



RailAmerica, Inc.

Corporate Headquarters
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February 5, 2003

Via Federal Express

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001



RE: Finance Docket No. 33995, SF&L Railway, Inc.—Acquisition and Operation Exemption—Toledo, Peoria and Western Railway Corporation between La Harpe and Peoria, IL
Finance Docket No. 33996, Kern W. Schumacher and Morris H. Kulmer—Continuance in Control—SF&L Railway, Inc.

Dear Secretary Williams:

Enclosed for filing are the 11 copies of the closing documents and offered tender of the reconveyance price, which the Toledo, Peoria and Western Railway Corporation forwarded to the SF&L Railway, Inc. today by express mail in compliance with the Board's January 31, 2003 decision.

If you have any questions, please contact me.

Respectfully submitted,

Scott G. Williams
Senior Vice President and General Counsel
RailAmerica, Inc.

ENTERED
Office of Proceedings
FEB 6 2003
Part of
Public Record

Enclosures



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Boca Raton, Florida 33487
Tel: 561/994-6015
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February 5, 2003

Via E-mail and Federal Express

Mr. Michael J. VanWagenen
Vice President
SF&L Railway, Inc.
1505 S. Redwood Road
Salt Lake City, UT 84104

ENTERED
Office of Proceedings

FEB 6 2003

Part of
Public Record

RE: Surface Transportation Board Decision Served on January 31, 2003 in
Finance Docket Nos. 33995 and 33996

Dear Mike:

The Toledo, Peoria & Western Railway Corp. ("TP&W") is prepared to timely close with SF&L Railway, Inc. ("SF&L") on the reconveyance of the 71.5-mile line between MP 194.5 at LaHarpe and MP 123.0 at Peoria ("Rail Line"), as mandated by the Surface Transportation Board ("STB") in its Decision served on January 31, 2003. The STB mandated that this reconveyance be concluded within a ten (10) day window after service of the Decision, by or before this coming Monday, February 10th.

TPW is prepared to tender the full reconveyance price of \$2,179,878, together with accrued interest calculated from December 29, 2000 at the rate specified in 49 CFR 1141 and in the STB's Decision. TP&W will tender this sum by wire transfer to SF&L's account promptly after receipt of notification that the reconveyance Closing Documents have been delivered to SF&L's legal counsel, Fritz Kahn, as the escrow agent, in accordance with the procedure outlined below. TP&W will need SF&L's wire transfer instructions in order to accomplish, so please respond with this information.

Enclosed is a spreadsheet outlining the 49 CFR 1141 interest calculation and concluding that the full reconveyance price, together with accrued interest shall be:

Mr. Michael J. VanWagenen
February 5, 2003
Page 2

\$2,309,972.61 if payment is made on Friday, February 7th; or

\$2,310,195.35 if payment is made on Monday, February 10th.

The selection of the payment date is in your hands and is accomplished by the timing of your delivery of the signed Closing Documents, but it must occur by no later than Monday, February 10th at 2:00 pm (EST) in order to facilitate same day dispatch of the wire transfer and to fulfill the mandate of the STB Decision.

Your drafts of the following documents (the "Closing Documents") have been revised as to dates and to otherwise conform with the STB Decision, and are attached in both redline and clean versions:

1. Agreement for Sale of Certain Assets, Rights and Obligations of SF&L Railway, Inc. to Toledo, Peoria & Western Railway Corporation (the "Sale Agreement");
2. Quitclaim Deed;
3. Bill of Sale; and
4. Assignment, Assumption and Indemnification Agreement (the "Assignment of Agreements")

TP&W has already executed the enclosed originals of the Sale Agreement and the Assignment of Agreements and these documents are ready for SF&L's signature. SF&L will also need to sign and deliver to Mr. Kahn the enclosed Quitclaim Deed and Bill of Sale.

TP&W proposes that the Closing occur in the following manner:

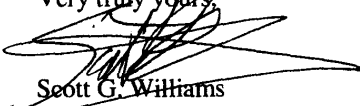
1. SF&L delivers written wire transfer instructions to the undersigned;
2. SF&L signs the Closing Documents in the quantities specified as follows:
 - a. Sale Agreement (2 signed originals);
 - b. Quitclaim Deed (4 signed originals);
 - c. Bill of Sale (1 signed original); and
 - d. Assignment of Agreements (2 signed originals).

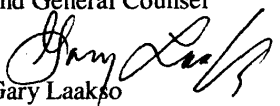
Mr. Michael J. VanWagenen
February 5, 2003
Page 3

3. SF&L delivers the entire package of signed Closing Documents into the escrow of Fritz Kahn;
4. Upon receipt of the signed documents, Fritz Kahn delivers a facsimile or e-mail message to the undersigned and to Lou Gitomer confirming his receipt of the fully-executed Closing Documents and requesting wire transfer of the purchase price;
5. TP&W wire transfers the purchase price to SF&L in accordance with its wire transfer instructions; and
6. Fritz Kahn delivers the package of signed Closing Documents to Lou Gitomer, retaining one (1) fully-executed original of the Sale Agreement and the Assignment of Agreements for SF&L's records.

