



Edward J. Fishman
202 778 4456
Fax 202 778 4100
ed.fishman@klgates.com

November 14, 2007

Via Hand Delivery

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 F Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
NOV 14 2007
Part of
Public Record

220695

**RE: Finance Docket No. 35098
Genesee & Wyoming Inc. – Control Exemption – Maryland
Midland Railway, Inc.**

Dear Secretary Williams:

On behalf of Genesee & Wyoming Inc. ("GWI"), and in accordance with the Board's decision in the above-referenced proceeding served on November 9, 2007, please find enclosed for filing in the public docket a redacted Public Version of the Agreement and Plan of Merger by and among GWI, Maryland Midland Railway, Inc., MMID Holding Inc., and MMID Acquisition Sub Inc. ("Merger Agreement"). An original and 10 copies of the Merger Agreement are enclosed along with a disc containing an electronic copy.

Please contact me if you have any questions about this filing. Thank you.

Respectfully submitted,

Edward J. Fishman
Counsel for Genesee & Wyoming Inc.

Enclosure

cc: Louis Gitomer – Counsel for Patriot Rail Corp

220695

Execution Version

PUBLIC VERSION REDACTED



AGREEMENT AND PLAN OF MERGER

BY AND AMONG

GENESEE & WYOMING INC.

MMID HOLDING INC.

MMID ACQUISITION SUB INC.

MARYLAND MIDLAND RAILWAY, INC.

AND

REDACTED Stockholder Representative

**ENTERED
Office of Proceedings**

NOV 14 2007

**Part of
Public Record**

DATED AS OF OCTOBER 19, 2007

TABLE OF CONTENTS

ARTICLE 1 THE MERGER	2
Section 1.1 The Merger	2
Section 1.2 Closing	2
Section 1.3 Effective Time; Effect of the Merger	3
Section 1.4 Conversion of the Shares	3
Section 1.5 Determination of REDACTED	3
Section 1.6 Organizational Documents	6
Section 1.7 Directors and Officers of the Surviving Corporation	6
Section 1.8 Appraisal Shares	6
ARTICLE 2 EXCHANGE OF CERTIFICATES	7
Section 2.1 Paying Agent	7
Section 2.2 Exchange Procedures	7
Section 2.3 No Further Ownership Rights	9
Section 2.4 Termination of Exchange Fund	9
Section 2.5 No Liability	9
Section 2.6 Lost, Stolen or Destroyed Certificates	9
Section 2.7 Withholding of Tax	9
Section 2.8 Escrow Funds	10
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY	10
Section 3.1 Organization and Good Standing; Charter Documents	10
Section 3.2 Authority for Agreement	11
Section 3.3 Capitalization	11
Section 3.4 Company Subsidiaries	12
Section 3.5 No Conflict; Required Filings and Consents	12
Section 3.6 Compliance	12
Section 3.7 Litigation	13
Section 3.8 Financial Statements	13
Section 3.9 Absence of Certain Changes or Events	13
Section 3.10 Taxes	14
Section 3.11 Title to Properties	15
Section 3.12 Related Party Transactions	16
Section 3.13 Employee Benefit Plans	16
Section 3.14 Labor Relations	17
Section 3.15 Intellectual Property	18
Section 3.16 Insurance Policies	18
Section 3.17 Brokers	18
Section 3.18 Proxy Statement	19
Section 3.19 Environmental Matters	19

Section 3 20	Anti-Takeover Provisions.....	19
Section 3.21	Contracts.....	20
Section 3 22	Termination of Option Agreement.....	22
Section 3 23	No Other Representations or Warranties.....	22
Section 3.24	Full Disclosure.....	22
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PARENT.....		23
Section 4 1	Organization and Good Standing.....	23
Section 4 2	Authority for Agreement.....	23
Section 4.3	No Conflict; Required Filings and Consents	23
Section 4 4	Brokers.....	24
Section 4 5	Cash Available.....	24
Section 4 6	No Other Representations or Warranties.....	24
ARTICLE 5 COVENANTS.....		24
Section 5.1	Conduct of Business by the Company Pending the Merger.....	24
Section 5.2	Access to Information and Employees; Confidentiality.....	28
Section 5.3	Reasonable Best Efforts to Consummate Merger; Notification.....	28
Section 5 4	Company Stockholders Meeting.....	30
Section 5.5	REDACTED	30
Section 5 6	Public Announcements	32
Section 5.7	Employee Benefit Matters.....	32
Section 5.8	No Control of the Other Party's Business.....	34
Section 5 9	Directors' and Officers' Indemnification and Insurance.....	34
Section 5 10	Confidentiality Agreements.....	35
ARTICLE 6 CONDITIONS PRECEDENT.....		35
Section 6 1	Conditions to Each Party's Obligation to Effect the Merger.....	35
Section 6.2	Additional Conditions to Obligations of Parent, MMID Holding and Merger Sub.....	36
Section 6.3	Additional Conditions to Obligation of the Company.....	37
ARTICLE 7 TERMINATION, AMENDMENT AND WAIVER.....		37
Section 7 1	Termination.....	37
Section 7.2	Expenses.....	39
Section 7 3	Effect of Termination.....	40
Section 7.4	Amendment.....	40
Section 7 5	Extension; Waiver.....	40
ARTICLE 8 GENERAL PROVISIONS.....		41
Section 8.1	Nonsurvival of Representations and Warranties.....	41
Section 8.2	Notices.....	41
Section 8.3	Interpretation.....	42

