

**Historic Transport Preservation, Inc.
EIN 20-5008781**

**IRS Form 1023 - Application for Recognition of Exempt Status
Under Section 501(c)(3) of the Internal Revenue Code**



Submitted June 8, 2007

Page 2, Part IV – Narrative Description of Your Activities

Background

One simply cannot understand the history of the United States of America without understanding the impact of transportation. Whereas canals and railroads in Europe were built to connect existing populations, in the US canals and railroads (and later highways) were built to encourage and enable migration West. West of the Mississippi, the Federal government gave railroads free choice of routes, and land grants for their tracks and facilities as well as alongside their tracks to develop towns and sell homesteads to newcomers, which would then travel and ship by the railroad.

The goal of Historic Transport Preservation, Inc. (HTP) is to convey the importance of transportation in American history to those who attend its special events, and to commemorate significant locations in transportation history. HTP will normally carry out its purpose by planning and organizing special events, open to the public, on an irregular basis 2-6 times per year, and by placing markers at historic locations.

HTP does not own its own equipment or facilities and does not anticipate acquiring equipment or facilities. Instead, HTP does work and will work with existing railway preservation facilities (public, private, or public-private partnership) to accomplish its mission, as in the pre-HTP examples above.

Prior to forming HTP, its Directors have on numerous occasions operated similar events. A few of the previous events were held:

- a) at the Cumbres & Toltec Scenic Railroad, a National Historic Landmark listed on the National Register of Historic Places, owned by the States of Colorado and New Mexico and operated by a non-profit concessionaire;
- b) at the Strasburg Rail Road (a closely-held for-profit corporation) and the Railroad Museum of Pennsylvania (owned by the State of Pennsylvania);
- c) at the East Broad Top Railroad, a privately-owned National Historic Landmark listed on the National Register of Historic Places;
- d) and at the Western Maryland Scenic Railroad, owned by Allegheny County Maryland and operated by the Allegheny County Tourism Commission.

The efforts associated with these events will constitute substantially 80% of HTP's activities.

In addition to the immediate educational aspects of these events, there are longer-term benefits as well to the museums and railroads with which we cooperate. The money raised from these events have been used to restore numerous locomotives and pieces of railroad equipment to historically-appropriate appearance. Photos from the events are often published in magazines, and are also displayed on HTP's web site. The resulting positive attention often results in additional donations of money or historic equipment to one of the organizations with which we worked.

As these events are very visual in nature, we have included photos from two sample events – one before the formation of HTP, and the other from April 2007 – to illustrate. Please note that, although the following pages reference "HTP Predecessor" events, HTP is not a successor corporation. "HTP Predecessor" refers to events organized by individuals who now serve as HTP Directors.

HTP will also initiate occasional projects to, for example, place a marker at a historic location or restore historic transportation equipment. The efforts associated with these projects will constitute substantially 10% of HTP's activities.

The remaining 10% of HTP's activities are associated with administrative activities.

Page 2, Part IV – Narrative Description of Your Activities (continued)

Events

In the photos below (taken in 2005 at an event similar to those HTP does and will organize), the organizer (now a Director of HTP) worked with the East Broad Top Railroad, which is designated a National Historic Landmark and is listed on the National Register of Historic Places. Volunteers restored the appearance of the property to that of the 1930s, including re-installing signs that were taken down and stored when the railroad closed in 1956. The local US Post Office loaned materials and personnel to help us demonstrate how mail was transported during the 1930s, and a Model A automobile was loaned by a local resident to complete the scene. Approximately 40 people took part in this event.



Volunteers restoring the station to its 1930s appearance



Participants watching a demonstration of mail transfer



Page 2, Part IV – Narrative Description of Your Activities (continued)

Events (continued)

HTP events are normally advertised through an opt-in electronic mail list available at HTP's web site. Currently over 500 people have opted to receive the emails, nearly 200 individuals have attended an HTP or HTP-predecessor event since 1985. An example announcement (from HTP's first event in April, 2007, which occurred in Michigan), and photo from the resulting event, is shown below.

Sent: Thursday, January 25, 2007 12:06 PM
Subject: Pere Marquette 2-8-4 no. 1225

Join Historic Transport Preservation, Inc., for a special event with the Steam Railroading Institute's Pere Marquette 1225, with an emphasis on night photography.