We request that Fritz Kahn's acknowledgement of his acceptance of the escrow agent's responsibilities by signing below, and returning a signed facsimile copy of this letter to the undersigned. We look forward to working with you to fulfill the STB Decision mandate by timely following the procedures outlined in this letter.

Very truly yours,


Scott G. Williams
Senior Vice President
and General Counsel


Gary Laakso
Vice President and Regulatory Counsel

The escrow agent's instructions are received and agreed to by:

Fritz Kahn, Esquire
Dated: February __, 2003

Enclosures

cc: Lou E. Gitomer, Esquire
Fritz Kahn, Esquire
✓ Honorable Vernon A. Williams, Secretary, Surface Transportation Board

TPW-SF&L Repayment Calculation (per 49 CFR 1141.1)

Period:	12/29/00-12/31/00	Q1-2001	Q2-2001	Q3-2001	Q4-2001	Q1-2002
Days in Period	2	90	91	92	92	90
T-Bill Rate (90 day)	6.310%	5.840%	4.320%	3.550%	2.390%	1.730%
Int. Exponent Factor	0.005479452	0.246575342	0.249315068	0.252054795	0.252054795	0.246575342
Interest Factor	1.000335	1.014094	1.010600	1.008832	1.005971	1.004238
Beginning Balance	\$ 2,179,878.00	\$ 2,180,609.00	\$ 2,211,341.62	\$ 2,234,781.95	\$ 2,254,518.54	\$ 2,267,980.28
Ending Balance	\$ 2,180,609.00	\$ 2,211,341.62	\$ 2,234,781.95	\$ 2,254,518.54	\$ 2,267,980.28	\$ 2,277,592.50

Period:	Q2-2002	Q3-2002	Q4-2002	to Feb 7, 2003	to Feb 10, 2003
Days in Period	91	92	92	38	41
T-Bill Rate (90 day)	1.820%	1.710%	1.650%	1.180%	1.180%
Int. Exponent Factor	0.249315068	0.252054795	0.252054795	0.104109589	0.112328767
Interest Factor	1.004507	1.004283	1.004133	1.001222	1.001319
Beginning Balance	\$ 2,277,592.50	\$ 2,287,857.30	\$ 2,297,655.84	\$ 2,307,153.16	\$ 2,307,153.16
Ending Balance	\$ 2,287,857.30	\$ 2,297,655.84	\$ 2,307,153.16	\$ 2,309,972.61	\$ 2,310,195.35

Total Principal and Interest Due for Closing On:

February 7, 2003 \$ 2,309,972.61
February 10, 2003 \$ 2,310,195.35

**AGREEMENT FOR
SALE OF CERTAIN ASSETS, RIGHTS
AND OBLIGATIONS
OF
SF&L RAILWAY, INC.
TO
TOLEDO, PEORIA & WESTERN RAILWAY CORPORATION**

↑
RECEIVED
FEB 6 2003
MAIL
MANAGEMENT
STB

This Agreement, effective of this ____ day of February, 2003, is entered into by and between the Toledo Peoria & Western Railway Corporation, a New Jersey corporation, (hereinafter referenced as "Buyer"), and SF&L Railway, Inc., a Nevada corporation (hereinafter referenced as "Seller").

WHEREAS, the Surface Transportation Board ("STB") by Decisions served on October 17, 2002 and January 31, 2003 in FD 33995 directed Seller to re-convey to Buyer and Buyer to accept from Seller that line of railroad extending between MP 123.0 near Peoria, IL and MP 194.5 near LaHarpe, IL, including Seller's interest in the track, track materials and related track structures and facilities and the easement for the underlying trackage, together with other rights, obligations and assets; and

WHEREAS, the Rail Corridor (as defined below) and Materials (as defined below) are herein referenced collectively as the "Rail Line"; and

WHEREAS, the parties desire to implement the Decision of the STB in a timely and orderly manner; and

NOW THEREFORE, Buyer and Seller agree as follows:

1. Description of Assets Sold.

(a) Seller shall convey to Buyer on either February 7, 2003 or February 10, 2003 (the "Closing Date"), by a Bill of Sale delivered by Seller to Buyer, all of Seller's interest in that line of railroad from MP 123.0 near Peoria to MP 194.5 near LaHarpe including, without limitation, seller's franchise to operate as a common carrier railroad

and the road bed, rails, ties, tie plates, rail anchors and ballast, as well as all switches, crossings, crossing signals, bridges, bridge abutments, structures, fixed communications and signal equipment, parking and storage areas, depots, yards, shops, buildings, spur tracks, side tracks, sidings, connections, other facilities, and all other fixtures and improvements situate thereon (together, "Materials") excluding: (i) any and all motor vehicles, locomotives, rollingstock, maintenance equipment, radios' end of train devices ("ETD") or computer equipment owned by Seller; and (ii) any ownership interest of Seller in the underlying or adjacent rail corridor real estate. The form of the Bill of Sale is attached as Exhibit A.