Section 8.4	Counterparts.....	42
Section 8.5	Entire Agreement; No Third-Party Beneficiaries..	42
Section 8.6	Governing Law.....	42
Section 8.7	Assignment..	42
Section 8.8	Enforcement..	43
Section 8.9	Consent to Jurisdiction; Venue	43
Section 8.10	Waiver of Trial by Jury.	43
Section 8.11	Severability ..	44
ARTICLE 9 CERTAIN DEFINITIONS		44

EXHIBITS

Exhibit A-1 – Form of Voting Agreement (Director and Officer Stockholders)

Exhibit A-2 – Form of Voting Agreement (non-Director and Officer Stockholders)

Exhibit B –

REDACTED

Exhibit C-1 – Form of Entity Non-Foreign Status Certificate

Exhibit C-2 – Form of Individual Non-Foreign Status Certificate

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (together with all annexes, letters, schedules and exhibits hereto, this "Agreement"), dated as of October 19, 2007, is by and among Genesee & Wyoming Inc., a Delaware corporation ("Parent"), MMID Holding Inc., a Delaware corporation and majority owned subsidiary of Parent ("MMID Holding"); MMID Acquisition Sub Inc., a Maryland corporation and wholly owned direct subsidiary of MMID Holding ("Merger Sub"); Maryland Midland Railway, Inc., a Maryland corporation (the "Company"); and **REDACTED** as Stockholder Representative (the "Stockholder Representative").

RECITALS

A. The Company, MMID Holding and Merger Sub each has determined that it is advisable, fair to and in the best interests of its stockholders to effect a merger (the "Merger") of Merger Sub with and into the Company pursuant to the Maryland General Corporation Law ("MGCL"), pursuant to which each outstanding share of common stock, par value \$1.00 per share of the Company (the "Company Common Stock") shall be converted into the right to receive cash, as set forth herein, all upon the terms and subject to the conditions of this Agreement.

B. Immediately prior to the Effective Time, Lehigh Cement, who owns 37,746 shares of Company Common Stock representing 12.6062% of the Company's outstanding capital stock, will enter into a contribution agreement with MMID Holding pursuant to which Lehigh Cement will contribute all of its shares of Company Common Stock to MMID Holding in exchange for shares of common stock in MMID Holding. As a result of such contribution, MMID Holding will own, as of the Effective Time, 37,746 shares of Company Common Stock, or 12.6062% of the Company's outstanding capital stock.

C. The Board of Directors of the Company (the "Company Board of Directors") has unanimously (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of the Company and its stockholders (the "Company Stockholders") and (ii) adopted resolutions approving this Agreement and the transactions contemplated hereby, including the Merger, declaring its advisability and recommending the adoption by the Company Stockholders of this Agreement and the Merger and directing that this Agreement, the Merger and the other transactions contemplated hereby be submitted to a vote of the Company Stockholders.

D. The Board of Directors of Merger Sub has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of Merger Sub and its sole stockholder and (ii) adopted resolutions approving this Agreement and the transactions contemplated hereby, including the Merger, declaring its advisability and recommending the adoption by its sole stockholder of this Agreement and the Merger and directing that this Agreement, the Merger and the other transactions contemplated hereby be submitted to a vote of its sole stockholder. The sole stockholder of Merger Sub has adopted this Agreement and approved the Merger and the

other transactions contemplated hereby.

E. The Board of Directors of MMID Holding, as the sole stockholder of Merger Sub, has adopted resolutions to cause Merger Sub to adopt this Agreement and to approve the Merger and the other transactions contemplated hereby.

F. Simultaneously with the execution of this Agreement, Parent and certain stockholders of the Company are entering into a Voting Agreement pursuant to which they have agreed to take certain actions in support of this Agreement

G Certain capitalized terms used in this Agreement are defined in Article 9.

AGREEMENT

In consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE 1

THE MERGER

Section 1.1 The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company in accordance with the MGCL, whereupon the separate existence of Merger Sub shall cease and the Company shall continue as the Surviving Corporation under the Laws of the State of Maryland.

(b) The Merger shall have the effects set forth in Section 3-114 of the MGCL and other applicable Law. Accordingly, from and after the Effective Time, the Surviving Corporation shall have all the properties, rights, privileges, powers, interests and franchises and shall be subject to all restrictions, disabilities, debts, duties and Liabilities of the Company and Merger Sub.

