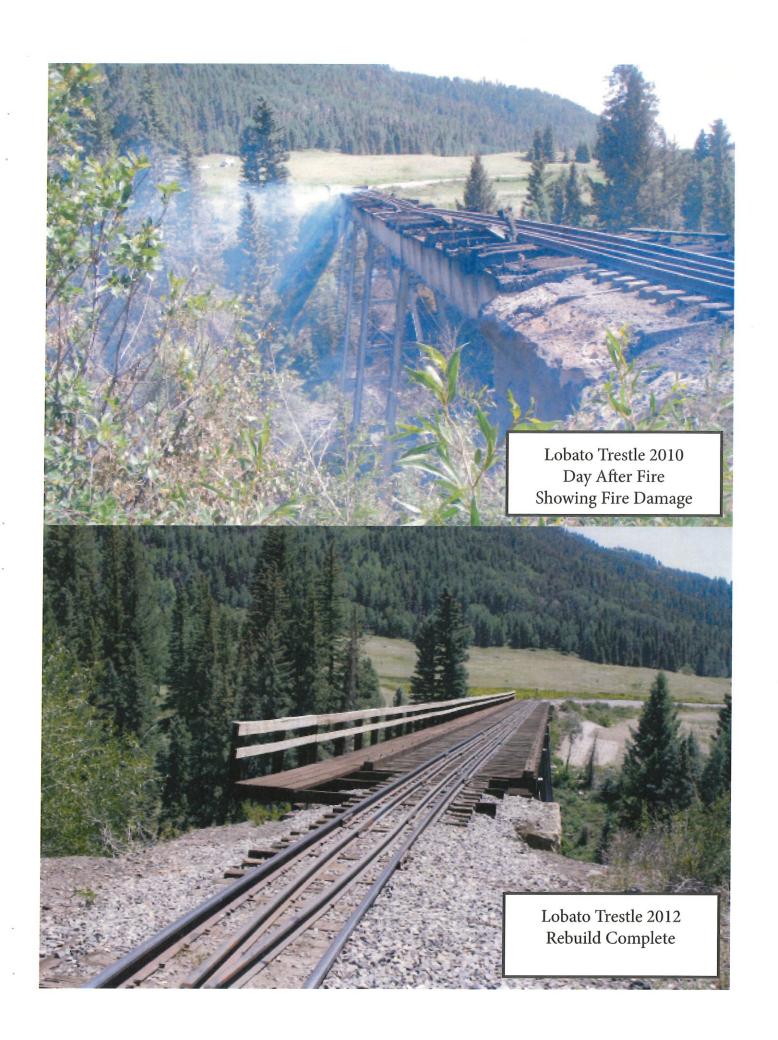
Capital Improvement Program

Track Upgrade

- 64 miles Chama to Antonito.
- Entire railroad in poor condition at beginning of program.
- Comprehensive upgrade now 85% complete.
- Maintenance mandated by Federal Regulations.
- Deferred maintenance increases costs.





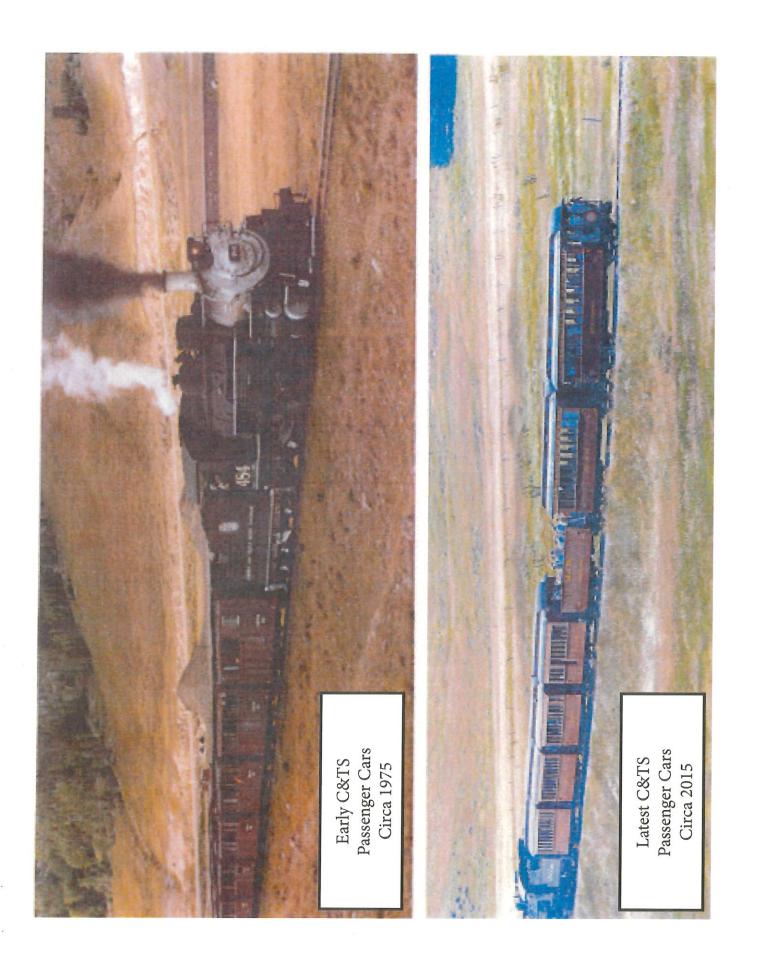


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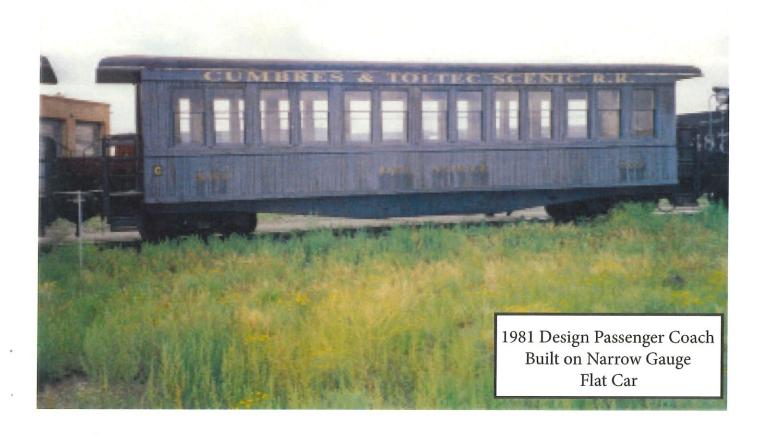
Capital Improvement Program

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 near completion.
- Two of the newer cars modified to accommodate ADA customers.
- One-third of fleet at 35 years old and are being rebuilt to current standards









1981 Design Passenger Coach with Upgraded Interior Appearance



1986 Design Passenger Coach with Upgraded Interior Appearance