DATE: April 20-21-22, 2007. The event will begin Friday evening with a night photo session at the Steam Railroading Institute's Owosso facilities, featuring no. 1225 and Flagg Coal 0-4-0T no. 75. In addition to the traditional scenes, we will feature human interest scenes, and some scenes with non-traditional lighting.

On Saturday and Sunday, no. 1225 will take to the main line with a vintage freight consist and a Pere Marquette caboose. Each day will end with a very special night photo session out on the line.

Schedule details will be provided to participants.

COST: Saturday-Sunday, \$600. One day price (Saturday or Sunday, availability strictly limited), \$400. Friday night photo session, TBD (expect \$75, final price will be posted on the "Events" page). Price includes lunch, refreshments during the day, and the usual trackside surprises. Spouses attend for half-fare. **(Prices shown do not include a donation, and are not tax-deductible.)**

DEADLINE: We need 40 paid participants by March 15 to make this trip viable. We'll keep the maximum number to 45. You are not a confirmed participant until we have processed your payment. This is strictly a first-come, first-served event - no exceptions.

For this event, HTP cooperated with the Steam Railroading Institute (SRI, a 501(c)(3) organization), the Great Lakes Central Railroad (a for-profit corporation which operates on tracks owned by the State of Michigan, and which regularly hosts SRI events), and the Bluewater Chapter of the Antique Truck Club of America. SRI restored two historic railroad cars and a historic railroad telephone booth using materials provided by HTP. Demonstrations were staged at various locations to re-enact typical transportation scenes of the 1940s:



The phone booth before restoration, and during a demonstration of how train crews communicated with distant dispatchers.

Page 2, Part IV – Narrative Description of Your Activities (continued)

Events (continued)



Restoring one of the historic railroad cars



Approximately 50 people took part in this event.

A significant amount of research goes into preparing each event to ensure authenticity. These efforts include tracking down preserved railroad paperwork to ensure that equipment is painted and lettered accurately, recreating stencils, and determining what sorts of materials were carried by the railroad in the appropriate time frame.

Often the changes that HTP makes for its events become permanent improvements for the host. The restored cars and phone booth shown will have a long-term positive impact on the visitor experience to the Steam Railroading Institute.

Page 2, Part IV – Narrative Description of Your Activities (continued)

Events (continued)

Each event is structured financially as a stand-alone event, and is expected to generate sufficient participation or other donations to cover its costs. The budget for the above event is shown below. Please note that this is not HTP's annual budget – it is the “control budget” only for this particular event.

			SRI	SRI	SRI	
April 20-21-22 2007:		Pre-trip	20-Apr	21-Apr	22-Apr	Post-trip
Participants Expected:			39	52	53	
Revenue Committed:	\$31,900.00		\$2,600.00	\$14,450.00	\$14,850.00	
Revenue Received:	\$31,900.00					
Surplus:	\$2,068.71					
DAILY COST:		\$29,831.29	\$5,119.29	\$1,092.63	\$11,707.07	\$11,662.30
Operate Trains:			\$1,000.00	\$10,000.00	\$10,000.00	
Lease Freight Cars:				\$500.00	\$500.00	
Restoration Work:		\$890.81				
SubTotal:		\$890.81	\$1,000.00	\$10,500.00	\$10,500.00	\$0.00
Meals, Drinks, Snacks:		\$0.00	\$0.00	\$1,114.44	\$1,069.67	\$0.00
Other:		\$4,228.48	\$92.63	\$92.63	\$92.63	\$250.00
Meals, Snacks:						
	Lunch:			\$702.70	\$697.68	
	Dinner:			\$213.52	\$173.77	
	Snacks:			\$198.22	\$198.22	
Other:						
	PayPal Fees:	\$524.18				
	Handouts:	\$191.45				
	Lighting Eqpt.:	\$589.61	\$92.63	\$92.63	\$92.63	
	Reimburse SRI:	\$49.40				
	Road Crew supplies:	\$76.78				
	Other:	\$113.00				\$250.00
	Pete Lerro Airfare:	\$246.60				
	JAC's pre-trip expenses:	\$212.46				
	Refunds / Credits:	\$2,225.00				

Please note from HTP's "Policies" (previous) that all involved in hosting an event (including Directors, employees, and volunteers) are expected to pay their own travel expenses, as well as some portion of the standard fare.