(b) Seller shall quitclaim to Buyer on the Closing Date, its interest in a permanent and irrevocable operating easement of sixty (60) feet in width (thirty (30) feet on either side of the centerline of the main line track) over all real property interest of Seller in real estate that is located between the endpoint mileposts of the Rail Line, (including any sidings) that comprises the Rail Line ("Easement"). The form of the Quitclaim is attached as Exhibit B. The real estate included in the Easement, shall be referenced herein as the "Rail Corridor", and includes the Assignment of all of Seller's interests in the agreements affecting the Materials and railroad customers. It is understood that public crossings in Illinois are determined by the Illinois Commerce Commission (ICC) orders and not by contract. All existing ICC orders on the Rail Corridor continue to apply. The form of Assignment is attached hereto as Exhibit C.

(c) Seller shall convey to Buyer, on the Closing Date, the common carrier duty to conduct rail freight transportation business on the Rail Line.

2. Consideration for the Sale.

In consideration for Seller's sale to Buyer of its interests in the Rail Line, grant of an Easement and Assignment of Agreements, Buyer agrees to all of the following:

- (a) To accept all assets comprising the Rail Line, "AS IS, WHERE IS."
- (b) To pay to Seller on the Closing Date, a total purchase price to be calculated on the basis of the original purchase price paid by Seller to Buyer of "Two

Million One Hundred Seventy-Nine Thousand Eight Hundred and Seventy-Eight Dollars (\$2,179,878), together with accrued interest since December 29, 2000 and calculated at the rate specified in 49 CFR 1141 and mandated by the STB Decisions. The total purchase price shall be either \$2,309,972.61 if closed on February 7, 2003, or \$2,310,195.35 if closed on February 10, 2003, depending upon the Closing Date elected by the Seller.

3. Governmental Approval.

Buyer and Seller have been directed by the STB to implement the re-conveyance from Seller to Buyer.

4. Representations and Warranties.

(a) Seller hereby represents and warrants to Buyer, and Buyer's successors and assignees, the following facts, as of the date of this Agreement and as of the date of transfer of Operations, unless otherwise specified:

- (1) Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada, and is qualified to do business in the State of Illinois;
- (2) Seller has the corporate power and authority to enter into this Agreement and carry out its obligations under this Agreement;
- (3) The execution, delivery and performance of this Agreement have been duly authorized and approved by all necessary corporate actions of Seller, and no further corporate proceedings of Seller are required to complete the transactions covered by this Agreement;
- (4) All of Seller's obligations set forth in this Agreement constitute legal, valid and binding obligations of Seller which are enforceable against Seller in accordance with their terms, except to the extent enforcement may be limited by bankruptcy, insolvency or reorganization law.

- (5) There is no provision in the Certificates of Incorporation or by-laws of Seller which prohibits the execution of this Agreement or consummation of the transactions covered by this Agreement.
- (6) The negotiations related to this Agreement have been performed by Seller on its own behalf, without intervention of any agent or other person, so that no party has a valid claim on this basis for any finder's fee, brokerage commission, or other similar payment in connection with any of the transactions included in this Agreement;
- (7) Seller has duly filed with the appropriate agencies of Federal State, and appropriate local governments or political subdivisions, all tax returns and report required to be filed; Seller either has paid in full, or is agreeable to paying in full as finally determined, all taxes, interest, penalties, assessments or deficiencies which are due for the period up to the date of Transfer of Operations;
- (8) As of the date hereof, to Seller's knowledge, except for Appeal No. 02-9591 before the U.S. Tenth Circuit Court of Appeals, STB Docket No. AB-448 (Sub-No. 2X) and STB FD Nos. 33995, 33996 and 34310, there is no pending or threatened litigation or arbitration proceeding, or administrative proceeding or investigation, against or affecting either; (i) the properties or assets comprising the Rail Line or (ii) Seller's rights to conduct rail freight transportation operation over the Rail Line as, and to the extent that, Seller conducts those operation on the date of this Agreement; and
- (9) No representation or warranty by Seller in this Agreement contain any untrue statement of a material fact, nor omits any material fact that is necessary to made any representation or warranty not materially misleading.