Section 1.2 Closing Subject to the terms and conditions of this Agreement, the Closing will take place at 10:00 a.m., local time, as promptly as practicable but in no event later than the fifth Business Day after the satisfaction or waiver of the conditions (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions) set forth in Article 6 (the "Closing Date"), at the offices of Kirkpatrick & Lockhart Preston Gates Ellis LLP, 1601 K Street, N W , Washington, DC 20006, unless another time, date or place is agreed to in writing by the parties; provided, however, that if all the conditions set forth in Article 6 shall not have been satisfied or waived (to the extent permitted by Law) on such fifth Business Day, then, subject to Section 7.1, the Closing will take place on the first Business Day on which all such conditions shall have been satisfied or waived (to the extent permitted by Law).

Section 1.3 Effective Time; Effect of the Merger. On the Closing Date and subject to the terms and conditions hereof, the Articles of Merger shall be filed with the Maryland State Department of Assessments and Taxation. The Merger shall become effective at the Effective Time. The Merger shall have the effects set forth herein and in the applicable provisions of the MGCL

Section 1.4 Conversion of the Shares. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, MMID Holding, Merger Sub, the Company or the holders of any of the following securities:

(a) Except as provided in Section 1.4(b), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (the "Shares") (excluding Appraisal Shares, if any) shall cease to be outstanding and be canceled and shall be converted automatically into the right to receive such holders' proportional share (excluding any shares acquired by MMID Holding as a result of the contribution from Lehigh Cement to MMID Holding and which will be cancelled pursuant to Section 1.4(b) and excluding Appraisal Shares, if any) of the aggregate Merger Consideration, upon surrender of the Certificate representing such Shares as provided in Article 2. All Shares, when so converted, shall no longer be outstanding and shall automatically be retired and shall cease to exist, and each holder of a Certificate representing Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration into which such Shares have been converted, as provided herein.

(b) Each Share that is owned by Parent, MMID Holding or Merger Sub immediately prior to the Effective Time shall be canceled and retired and cease to exist and no payment or distribution shall be made with respect thereto.

(c) Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall remain one validly issued, fully paid and nonassessable share of common stock, par value \$1.00 per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

(d) There shall be no adjustment to the Merger Consideration if, between the date of this Agreement and the Effective Time, there is a recapitalization, reclassification, stock split, stock dividend, subdivision, combination or exchange of shares with respect to, or rights issued in respect of, the Shares.

Section 1.5 Determination of Net Working Capital.

(a) Within twenty-one (21) days after the Closing Date, Parent shall cause to be prepared and shall deliver to the Stockholder Representative (or its designee) a statement setting forth the Net Working Capital as of the Closing Date (the "Net Working Capital Statement") If the Closing Date does not occur as of a month end, then the Net Working Capital calculation for the month during which the Closing Date occurs shall include an appropriate proration for any items typically accrued in accordance with GAAP for a full monthly period that are not otherwise reflected in the Net Working Capital Statement. The Net Working Capital Statement shall be prepared in accordance with GAAP in a manner consistent with calculation of

the Company Financial Statements for the fiscal year ended April 30, 2007, and, except as specifically provided herein in the definition of Net Working Capital, without any adjustments applicable solely as a result of the acquisition of the Company on the Closing Date. An example of the Net Working Capital calculation as of April 30, 2007 is set forth on Exhibit B hereto.

(b) If the Stockholder Representative disputes the Net Working Capital Statement (either as to content or manner of preparation), then the Stockholder Representative shall, within fifteen days following receipt of the Net Working Capital Statement from Parent, deliver a written notice to Parent of such dispute setting forth in reasonable detail the basis for that dispute. If the Stockholder Representative does not so notify Parent of a dispute within such fifteen day period, then the Net Working Capital shall be deemed to be final, conclusive and binding on the parties. In the event the Stockholder Representative delivers a notification of a dispute, Parent and the Stockholder Representative shall negotiate in good faith to resolve such dispute; provided, however, that if Parent and the Stockholder Representative fail to resolve such dispute within fifteen days after notification of the dispute, then Parent and the Stockholder Representative shall promptly (but in no event later than thirty days thereafter) engage a mutually agreed upon independent nationally recognized accounting firm which firm shall not have or within three years prior to the Closing had any relationship with Parent, MMID Holding, Merger Sub or the Company (the "Accounting Expert") to resolve such dispute. Parent and the Stockholder Representative shall have the opportunity to provide written submissions and oral presentations relating to whether the Net Working Capital has been calculated properly, which written submissions shall be provided to the Accounting Expert, if at all, no later than fifteen Business Days after the date of engagement of the Accounting Expert. Such submissions and presentations shall be limited solely to the disputed items, which shall be the only items reviewed by the Accounting Expert. The Accounting Expert shall deliver a written report resolving only the disputed matters relating to calculation of the Net Working Capital, and setting forth the basis for such resolution within thirty Business Days after Parent and Stockholder Representative have submitted in writing and/or made oral presentations (or have had the opportunity to submit in writing and/or present orally but have not submitted or presented orally) their positions as to the disputed items. All determinations of the Net Working Capital as agreed by Parent and the Stockholder Representative following a notice of dispute under this Section 1.5(b) or as made by the Accounting Expert after review and resolution of the disputed items will be final, conclusive and binding on the parties. Parent and the Remaining Company Stockholders shall each be responsible for one-half of the Special Fees and Expenses. If Parent and the Stockholder Representative have resolved a dispute of the Net Working Capital Statement within the fifteen day period described in Section 1.5(b), then Parent shall advance the Remaining Company Stockholders' portion of the Special Fees and Expenses, if any, and Parent shall be entitled to deduct such amount from the Final Net Working Capital.

