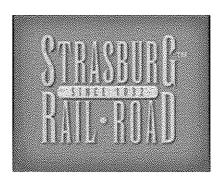
### **AGREEMENT**

To Restore and Operate LIRR G5s Steam Locomotive 39

# by and between the RAILROAD MUSEUM of LONG ISLAND



## and the STRASBURG RAIL ROAD COMPANY



#### INTRODUCTION/PREAMBLE

THIS AGREEMENT is entered into to define and enable the successful restoration and future operation of Pennsylvania Class G5s - LIRR Steam Locomotive 39, (hereinafter referred to as the "locomotive"), between "the parties:" the Railroad Museum of Long Island, (hereinafter referred to as the "RMLI"), a New York State Recognized Museum with offices at 440 – 4<sup>th</sup> Street, P.O. Box 726, Greenport, NY 11944-0726 and the Strasburg Rail Road Company, (hereinafter referred to as the "SRC"), a private tourist railroad and shop facility with offices at PA Route 741, P.O. Box 96, Strasburg, PA 17579-0096.

THIS AGREEMENT is the result of collective negotiations, September 26, 2012 through January 30, 2013, between the RMLI and the SRC, and may be changed only through mutual consent, in writing, by the RMLI and the SRC. To the extent that any matters are not otherwise covered by this agreement the RMLI and the SRC shall communicate, meet and negotiate a mutually acceptable agreement to the matter at hand.

#### LENGTH of AGREEMENT

THIS AGREEMENT shall be in effect for a term of fifteen (15) years or less.

Upon restoration of the **locomotive** and FRA approval of the **locomotive's** operating condition, a new agreement, **THE LEASE**, attached as Exhibit A, shall be placed in effect for a term of forty-eight (48) years. At that time **THIS AGREEMENT** and any similar Agreement for the restoration of the locomotive shall cease.

If restoration of the locomotive does not commence within fifteen (15) years, THIS AGREEMENT may be renegotiated by the RMLI and the SRC for a period of time to be determined.

#### TERMS of AGREEMENT

The locomotive is the property of the RMLI and shall remain the property of the RMLI throughout restoration, terms of lease/operation, and beyond.

The RMLI agrees to pay the SRC a predetermined amount of money, as indicated in SCHEDULE A, (hereinafter referred to as the "PAYMENT") for the calendar year in which the indicated amount is raised, 2013 through 2027, (the fifteen year period of THIS AGREEMENT), for the restoration of the locomotive.

The RMLI agrees, at its expense, to transport all parts, assemblies and components of the locomotive to the SRC shops for restoration.

In consideration of the PAYMENT and the forty-eight (48) year lease, the SRC agrees to pay all additional costs of restoration of the **locomotive**, shall commence restoration during the next calendar year and shall complete the restoration of the **locomotive** within one-thousand one-hundred (1100) consecutive days.

#### **SIGNATORIES**

| This Agreement shall become effective on 15 March, 2013, and      | nd terminate as            |
|---|----------------------------|
| provided above and otherwise on 15 March, 2027.                   |                            |
| INWITNESS WHEREOF, the parties hereto have set their hands and se | eals this $15+6$ day of    |
| March, 2013.  |                            |
|   |                            |
| For the RAILROAD MUSEUM of LONG ISLAND,                           |                            |
| Charded the   | , President                |
| Donald G. Fisher  |                            |
| Q : QC  | , Vice President & Counsel |
| Dennis DeAngelis, Esq.  | ,                          |
|   |                            |
| For the STRASBURG RAIL ROAD COMPANY,                              |                            |
| LWUX  | _, President               |
| Linn W. Moedinger   |                            |

SCHEDULE A 15 year agreement

RMLI pays \$\$ during year noted - SRC provides balance \$\$ and begins work the following year.

| Calendar Year        | 2013                          | 2014           | 2015  | 2016   | 2017           | 2018  | 2019           | 2020           |
|----------------------|-------------------------------|----------------|---|--|----------------|---|----------------|----------------|
| RMLI payment         | \$900,000.00                  | \$945,000.00   | \$992,250.00  | \$1,041,862.50                               | \$1,093,955.63 | \$992,250.00 \$1,041,862.50 \$1,093,955.63 \$1,148,653.41 \$1,206,086.08 \$1,266,390.38 | \$1,206,086.08 | \$1,266,390.38 |
| SRC provided balance | \$1,086,861.00 \$1,141,204.05 | \$1,141,204.05 | \$1,198,264.25  | \$1,198,264.25 \$1,258,177.47 \$1,321,086.34 | \$1,321,086.34 | \$1,387,140.66 \$1,456,497.69   | \$1,456,497.69 | \$1,529,322.57 |
| Term of Lease        | 48 yrs.                       | 48 yrs.        | 48 yrs.   | 48 yrs.                                      | 48 yrs.        | 48 yrs.   | 48 yrs.        | 48 yrs.        |
|                      |                               |                | And rest colonists control to the rest state of the rest section. |  |                |   |                |                |
| Calendar Year        | 2021                          | 2022           | 2023  | 2024   | 2025           | 2026  | 2027           |                |
| RMLI payment         | \$1,329,709.90 \$1,396,195.39 | \$1,396,195.39 | \$1,466,005.16  | \$1,539,305.42                               | \$1,616,270.69 | \$1,466,005.16 \$1,539,305.42 \$1,616,270.69 \$1,697,084.22 \$1,781,938.43              | \$1,781,938.43 |                |
| SRC provided balance | \$1,605,788.70 \$1,686,078.14 | \$1,686,078.14 | \$1,770,382.05  | \$1,770,382.05 \$1,858,901.15                | \$1,951,846.21 | \$2,049,438.52  | \$2,151,910.44 |                |
| Term of Lease        | 48 yrs.                       | 48 yrs.        | 48 yrs.   | 48 yrs.                                      | 48 yrs.        | 48 yrs.   | 48 yrs.        |                |