(b) Buyer hereby represents and warrants to Seller, and Seller's successors and assignees, the following facts as of the date of this Agreement and as of January 31, 2003:

- (1) Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of New Jersey, and is qualified to do business in the State of Illinois;
- (2) Buyer has the corporate power and authority to enter into this Agreement and carry out its obligations under this Agreement;
- (3) The execution, delivery and performance of this Agreement have been duly authorized and approved by all necessary corporate actions of Buyer, and no further corporate proceedings of Buyer are required to complete the transactions covered by this Agreement;
- (4) All of Buyer's obligations set forth in this Agreement constitute legal, valid and binding obligations of Buyer which are enforceable against Buyer in accordance with their terms, except to the extent enforcement may be limited by bankruptcy, insolvency or reorganization law
- (5) There is no provision in the Certificates of Incorporation or by-laws of Buyer which prohibits the execution of this Agreement or consummation of the transactions covered by this Agreement.
- (6) The negotiations related to this Agreement have been performed by Buyer on its own behalf, without intervention of any agent or other person, so that no party has a valid claim on this basis for any finder's fee, brokerage commission, or other similar payment in connection with any of the transactions included in this Agreement;
- (7) Buyer is a Class III common carrier.
- (8) As of the date hereof, to Buyer's knowledge, except for Appeal No. 02-9591 before the U.S. Tenth Circuit Court of Appeals, STB Docket No. AB-448 (Sub-No. 2X) and STB FD Nos. 33995, 33996

and 34310, there is no pending or threatened litigation or arbitration proceeding, or administrative proceeding or investigation, against or affecting either; (i) the properties or assets comprising the Rail Line or (ii) Buyer's rights to conduct rail freight transportation operation over the Rail Line on the date of this Agreement; and

- (9) No representation or warranty by Buyer in this Agreement contain any untrue statement of a material fact, nor omits any material fact that is necessary to make any representation or warranty no materially misleading.

5. Inspection and Condition of Properties and Rail Corridors. SELLER HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF THE RAIL LINE, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE RAIL LINE, OR THE CONFORMITY OF THE ASSETS TO THEIR INTENDED USES. SELLER SHALL NOT BE LIABLE TO BUYER FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT) WITH RESPECT TO THE DESIGN, CONDITION, QUALITY, SAFETY, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE, OF THE PROPERTIES, OR THE CONFORMITY OF THE RAIL LINE TO THEIR INTENDED USES, SELLER OFFERS, AND BUYER ACCEPTS, THE RAIL LINE IN "AS IS, WHERE IS" AND "WITH ALL FAULTS" CONDITION, AND SUBJECT TO ALL LIMITATIONS ON SELLER'S RIGHTS, INTEREST, AND TITLE TO THE RAIL LINE.

6. Liability and Indemnity.

(a) Cooperation in Defense. Buyer and Seller agree that for four years following the date of Transfer of Operations, they will cooperate as reasonably necessary in defense of any claim, demand, investigation or litigation arising out of Seller's ownership or operation of the Rail Line.

(b) Definition of Losses. In this Agreement, the term "Losses" shall include all costs expenses, fees or liabilities of, or in any way related to: (i) any violation of law or regulation, (ii) any damage to property, the environment or natural resources, (iii) any bodily injury or death of any person, or (iv) the breach of any contract. "Losses" shall include, but not be limited to, all costs of claims, activities in response to enforcement, damages, judgments, awards, orders, decrees, payments, fines, penalties, assessments, court costs, and attorney, consultant and expert witness fees, and shall include cost recovery or contribution claims made pursuant to CERCLA or similar federal or state laws.

(c) General Liability and Indemnity.

(1) General Liability and Indemnity. Except for Losses resulting from one or more of Buyer's representations or warranties set forth in this Agreement containing any untrue or materially misleading statement of material fact or omitting any material fact that is necessary to prevent that representation or warranty from being materially misleading, Seller shall be responsible for, and shall indemnify, defend and hold harmless Buyer fully against, all Losses, which: (i) arise out of Seller's ownership operation or embargo of the Rail Line on or prior to the Closing Date; (ii)

result from any breach by Seller of its representations and warranties set forth in Paragraph 4(a) of this Agreement; or, (iii) result from claims of third parties caused by Seller's performance or nonperformance, or Buyer's nonperformance only where Buyer had no knowledge of the existence of the duty to perform, under any material contract, lease, permit, license, easement or commitment related to the Rail Line that is assigned to Buyer by the terms of this Agreement, but is not identified in Exhibit C.