(c) For purposes of complying with the terms set forth in this Section 1.5, the parties shall cooperate with and make available to the other parties and their respective Representatives all information, records, data and working papers, and shall permit access to its facilities and personnel, as may be reasonably required in connection with the preparation and analysis of the Net Working Capital Statement and the resolution of any disputes thereunder.

(d) If the Stockholder Representative has not disputed the Net Working Capital Statement or if Parent and the Stockholder Representative have resolved a dispute of the

Net Working Capital Statement within the fifteen day period described in Section 1.5(b), and the Final Net Working Capital is a positive amount, then MMID Holding promptly shall deposit with the Paying Agent an amount of cash equal to the Final Net Working Capital multiplied by the Reduction Rate, which amount of cash shall be added to and deemed part of the Exchange Fund for purposes of Section 2.1. If the Stockholder Representative has not disputed the Net Working Capital Statement or if Parent and the Stockholder Representative have resolved a dispute of the Net Working Capital Statement within the fifteen day period described in Section 1.5(b), and the Final Net Working Capital is a negative amount, then the Exchange Fund shall be reduced by such negative Final Net Working Capital, multiplied by the Reduction Rate. If the Stockholder Representative has disputed the Net Working Capital Statement and Parent and the Stockholder Representative have failed to resolve such dispute within the fifteen day period described in Section 1.5(b), and the Net Working Capital Statement Amount is a positive amount, then MMID Holding promptly shall deposit with the Paying Agent an amount of cash equal to the Net Working Capital Statement Amount, multiplied by the Reduction Rate, less the Fee Holdback, which amount of cash shall be added to and deemed part of the Exchange Fund for purposes of Section 2.1. If the Stockholder Representative has disputed the Net Working Capital Statement and Parent and the Stockholder Representative have failed to resolve such dispute within the fifteen day period described in Section 1.5(b), and the Net Working Capital Statement Amount is a negative amount, then the Exchange Fund shall be reduced by such negative Net Working Capital Statement Amount, multiplied by the Reduction Rate, plus the Fee Holdback. Following determination of the Final Net Working Capital by Parent and the Stockholder Representative following a notice of dispute under Section 1.5(b) or as made by the Accounting Expert after review and resolution of the disputed items, MMID Holding promptly shall deposit with the Paying Agent cash equal to the amount, if any, by which the Fee Holdback exceeds the aggregate of the actual fees incurred for the Paying Agent during the Net Working Capital Statement dispute and one-half of the Special Fees and Expenses and: (i) if the Final Net Working Capital is a positive amount, plus additional cash equal to the amount, if any, by which the Final Net Working Capital exceeds the Net Working Capital Statement Amount, multiplied by the Reduction Rate, or (ii) if the Final Net Working Capital is a negative amount, plus additional cash equal to the amount, if any, by which the negative Final Net Working Capital is less than the negative Net Working Capital Statement Amount, multiplied by the Reduction Rate.

(e) Parent shall be entitled to deal exclusively with the Stockholder Representative on all matters relating to this Section 1.5, and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Company Stockholder by the Stockholder Representative, and on any other action taken or purported to be taken on behalf of any Company Stockholder by the Stockholder Representative, as fully binding upon such Company Stockholder. The Stockholder Representative will incur no liability with respect to any action taken or suffered by him in reliance upon any notice, direction, instruction, consent, statement, or other document believed by him to be genuine and to have been signed by the proper person (and shall have no responsibility to determine the authenticity thereof), nor for any other action or inaction, except his own willful misconduct, gross negligence or bad faith. In all questions arising under this Agreement, the Stockholder Representative may rely on the advice of counsel or other Representatives and the Stockholder Representative will not be liable to any Company Stockholder for anything done, omitted, or suffered in good faith by the Stockholder

Representative based on such advice. The Stockholder Representative may engage counsel or other advisors to assist him or her in the performance of his or her duties hereunder and will not be required to take any action involving any expense unless the payment of such expense is made or provided for in a manner reasonably satisfactory to him.