Page 2, Part IV – Narrative Description of Your Activities (continued)

Projects

HTP will occasionally initiate a project, such as placing a marker at a historic location, and will solicit funds for that project. While HTP will not normally place these donations in a restricted fund, it will track donations and costs for a project in its accounting, to ensure that donations are used as intended. In the event that support received exceeds the costs of the intended project, HTP's Board of Directors will direct that the remaining funds be used in a manner consistent with the original donation (for example, ongoing maintenance of a marker placed by HTP).

One example of HTP's fundraising activities is the "Helmstetter's Curve Memorial," installed and dedicated in May, 2007. Conceived and executed in cooperation with Allegheny County, Maryland, and the Western Maryland Scenic Railroad, fundraising began in June, 2006, with an email solicitation and an appeal on HTP's web site (see email below). A total of \$1,460.00 was raised from donations ranging from \$10 to \$300, received by check and by payment through HTP's web site.

Sent: Wednesday, June 28, 2006 4:43 PM
Subject: Helmstetter's Curve Sign Project

Historic Transport Preservation, Inc. (HTP) is partnering with the Western Maryland Scenic Railroad to install a commemorative sign at "Helmstetter's Curve" near Cumberland, Md.

"The Curve" is a signature location on the railroad where the tracks cross Cash Valley Road and loop around the Helmstetter farm to gain altitude. The resulting "horseshoe curve" has been a favorite photo location among rail enthusiasts since at least the 1930s.

The 48" cast iron sign will replace the existing "mile post" in the peak of the Curve. It is designed by Wayne James, and the layout of the lettering mimics the Curve itself. The sign will be installed and dedicated when construction of the Allegheny Trail is complete at the Curve, and the sign will be visible to train riders, Trail users, and anyone viewing the train from the adjacent cemetery overlook.

In addition to identifying the Curve, the sign will also serve as a host for memorials to individuals with close ties to the railroad. The first commemorates the late David Goodheart, who hosted several private photo specials along the railroad between 1999 and 2003. "Helmstetter's Curve was David's favorite place for photography," notes David's friend John Burke, and David's family chose the Curve as the location for his memorial service in May 2005. Other memorials may be installed in the future, and additional sign panels can be added as circumstances require.

A number of people have expressed a desire to contribute to this project, so HTP is accepting donations to cover the \$1,200 cost of purchasing and installing the sign. To date, we have raised \$700. Donations may be made by credit card or PayPal at the Steam Specials web site, or by check. Any surplus funds will be used on future HTP Projects, such as historic car restoration. They will not be used to fund ongoing operations or special events.

Make checks payable to "Historic Transport Preservation" with "HC Sign" in the "memo" field, and send them to:

Page 2, Part IV – Narrative Description of Your Activities (continued)

Projects (continued)

Below is a photo taken when the memorial was installed and dedicated:



Future fundraising activities will be similar in scope and execution. An example of a fundraising activity that we consider to be consistent with our purpose would be to solicit funds which can be given as a grant to another 501(C)(3) organization restore historic equipment, such as the railroad box car shown in the photo below (material to letter the car was provided by HTP):



Page 5-8, Part VIII – Your Specific Activities

VIII - 4d. Fundraising Activities

There are two main fundraising activities for HTP: special events, and specific projects.

Special events are intended to be self-funding through paid participation. HTP makes clear that the “participation fee” for a special event is not tax-deductible for the participant, as the participant receives goods and services.

HTP will occasionally initiate a project, such as placing a marker at a historic location (see below), and will solicit funds for that project. While HTP will not normally place these donations in a restricted fund, it will track donations and costs for a project in its accounting, to ensure that donations are used as intended. In the event that support received exceeds the costs of the intended project, HTP’s Board of Directors will direct that the remaining funds be used in a manner consistent with the original donation (for example, ongoing maintenance of a marker placed by HTP).

HTP does not anticipate soliciting funds for general use. All funds will normally be solicited for a specific event or project.

HTP does not anticipate soliciting funds for operating costs. HTP intends to remain a volunteer organization, and practically all operating costs are associated with specific projects or events, and funded accordingly.