(2) Buyer's General Liability and Indemnity. Except for Losses resulting from one or more of Seller's representations or warranties set forth in this Agreement containing any untrue or materially misleading statement of a material fact, or omitting any material fact that is necessary to prevent that representation or warranty from being materially misleading, Buyer shall be responsible for, and shall indemnify, defend and hold harmless Seller fully against, all Losses which: (i) arise out of Buyer's operation of the Rail Line; (ii) arise out of Buyer's ownership or operation of the Rail Line before December 10, 2001 and after the Closing Date; (iii) result from any breach by Buyer of any of its representations or warranties set forth in Paragraph 4(b) of this Agreement, or any failure by Buyer to perform any of its obligations under this Agreement; or (iii) result from claims of third parties caused by Buyer's nonperformance or required performance under any material contract, lease, permit, license, easement or commitment relating to the Properties, where that contract, lease, permit, easement or commitment is assigned to Buyer by the terms of this Agreement, and is identified in Exhibit C.

7. Transfer of Operations.

(a) The Transfer of Operations shall occur upon the date the documents referenced below are executed.

(b) At the Transfer of Operations, Seller shall deliver to Buyer the following executed documents:

- (1) An executed Bill of Sale in the form of Exhibit A;
- (2) Four of the Quitclaim Deeds in the form of Exhibit B;
- (3) Two Assignments of Agreements in the form of Exhibit C; and
- (4) Four Releases of Notice of Real Property and attached Personal Property Interest in the form of Exhibit D.

(c) At date of Transfer of Operations, Buyer shall deliver to Seller:

- (1) The Purchase Price; and
- (2) One executed Assignment of Agreements in the form of Exhibit C.

8. Obligations are Continuing.

The representations, warranties and obligations of Buyer and Seller in this Agreement are continuing and survive the Date of Transfer of Operations. Terms of continuing obligations in this Agreement are subject to amendment only by a written contract signed by both Buyer and Seller, or their respective successors or assignees.

9. Transfer of Liabilities: Payment of Charges.

For the period between December 10, 2001 and the Closing Date, Seller shall be responsible for: (a) all common carrier rail operations, including car supply, on the Rail Line; (b) any freight loss and damage claims attributable to rail operations over the Rail Line and (c) all car accounting and all hire and car mileage allowance payments relating to rail operations over the Rail Line. After the Closing Date, Buyer shall be responsible for: (d) all common carrier rail operations, including car supply, on the Rail Line; and (e) all

car accounting and all car hire and car mileage allowance payments relating to rail operations over the Rail Line.

10. Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

11. Effect of Waiver.

Any waiver by either Buyer or Seller, or failure of either Buyer or Seller to insist upon full and complete performance by Seller or Buyer of its obligations set forth in the Agreement, shall not constitute a waiver or release of such party's right to insist upon full and complete performance of any other obligations in this Agreement, or waiver or release of such party's right to insist upon full and complete performance of the obligations that were waived or not enforced for period prior to, or following, the waiver or failure to insist upon full and complete performance. This Agreement shall be amended or modified only by written agreement signed by the parties hereto.

12. Notices.

All notices and other communications under this Agreement shall be in writing and deemed properly served if delivered by hand to the party addressed or, if mailed, when received by the United States Postal Service in registered or certified mail, postage prepaid, or, if sent by a national overnight service, when received by the carrier service in a prepaid mailer, return receipt requested, addressed as follows:

Buyer: Toledo Peoria and Western Railway Corporation
1990 E. Washington Street
East Peoria, IL 61611
Attn: President and General Manager

RailAmerica, Inc.
5300 Broken Sound Blvd., N.W. 2nd Floor
Boca Raton, FL 33487
Attn: Vice President - Regulatory Counsel

Seller: Michael J. Van Wagenen, Esquire
SF&L Railway, Inc.
P.O. Box 26421
Salt Lake City, Utah 84126

Either Party hereto may change its address or addressee to which notices are to be given by providing written notice of the change to the other party.

13. Confidentiality.

Except to the extent that the terms of this Agreement are required to be disclosed by the discovery or regulations of the STB, by order of any court of competent jurisdiction or any governmental agency, or by parties involved in financing this purchase, each party to this Agreement shall not disclose the contents of this Agreement to any other party, without the prior written consent of the other party to this Agreement. Any party who learns of any of the terms of this Agreement shall be required by the party to this Agreement who is disclosing the information not to disclose those terms to any other party without the prior written consent of both parties to this Agreement.

14. Entire Agreement: Integration of Agreement.

This document, together with all Exhibits attached hereto, constitutes the entire agreement between Buyer and Seller relating to this transaction. Any other prior or contemporaneous agreements, understanding, representations or statements, whether oral or written, relating to this transaction are merged herein. The headings and titles to provision to this Agreement are for convenience only, and shall not be deemed to modify or affect the rights or duties of Buyer or Seller. All rights and obligations of Buyer and Seller set forth in this Agreement, or in any Exhibit attached hereto, are integral parts of this Agreement. The consideration inducing Buyer and Seller to enter into this Agreement included all of the commitments by Buyer to Seller, and all of the commitments by Seller to Buyer, as set forth in this Agreement, including terms set forth in the Exhibits attached hereto.