Section 1.6 Organizational Documents.

(a) At the Effective Time, pursuant to the Merger, the charter of the Company as in effect immediately prior to the Effective Time, shall be the charter of the Surviving Corporation, until thereafter changed or amended as provided therein or by applicable Law. Thereafter, the charter of the Surviving Corporation may be amended in accordance with its terms and as provided by Law.

(b) At the Effective Time, pursuant to the Merger, the Bylaws of the Company as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation, until thereafter changed or amended as provided therein or by applicable Law. Thereafter, the Bylaws of the Surviving Corporation may be amended in accordance with their terms and the charter of the Surviving Corporation and as provided by Law.

Section 1.7 Directors and Officers of the Surviving Corporation. The Company shall cause to be delivered to Parent, promptly after the date hereof, resignations of all the directors of the Company to be effective upon the consummation of the Merger. At the Effective Time, the directors of Merger Sub shall continue in office as the directors of the Surviving Corporation and the officers of the Company shall continue in office as the officers of the Surviving Corporation, and such directors and officers shall hold office until successors are duly elected or appointed and qualified in accordance with and subject to applicable Law and the charter and Bylaws of the Surviving Corporation.

Section 1.8 Appraisal Shares. Notwithstanding anything in this Agreement to the contrary, any Appraisal Shares shall not be converted into the right to receive the Merger Consideration as provided in Section 1.4(a), but instead holders of Appraisal Shares shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 3-202 of the MGCL. Notwithstanding the foregoing, if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 3-202 of the MGCL or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 3-202 of the MGCL, then the right of such holder to be paid the fair value of such holder's Appraisal Shares under Section 3-202 of the MGCL shall cease and such Appraisal Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Merger Consideration as provided in Section 1.4(a), without interest. The Company shall serve prompt notice to Parent and MMID Holding of any demands for appraisal of any of the Shares, attempted withdrawals of such demands and any other instruments served pursuant to the MGCL received by the Company, and Parent and MMID Holding shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not, without the prior written consent of Parent (which consent shall not be unreasonably withheld or delayed), or as otherwise required under the MGCL, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do or commit to do any of the foregoing.

ARTICLE 2

EXCHANGE OF CERTIFICATES

Section 2.1 Paying Agent.

(a) Prior to the Effective Time, Parent shall appoint the Paying Agent to act as paying agent for the payment of the Merger Consideration upon surrender of the Certificates pursuant to this Article 2. Immediately prior to the Effective Time, MMID Holding shall pay to the Paying Agent an amount of cash equal to the product of the Cash Consideration less the Outstanding Debt, multiplied by the Reduction Rate, less an amount equal to the Escrow Funds. Such cash payment amount, (i) as may be augmented or reduced, as the case may be, for the Net Working Capital Statement Amount or the Final Net Working Capital, in each case as multiplied by the Reduction Rate, and related fees and expenses in accordance with Section 2.2(b) and (ii) as augmented by transfer of the Escrow Funds to the Paying Agent pursuant to Section 2.8, is referred to herein as the "Exchange Fund." An example of payments to be made by MMID Holding to the Paying Agent prior to Closing and following Closing is set forth on Exhibit B hereto. The Exchange Fund shall be used solely for purposes of paying the Merger Consideration in accordance with this Article 2 and shall not be used to satisfy any other obligation of the Company.

(b) Pending distribution of the Exchange Fund in accordance with this Article 2, MMID Holding may direct the Paying Agent to invest such cash, provided that such investments shall be obligations of or guaranteed by the United States of America, commercial paper obligations receiving the highest rating from either Moody's Investors Services, Inc. or Standard & Poor's Corporation, or certificates of deposit, bank repurchase agreements or bankers acceptances of domestic commercial banks with capital exceeding \$500,000,000 (collectively "Permitted Investments") or money market funds that are invested solely in Permitted Investments and shall have maturities that will not prevent or delay payments to be made pursuant to this Article 2. Any income from investment of the Exchange Fund will be payable solely to MMID Holding.

Section 2.2 Exchange Procedures.

(a) As soon as practicable after the Effective Time but in no event more than three Business Days after the Effective Time, the Paying Agent shall mail to each holder of record of a Certificate or Certificates that, immediately prior to the Effective Time, represented outstanding Shares subsequently converted into the right to receive the Merger Consideration, as set forth in Section 1.4, (i) a letter of transmittal (a "Letter of Transmittal") that (A) shall specify that delivery shall be effected and risk of loss and title to the Certificates shall pass only upon proper delivery of the Certificates to the Paying Agent (or an affidavit of loss in lieu thereof, together with any indemnity agreement, as contemplated by Section 2.6) and (B) shall be in such form and have such other provisions as the Surviving Corporation may reasonably specify; and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the applicable Merger Consideration and (iii) certificates substantially in the forms of Exhibit C-1 ("Entity Non-Foreign Status Certificate") and Exhibit C-2 ("Individual Non-Foreign Status Certificate") relating to the non-foreign status of the holder.