VIII - 4d. Jurisdictions for Fundraising

Fundraising activities will normally be limited to solicitations on HTP’s web site, and to personal solicitations at the locations where a special event is held. Demonstrations could conceivably be held in any US State.

HTP does not anticipate fundraising for other organizations, or contracting with other entities to raise funds on behalf of HTP. HTP’s fundraising activities will be limited to its own efforts, for specific events and projects.

VIII – 11. Contributions.

HTP may consider accepting donations of collectibles (records, relics, and other things of historic interest) in order to preserve them, consistent with its purpose. Any such donations will be accepted only if there are no conditions or restrictions on the acceptance, disposition, or custody of the donation.

HTP does not anticipate accepting real property, conservation easements, closely held securities, intellectual property such as patents, trademarks, and copyrights, works of music or art, licenses, royalties, automobiles, boats, planes, or other vehicles. Any such item will be accepted only if there are no conditions or restrictions on the acceptance, disposition, or custody of the donation.

VIII – 12a. Foreign Countries.



On rare occasions HTP may consider operating a special event, or placing a marker, in a foreign country. In May 2006, two future HTP Directors organized a special demonstration operated by the Canadian Pacific Railway in Banff National Park in Canada.

HTP will consider a non-US event only if there is a significant link to US transportation history, and if the event is consistent with HTP's purpose. To cite the May 2006 event, the Canadian Pacific Railway has long-standing ties to US transportation (owning track and providing transportation services in the US), so HTP would consider a similar event consistent with its purpose. This would necessarily limit candidate countries to Canada and Mexico (for example, in cooperation with the San Diego Railroad Museum, which operates in Mexico from time to time).

Since each event or project is expected to generate income consistent with its costs, HTP expects that any non-US event will be financially self-supporting.

VIII – 13b. Grants to other organizations.

While HTP has no active relationships involving grants to other organizations, HTP anticipates making occasional grants to other 501(c)(3) organizations consistent with its purpose. An example would be providing money and/or materials to restore and repaint a railroad car. Any grant approved by HTP will normally be associated with a special event or project.

VIII - 13d. Relationships.

HTP has no current grantmaking relationships. Any future grantmaking relationships will be limited to other 501(c)(3) organizations, and all grants will be consistent with HTP's purpose.

VIII – 13e. Recordkeeping for grants.

HTP has no current grantmaking relationships. Any future relationships will be documented consistent with industry practice, including Board minutes, a completion report from the grantee including photographs as appropriate, and a site visit by an HTP Director as appropriate. HTP will take action as necessary to ensure that all funds are used to further its purpose (including withholding or recovering funds).

Page 5-8, Part VIII – Your Specific Activities (continued)

VIII – 13f. Selection process and grant awards.

HTP will not normally consider unsolicited grant requests. Grants will normally be initiated by HTP, in conjunction with a special event or project initiated by HTP. Any decision to award a grant will be documented in Board minutes, and the details of such award (including scope, reporting requirements, etc.) will be contained in writing to the grantee. Notification will also stipulate that all funds must be used consistent with HTP's purpose and for the project specified, and make clear that any funds not used consistent with HTP's purpose are subject to withholding or recovery by HTP.

VIII – 13g. Oversight.

Grants made by HTP will be subject to completion reports filed by the grantee, and to site visits by HTP Directors or Employees. Funds may be withheld or subject to recovery efforts if HTP is not satisfied that all funds are being used consistent with its purpose.

Page 9-10, Part IX – Financial Data

IX - 7. Other Revenue.

2006: \$7,283.80 related to a special event scheduled for October, 2006. This event was cancelled and all monies refunded.

2007: Approximately \$42,000.00 related to three special events in April and June, 2007. Another event is anticipated in October, 2007.

Please note: these revenues have not been included in Part IX, Line 9, "Gross receipts from admissions . . ." because HTP does not own the facilities in question.

IX – 23. Other Expenses.

2006: \$500.00 paid for creation of the Helmstetter's Curve memorial sign.

2007: \$1,235.00 paid to various entities associated with the Helmstetter's Curve memorial sign.

IX – 19. Changes to Assets and Liabilities

Since December 31, 2006, HTP has operated two special events (total budget approximately \$42,000). At the time of this application, HTP's net assets are approximately \$5,000, and net liabilities (primarily payments from participants held on account for future events) are approximately \$1,500.