IN WITNESS WHEREOF, authorized representatives of the parties have executed
this Agreement.

TOLEDO, PEORIA AND WESTERN
RAILWAY CORPORATION

By: 

Title: Senior Vice President

Dated: February 5, 2003

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SF&L RAILWAY, INC.

By: _____

Title: _____

Dated: February __, 2003

Prepared By and Return To:

Scott G. Williams, Esquire
General Counsel
RailAmerica, Inc.
5300 Broken Sound Boulevard NW
Boca Raton, FL 33487

QUIT CLAIM DEED

THIS QUIT CLAIM DEED, made this ____ day of February, 2003, by SF&L RAILWAY, INC., a Nevada corporation (the "**Grantor**") to TOLEDO, PEORIA & WESTERN RAILWAY CORPORATION, a New Jersey corporation (the "**Grantee**").

WITNESSETH THAT

Grantor, for and in consideration of the sum of \$10.00 and other good and valuable considerations to it in hand paid, receipt whereof is hereby acknowledged, does hereby grant, bargain and sell, and remise, release, and quitclaim unto Grantee forever, all the right, title, interest, claim, and demand, including that certain easement grant for railroad right-of-way purposes, which said Grantor has in and to the following described lands, lying and being in Hancock, MacDonough, Fulton and Peoria Counties, State of Illinois, which are more particularly described in Exhibit A attached hereto, hereinafter designated as the "Premises".

BEING the same property by which an easement for railroad right-of-way purposes was conveyed by Grantee to Grantor by Easement Agreement (the "Easement Agreement") dated December 10, 2001, and recorded as follows:

<u>COUNTY</u>	<u>RECORDING DATE</u>	<u>RECORDING NO.</u>
Hancock	January 7, 2002	2002-89
McDonough	January 7, 2002	02-94
Fulton	January 9, 2002	02-18011
Peoria	January 14, 2002	02-01860

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and any and all rights incidental or appertaining to the Premises or the Easement Agreement.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

Signed, Sealed, and
Delivered in the
Presence of:

SF&L RAILWAY, INC., a Nevada
corporation

By: _____
Its: _____

(Type or print name)

(Type or print name)

ATTEST:

By: _____

Secretary

(corporate seal)

STATE OF)
) SS.
COUNTY)

I, _____, a Notary Public of the State of _____, County of _____, do certify that on the date below before me in said County personally appeared _____, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in _____ County, _____; he is _____ of SF&L Railway, Inc., the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of February, 2003.

Notary Public

(type, print, or stamp name)

(S E A L)

Commission No. _____

EXHIBIT 'A'

CENTERLINE DESCRIPTION

A sixty (60) foot wide parcel of land, 71.5 miles in length, located within the railroad right of way of Toledo, Peoria and Western Railway Corp. (formerly Atchison, Topeka & Santa Fe Railroad) located between Railroad Mile Post 123.0 (near Peoria, Illinois) ("BEGINNING POINT", as described below) and Railroad Mile Post 194.5 (east of LaHarpe, Illinois) ("ENDING POINT", as described below), said parcel consisting of all land that is contiguous to the active railroad corridor and lying within thirty (30) feet (measured perpendicularly in both directions) from the existing main track centerline, as now constructed, said parcel running in a general east to west direction through and across those portions of Peoria, Fulton, MacDonough, and Hancock Counties, State of Illinois listed below:

BEGINNING POINT – MP 123.0 (Peoria County)

100 feet southeast of the line between Sections 19 and 30 of Hollis Township (T7N R 7E), as measured along the centerline of the above-described railroad right of way, and thence running generally westward through the following areas:

Peoria County

Hollis Township (T7N R7E)

Section 30

Section 19

Timber Township (T7N R6E)

Section 24

Section 23

Section 22

Section 21

Section 28

Section 20

Section 19

Fulton County

Orion Township (T7N R5E)

Section 25

Section 26

Section 27

Section 34

Section 33

Section 32

Section 31

Section 30

Canton Township (T7N R4E)

Section 36

Section 25

Section 26

Section 35

Section 34

Section 33

Section 32

Buckhart Township (T6N R4E)

Section 5

Section 6

Putnam Township (T6N R3E)

Section 1

Section 12

Section 11

Section 10

Section 15

Section 16

Section 17

Section 18

Section 19

Cass Township (T6N R2E)

Section 24

Section 25

Section 26

Section 27

Section 28

Section 29

Section 30

Section 19

Harris Township (T6N R1E)

Section 24

Section 23

Section 22

Section 27

Section 21

Section 20

Section 19

McDonough County

Mound Township (T6N R1W)