(b) If the Stockholder Representative has not disputed the Net Working Capital Statement, or if Parent and the Stockholder Representative have resolved a dispute of the Net Working Capital Statement within the fifteen day period described in Section 1.5(b), then promptly thereafter the Paying Agent shall distribute to the Remaining Company Stockholders, in accordance with this Section 2.2, an aggregate amount of cash equal to the Exchange Fund after reducing the Net Working Capital Statement Amount or the Final Net Working Capital, as the case may be, by the Reduction Rate. If the Stockholder Representative has disputed the Net Working Capital Statement, and Parent and the Stockholder Representative have failed to resolve such dispute within the fifteen day period described in Section 1.5(b), then the Paying Agent promptly shall distribute to the Remaining Company Stockholders, in accordance with this Section 2.2, an aggregate cash amount equal to the product of the Cash Consideration less the Outstanding Debt, multiplied by the Reduction Rate and: (i) if the Net Working Capital Statement Amount is a positive amount, plus an additional cash amount equal to the Net Working Capital Statement Amount, multiplied by the Reduction Rate, less the Fee Holdback; or (ii) if the Net Working Capital Statement Amount is a negative amount, less an amount equal to the negative Net Working Capital Statement Amount, multiplied by the Reduction Rate, less the Fee Holdback. Following determination of the Final Net Working Capital by Parent and the Stockholder Representative following a notice of dispute under Section 1.5(b) or as made by the Accounting Expert after review and resolution of the disputed items, the Paying Agent promptly shall distribute to the Remaining Company Stockholders cash equal to the amount, if any, by which the Fee Holdback exceeds the aggregate of the actual fees incurred for the Paying Agent during the Net Working Capital Statement dispute and one-half of the Special Fees and Expenses and: (i) if the Final Net Working Capital is a positive amount, plus additional cash equal to the amount, if any, by which the Final Net Working Capital exceeds the Net Working Capital Statement Amount, multiplied by the Reduction Rate, or (ii) if the Final Net Working Capital is a negative amount, plus additional cash equal to the amount, if any, by which the negative Final Net Working Capital is less than the negative Net Working Capital Statement Amount, multiplied by the Reduction Rate.

(c) Upon surrender of a Certificate for cancellation to the Paying Agent, together with a Letter of Transmittal, duly completed and executed, an Entity Non-Foreign Status Certificate or an Individual Non-Foreign Status Certificate, as appropriate, duly completed and executed, and any other documents reasonably required by the Paying Agent or the Surviving Corporation, (i) the holder of such Certificate shall be entitled to receive in exchange therefor a check representing the applicable amount of cash that such holder has the right to receive pursuant to Section 1.4 and Section 2.2(b) (and in the event that the Net Working Capital has not yet been determined in accordance with Section 1.5(b), the holder of such Certificate shall be entitled to receive subsequent funds representing such holder's proportionate share of the additional aggregate cash amount, if any, that the Remaining Company Stockholders are entitled to receive pursuant to Section 2.2(b) following determination of the Final Net Working Capital), and (ii) the Certificate so surrendered shall forthwith be canceled. No interest will be paid or accrued on the cash payable upon surrender of the Certificates. Until surrendered as contemplated by this Section 2.2, each such Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the applicable Merger Consideration.

(d) In the event of a transfer of ownership of Shares that is not registered in the transfer records of the Company, the appropriate amount of the Merger Consideration may be paid to a transferee if the Certificate representing such Shares is presented to the Paying Agent properly endorsed or accompanied by appropriate stock powers and otherwise in proper form for transfer and accompanied by all documents reasonably required by the Paying Agent to evidence and effect such transfer and to evidence that any applicable Taxes have been paid.

Section 2.3 No Further Ownership Rights. All Merger Consideration paid upon the surrender for exchange of the Certificates representing Shares in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to such Shares and, after the Effective Time, there shall be no further registration of transfers on the transfer books of the Surviving Corporation of the Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Article 2, subject to applicable Law in the case of Appraisal Shares.

Section 2.4 Termination of Exchange Fund Any portion of the Exchange Fund (including any interest and other income received with respect thereto) that remains undistributed to the former Remaining Company Stockholders on the date twelve months after the Effective Time shall be delivered to MMID Holding upon demand, and any former holder of Shares who has not theretofore received any applicable Merger Consideration to which such Company Stockholder is entitled under this Article 2 shall thereafter look only to MMID Holding (subject to abandoned property, escheat or other similar Laws) for payment of claims with respect thereto and only as a general creditor thereof.

