

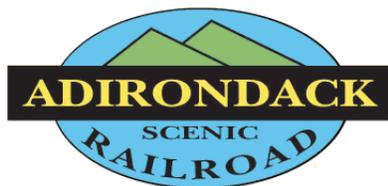
Iowa Pacific & Adirondack Railroad announce partnership to develop Pullman service between New York City & Lake Placid

The Adirondack Rail Preservation Society (ARPS), operators of current tourism rail services on the Adirondack Railroad, and Iowa Pacific Holdings, LLC have entered into a Memorandum of Understanding establishing a major new working partnership going forward. A key goal of the agreement is the establishment of high end excursion passenger service between New York City and Lake Placid, utilizing restored Pullman railcars and sleeping cars.



"This MOU has been the subject of several months of effort as our two organizations established the basis for a working relationship and as Iowa Pacific fully assessed the potential of the Adirondack Railroad as the next in their continuing series of successful rail service developments across the country," states Bill Branson, President of ARPS.

Iowa Pacific Holdings is based in Chicago and is the parent company of several successful passenger and freight railroads around the U.S. and internationally. These include the Saratoga & North Creek Railroad in the eastern Adirondacks and the Rio Grande Scenic Railroad, the Mt. Hood Railroad, High Iron Travel, the Texas-New Mexico Railroad, and the West Texas & Lubbock Railway, as well as the Machuu Picchu Train in the Andes in South America.



In addition, Iowa Pacific owns the Pullman Sleeping Car Company. Under their leadership, Pullman is actively engaged in the acquisition and restoration of historic Pullman passenger, dining and sleeper cars, with approximately 70 currently in various stages of restoration. This year, they have announced and are about to initiate Pullman Rail Journeys, operating high end overnight excursions similar to those operated in many areas of Europe such as the famous Orient Express. The first tour venture will begin in early November from Chicago to New Orleans.

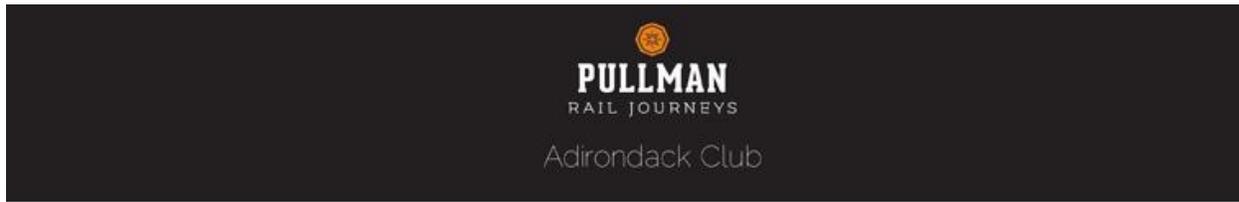
"We are grateful to ARPS for the opportunity to work together on a project that can bring a dramatic rail service improvement to the Adirondacks," said Ed Ellis, President of Iowa Pacific Holdings. "Iowa Pacific has been working to revive rail corridors across the US and in other countries for freight and passenger service for over a decade, and our recent success with the Saratoga and North Creek is an indication of what can be done in the Adirondack market. We believe the higher-end travel audience in New York City is ready to respond to a first-class overnight experience on historic Pullman cars through the Adirondacks to Lake Placid. While we are quite aware of the structural challenges involved in developing this kind of service, we believe we are uniquely qualified to assist ARPS and this agreement is a first milestone in working toward the vision."

The MOU further states that "Iowa Pacific Holdings, Pullman Sleeping Car Company and the Saratoga and North Creek Railroad also concur with ARPS and the other parties that, based upon our broad national experience, the Adirondack railroad offers numerous opportunities for rail service development in the future in addition to the Lake Placid-New York City operation, including other expanded tourism rail operations along its length, rail access to trailheads and waterways, and future freight potential. The parties therefore also commit to the joint identification and shared exploration of these and all other forms of rail activity which appear achievable as a part of the future of this singular and irreplaceable infrastructure."

"This interest by one of the nation's premier rail companies in resuming service along the Utica-Lake Placid rail corridor is very exciting news," states Kate Fish, Executive Director of the Adirondack North Country Association. "ANCA has been a long time supporter of retaining rail infrastructure in the Adirondack North Country region as a vital component for our economic future. We applaud the commitment of Iowa Pacific, the Adirondack Railway and other important partners in this significant initiative."

"The revival of rail as an engine of tourism is evident across Europe and now all over America," states Garry Douglas, President of the North Country Chamber of Commerce. "People are hungry for new kinds of experiences, and new ways to see and enjoy spectacular areas like the Adirondacks. Hopefully everyone will come to the table to do all that we can to move this venture forward and then to develop all of the other possibilities waiting to unfold. Onward, upward and on track!"

Under the agreement, the parties will work together on the full development of a joint plan that can be submitted to the New York State Dept. of Transportation and form the basis of business discussions with Amtrak and other stakeholders. Iowa Pacific will bear the equipment and operating costs and risks, and will be open to partnering in the costs of capital improvements required on the rail line, to be defined as part of the full plan. According to Branson and Ellis, the full plan will also include outreach to several of the major hotels and resorts in Lake Placid to determine their interest in becoming partners in hosting future visitors.



Lounge: The lounge of the Adirondack Club features comfortable lounge chair seating and booths with tables. Books, magazines and newspapers are available and it is a great place to socialize with fellow passengers. While the table area is reserved for dining during meal times, at other times of the day and night the tables are an excellent spot for playing cards and enjoying a beverage and a snack.

Diagram of the Adirondack Club Pullman Sleeping Car