Section 24

Section 23

Section 22

Section 15

Section 16

Section 9

Section 4

Bushnell Township (T7N R1W)

Section 33

Section 32

Section 31

Walnut Grove Township (T7N R2W)

Section 36

Section 35

Section 34

Section 33

Section 32

Section 31
Sciota Township (T7N R3W)

Section 36
Section 35
Section 34
Section 27
Section 28
Section 33
Section 32
Section 29
Section 30
Section 31

Blandinsville Township (T7N R4W)

Section 25
Section 36
Section 26
Section 35
Section 34
Section 33
Section 32
Section 29
Section 30
Section 31

Hancock County

LaHarpe Township (T7N R5W)

Section 25
Section 26
Section 23
Section 22

ENDING POINT – MP 194.5 (Hancock County)

2,090 feet west of the line between Sections 22 and 23 of LaHarpe Township (T7N R5W), as measured along the centerline of the above-described railroad right of way.

BILL OF SALE

For good and valuable consideration, the receipt of which is hereby acknowledged, SF&L Railway, Inc. ("Seller") does hereby sell, assign and transfer unto Toledo, Peoria & Western Railway Corp. ("TP&W") and its successors and assigns, all of Sellers' right, title and interest in and to the Rail and Other Track Material described in EXHIBIT A hereto ("Track Material").

Seller hereby warrants to TP&W and its successors and assigns, as follows:

1. That Seller is the lawful owner of the Track Material and has good, valid, and merchantable title thereto, free and clear of any charge, lien, encumbrance, or other claim or interest of any nature whatsoever.
2. That upon payment of the Purchase Price, TP&W shall receive good, valid and merchantable title to the Track Material free and clear of any charge, lien, encumbrance or other claim or interest of any nature whatsoever.
3. That Seller has full power and authority to convey the track Material; and
4. That Seller has not executed any instrument, which by its term purports to transfer title to the Track Material or any interest therein, to any other person or entity.

Seller further agrees to forever warrant and defend the title to the Track Material into TP&W, its successors and assigns, against all lawful claims.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the ____ day of February, 2003.

SF&L Railway, Inc.

By: _____

Title: Vice President

State of Utah)
) ss.
County of)

On this _____ day of February, 2003, before me, _____, the
undersigned Notary Public, personally appeared _____ personally known to me to be
the person who executed the within instrument as _____ on behalf of
the corporation therein named, and acknowledged to me that the corporation executed it.

Notary Public

My Commission expires _____

EXHIBIT A
TO
BILL OF SALE

All of Seller's interest in the following Materials on the line of railroad from MP 123.0 near Peoria to MP 194.5 near LaHarpe: the road bed, rails, ties, tie plates, rail anchors, and ballast, as well as all switches, crossings, crossing signals, bridges, bridge abutments, structures, fixed communications and signal equipment, parking and storage areas, depots, yards, shops, buildings, spur tracks, side tracks, sidings, connections, other facilities, and all other fixtures and improvements situate thereon (together, "Materials") excluding: (i) any and all motor vehicles, locomotives, rolling stock, maintenance equipment, radios' end of train devices ("ETD") or computer equipment owned by Seller; and (ii) any ownership interest of Seller in the underlying or adjacent rail corridor real estate.

ASSIGNMENT, ASSUMPTION AND INDEMNIFICATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND INDEMNIFICATION AGREEMENT (the "Agreement") dated as of February __, 2003, is by and between SF&L Railway, Inc. (a Nevada corporation ("Assignor") and TOLEDO, PEORIA and WESTERN RAILWAY CORP., a New Jersey corporation ("Assignee").

RECITALS

A. Assignor and Assignee have entered into an Assignment, Assumption and Indemnification Agreement dated December 10, 2001 whereby the contracts for the Rail Line between MP 123.0 at Peoria, IL to MP 194.5 at LaHarpe, IL, (the "Property"), identified in Exhibit A attached hereto (the "Agreements"), which relate to the Property.

B. The Surface Transportation Board Decisions dated October 17, 2002 and January 31, 2003 in FD 33995 has ordered a reconveyance by SF&L of the Property and the Agreements to TP&W.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and conditions herein contained, the parties hereto hereby agree as follows:

AGREEMENT

1. Assignment. Assignor hereby assigns, conveys, sells and transfers to Assignee, its successors and assigns, and Assignee hereby takes and accepts from Assignor, all of Assignor's right, title and interest in, under and to the Agreements and to all rents, security deposits and other sums hereafter owing, and to all other rights, benefits and privileges hereafter accruing to the lessor thereunder.