Section 2.5 No Liability. None of Parent, MMID Holding, the Surviving Corporation or Merger Sub shall be liable to any holder of Shares for any part of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. Any amounts remaining unclaimed by holders of any such Shares two years after the Effective Time or at such earlier date as is immediately prior to the time at which such amounts would otherwise escheat to, or become property of, any Governmental Entity shall, to the extent permitted by applicable Law or Order, become the property of MMID Holding free and clear of any claims or interest of any such holders or their successors, assigns or personal representatives previously entitled thereto.

Section 2.6 Lost, Stolen or Destroyed Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by and at the discretion of MMID Holding or the Surviving Corporation, delivery by such Person of an indemnity agreement in such form as MMID Holding or the Surviving Corporation may direct, in each case as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent shall issue in exchange for such lost, stolen or destroyed Certificate the appropriate amount of the Merger Consideration.

Section 2.7 Withholding of Tax. Notwithstanding anything to the contrary in this Agreement, MMID Holding, the Surviving Corporation, any Affiliate thereof, or the Paying Agent shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this

Agreement to any holder of Shares and to any holder of Appraisal Shares, such amounts as MMID Holding, the Surviving Corporation, any Affiliate thereof or the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state or local Tax Law. To the extent that amounts are so withheld by MMID Holding, the Surviving Corporation, any Affiliate thereof, or the Paying Agent, such withheld amounts shall be (a) paid over to the applicable Governmental Entity in accordance with applicable Law or Order and (b) treated for all purposes of this Agreement as having been paid to the holder or participant, as the case may be, in respect of which such deduction and withholding was made by MMID Holding, the Surviving Corporation, any Affiliate thereof, or the Paying Agent, as the case may be.

Section 2.8 Escrow Funds. Parent and the Company agree that the Escrow Agent shall continue to hold the Escrow Funds in the Account until the earlier to occur of (i) the Closing or (ii) termination of this Agreement in accordance with Section 7.1. If the Closing occurs, then promptly thereafter Parent and the Company shall jointly instruct the Escrow Agent in writing to distribute the Escrow Funds to the Paying Agent, and such Escrow Funds shall be added to and deemed part of the Exchange Fund for purposes of Section 2.1 and shall be distributed by the Paying Agent to the Remaining Company Stockholders in accordance with Section 2.2(b). If the Company terminates this Agreement pursuant to Section 7.1(i), then Parent shall cause the Escrow Agent to promptly, and in any event within five Business Days after the date of such termination, distribute to the Company a portion of the Escrow Funds equal to the REDACTED in full satisfaction of the REDACTED payable by Parent pursuant to Section 7.2(c), and the Escrow Agent promptly shall deliver the remainder of the Escrow Funds and any interest earned thereon to Parent. If this Agreement is terminated for any other reason, then the Escrow Agent promptly shall deliver the Escrow Funds to Parent, and in any event within five Business Days after the date of any such termination.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company Disclosure Letter delivered by the Company to Parent concurrently with the execution of this Agreement (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the Section or subsection of this Agreement to which it corresponds in number and each other Section or subsection of this Agreement to the extent that it is reasonably apparent on its face that such information is relevant to such other Section or subsection), the Company represents and warrants to each of the other parties hereto as follows:

Section 3.1 Organization and Good Standing: Charter Documents

(a) The Company (i) is a corporation duly organized, validly existing and in good standing under the Laws of the State of Maryland, (ii) has full corporate power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted, and (iii) is duly qualified or licensed to do business as a foreign corporation and is in good standing (with respect to jurisdictions that recognize such concept) in each

jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary.

(b) The copies of the Company Articles of Incorporation and Company Bylaws that were delivered to the Parent are complete and correct copies thereof as in effect on the date hereof. The Company is not in violation of any of the provisions of the Company Articles of Incorporation or the Company Bylaws.

Section 3.2 Authority for Agreement. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the Merger and the other transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action (including the approval of the Company Board of Directors) and no other corporate proceedings on the part of the Company, and no other votes or approvals of any class or series of capital stock of the Company, are necessary to authorize this Agreement or to consummate the Merger or the other transactions contemplated hereby (other than, with respect to the consummation of the Merger and the adoption of this Agreement, the Company Required Vote). This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent, MMID Holding and Merger Sub, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited against the Company by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (ii) the exercise by courts of equity powers.

Section 3.3 Capitalization.

(a) The authorized capital stock of the Company consists of 500,000 shares of Company Common Stock and 1,000,000 shares of preferred stock. As of the date hereof, 299,423 shares of Company Common Stock are issued and outstanding and no shares of preferred stock are issued and outstanding. All outstanding Shares are, and any additional shares of Company Common Stock issued by the Company after the date hereof and prior to the Effective Time will be, duly authorized and validly issued, fully paid and nonassessable, and not subject to any preemptive rights. Except as set forth in this Section 3.3(a), there are no outstanding shares of capital stock of or other voting securities or ownership interests in the Company. There are no outstanding Company Stock Rights.

