

Lake Superior Railroad Museum
506 West Michigan Street
Duluth, Minnesota 55802

March 18, 2021

Via Overnight Courier and Email

Sandton Rail Company, LLC
c/o Sandton Capital Partners, LP
16 W 46th St, 11th Floor
New York NY 10036
Attention: Robert Rice/Thomas Flynn
rrice@sandtoncapital.com; and
tflynn@sandtoncapital.com

Ronald S. Beacher
Pryor Cashman LLP
7 Times Square
New York NY 10036-7311
rbeacher@pryorcashman.com

Re: Purchase and Sale Agreement dated March 10, 2021 between
Sandton Rail Company, LLC and Lake Superior Railroad Museum

Gentlemen:

In reference to the above contract, please be advised that Buyer invokes its right to terminate said agreement pursuant to the inspection contingency, as well as financing contingency, set forth in Section 7 of the Agreement.

An inspection was performed by Matthew W. Abbey of 709 MTA, LLC, on February 22 and 23, which indicated a number of defects that are not acceptable to Lake Superior Railroad Museum.

Additionally, North Shore Bank of Commerce, the Museum's banking partner for over 20 years, having reviewed all relevant materials and the costs that would be required to place the car in a condition that is Amtrak-certified, has indicated that they could only finance at most a purchase price in the range of \$450,000 with the Museum putting 20% down and the bank financing up to \$360,000.

Finally, there are a number of spare parts that appear to be missing and, in fact, appear to have been taken off the car prior to its inspection. A complete listing of these can be provided if so requested.

The Museum would very much like to purchase the car, but unfortunately, we are unable to do so at the previously-negotiated price.

On any future correspondence, kindly copy our counsel whose contact information is as follows:

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Robert C. Pearson
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Duluth MN 55802
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We look forward to hearing from you.

Yours very truly,

Electronically signed by:
Kenneth M. Buehler, Executive Director
kenbuehler@lsrm.org

cc: John Suscheck
sales@ozarkmountainrailcar