2. Assumption of Obligations and Liabilities and Indemnification by Assignee. Assignee hereby assumes all of the obligations and liabilities of Assignor under the Agreements accruing from and after the date hereof, and unconditionally indemnifies and holds harmless Assignor, its representatives, successors and assigns, from and against any and all debts, claims or liabilities of any nature (including but not limited to reasonable attorneys' fees and disbursements) arising from or related to the Agreements from and after the date hereof.

3. No Representations and Warranties by Assignor. Assignor has made no representations or warranties to Assignee of whatever nature, express or implied, with respect to the Leases and the Agreements.

4. Omitted Agreements. It is hereby acknowledged by the parties hereto that certain other agreements which affect the Property may have been inadvertently

omitted from said Exhibit A, and which leases and other agreements will be assigned by Assignor to Assignee and accepted and assumed by Assignee. All references in this Agreement shall be deemed to include all such other agreements assigned by Assignor to Assignee, and accepted and assumed by Assignee, pursuant to this Section 4.

5. Attorneys' Fees and Disbursements. Should either party institute any action or proceeding to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by such prevailing party in connection with such action or proceeding.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all, of which taken together shall constitute but one and the same instrument.

7. Governing Law. This Agreement shall be deemed to be an agreement made under the laws of the State of Illinois and for all purposes shall be governed by and construed in accordance with such laws.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

ASSIGNOR:

SF&L Railway, Inc.

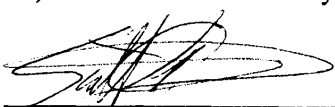
By: _____

Title: _____

Dated: February __, 2003

ASSIGNEE:

Toledo, Peoria & Western Railway Corp.

By:  _____

Title: Senior Vice President

Dated: February 5, 2003

TPW_LEASES

EXHIBIT A

ContractNumber	RentalPayment	Milepost	PropertyType	BillingCycle	OriginationDate	City	State	LesseeName
180023		170.61	ITA		06/23/1989	BUSHNELL	IL	Daniels, Archer
173192		171	ITA		10/01/1985	BUSHNELL	IL	McDonough F.S., Inc.
174131		171.07	ITA		07/10/1940	BUSHNELL	IL	Mickleberry's Food Products Company
174577		N/A	ITA		11/10/1971	BUSHNELL	IL	Allied Mills, Inc./New Allied Corporation
174606		N/A	ITA		05/15/1980	BUSHNELL	IL	Bader & Company
5584		150.22	ITA		03/07/1966	CUBA	IL	United Electric Coal Companies
174492		N/A	ITA		12/20/1967	LA HARPE	IL	Hancock Service Company
174587		121.17	ITA		11/01/1974	MAPLETON	IL	Carter Lumber Company
180024		123.57	ITA		06/30/1990	MAPLETON	IL	CF Industries, Inc.
'592		N/A	ITA		10/01/1971	MAPLETON	IL	Kingston River Terminal, Inc.
174594		N/A	ITA		02/01/1971	MAPLETON	IL	Ashland Chemical Company
175166		183.67	ITA		03/01/1985	SCIOTA	IL	International Minerals & Chemicals Corp.
174254		183.72	ITA		05/01/1991	SCIOTA	IL	Farmers Elevator of Sciota
6317		154.48	ITA		07/01/1986	SMITHFIELD	IL	Thermogas
174096		177	PRX		03/28/1980	BUSHNELL	IL	Weber, William B.
5549		139	PRX		03/25/1986	CANTON	IL	City of Canton, Illinois
4401		N/A	PRX		11/18/1966	CANTON	IL	Truax-Trauer Coal Company
180113		146.07	PRX		08/07/1950	CIVER	IL	Truax-Trauer Coal Company
160543		196.46	PRX		04/23/1992	LA HARPE	IL	State of Illinois Department of Transportation
6327		123.6	PRX		01/05/1934	MAPLETON	IL	Monks, Fred
6111		160.5	PRX		12/15/1980	MARIETTA	IL	Hopping, S.E.
TPW 180086		185.6	PRX		12/15/1975	SCIOTA	IL	First National Bank of Peoria
3069		189	TRX		01/09/1991	BLANDINSVILLE	IL	UNITED FEEDS, INC.
124		N/A	TRX		05/16/1945	CIVER	IL	The United Electric Coal Companies
TPW 180024	\$5,000.00	123+3022	TRX		03/09/1959	CUBA	IL	Fulton Service Company
180141		165.46	TRX		06/01/1990	MAPLETON	IL	CF INDUSTRIES
173621		136.77	TRX		N/A	NEW PHILADELPHIL	IL	Safeway Contractors
160566		137.44	TRX		01/01/1986	RAWALTS	IL	Romine, Jack & Rosalie
			TRX		05/10/1920	RAWALTS	IL	Rawalt Coal Company of Canton, Illinois
			TRX			BUSHNELL	IL	Interlocker Agreement

AGREEMENT TYPES

CLX = Cable Line Crossing (non-electric)