(b) There are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any Shares or Company Stock Rights or to pay any dividend or make any other distribution in respect thereof. Except for the Voting Agreement, there are no voting trusts or other agreements or understandings with respect to the voting of any shares of capital stock of the Company.

Section 3.4 Company Subsidiaries. The Company does not own or control any equity security or other interest of any other corporation, limited partnership or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement. Since its inception, the Company has not consolidated or merged with, acquired all or substantially all of the assets of, or acquired the stock or any interest in any corporation, partnership, association, or other business entity

Section 3.5 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the Merger (subject to the approval of this Agreement by the Company Required Vote) and the other transactions contemplated by this Agreement will not, (i) conflict with or violate any provision of the Company Articles of Incorporation or Company Bylaws, (ii) assuming that all consents, approvals and authorizations contemplated by Section 3.5(b) have been obtained, and all filings described therein have been made, conflict with or violate any Law applicable to the Company or by which any property or asset of the Company is bound or affected, (iii) require any consent or other action by any Person under, result in a material breach of or constitute a material default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, result in the loss of any right or benefit to which the Company is entitled under any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation or authorization to which the Company is a party or by which the Company, or any property or asset of the Company, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of an Encumbrance on any property or asset of the Company.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company and the consummation of the Merger and the other transactions contemplated by this Agreement will not, require any action, consent, approval, authorization or permit of, or filing with or notification to, or registration or qualification with, any Governmental Entity, except for applicable requirements, if any, of the Securities Act, state securities laws or "blue sky" laws, the ICC Termination Act of 1995 (as amended), the rules and regulations of the STB, the rules and regulations of the FCC, and the filing and recordation of the Articles of Merger, as required by the MGCL.

Section 3.6 Compliance. The Company holds all material Company Permits and is in compliance with the terms of such Company Permits. The business of the Company is not being conducted in violation of any Law or Order. No investigation or review by any Governmental Entity with respect to the Company or its business is pending or, to the Knowledge of the Company, threatened and, to the Knowledge of the Company, no basis exists for any such investigation or review.

Section 3.7 Litigation.

(a) There is no claim, suit, action, proceeding, investigation or arbitration (or, to the Knowledge of the Company, any basis therefor) pending or, to the Knowledge of the Company, threatened against or affecting the Company, its assets or its directors, officers or employees in their capacities as such, or, to the Knowledge of the Company, any other Person for whom the Company may be liable.

(b) To the Knowledge of the Company, there is no Order outstanding against the Company.

Section 3.8 Financial Statements.

(a) The Company has made available to Parent all of the Company Financial Statements. All of the Company Financial Statements fairly present, in conformity with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto), the financial position of the Company at the respective dates thereof and the results of its operations and changes in cash flows for the periods indicated (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with GAAP).

(b) There are no Liabilities of the Company of any kind whatsoever, whether or not accrued and whether or not contingent or absolute, and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in such a Liability, other than (i) Liabilities disclosed and provided for in the Company Balance Sheet, (ii) Liabilities incurred on behalf of the Company in connection with the transactions contemplated by this Agreement and set forth in Section 3.8(b) of the Company Disclosure Letter, and (iii) Liabilities incurred in the ordinary course of business since April 30, 2007, none of which has had or reasonably would be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) The Company has disclosed to the Company Board of Directors any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting, as described in Section 3.8(c) of the Company Disclosure Letter. The Company has not received any credible and material complaints since April 30, 2007 regarding accounting, internal accounting controls or auditing matters, including any such complaint regarding questionable accounting or auditing matters.

(d) The Company has not identified any material weaknesses in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect in any material respect the Company's ability to record, process, summarize and report financial information.

Section 3.9 Absence of Certain Changes or Events. Since April 30, 2007, except as contemplated by, or as disclosed in, this Agreement, the Company has conducted its business in the ordinary course consistent with past practice. There has not been, with respect to the Company, (i) any action taken after the date of the Company Balance Sheet that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of Section 5.1(b), or (ii) since April 30, 2007 any event, occurrence, development or state of

circumstances or facts that has had or reasonably would be expected to have a Company Material Adverse Effect.

Section 3.10 Taxes.

- (a) Since May 1, 2007 until the date of this Agreement, the Company:

 - (i) has timely paid or caused to be paid all Taxes required to be paid by it, and have made adequate provision in the Company Financial Statements (in accordance with GAAP) for all obligations for Taxes not yet due and payable;
 - (ii) has filed or caused to be filed in a timely and proper manner all Tax Returns required to be filed by such entities with the appropriate Governmental Entity in all jurisdictions in which Tax Returns are required to be filed, and all such Tax Returns are complete and correct in all material respects; and
 - (iii) has not requested or caused to be requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed.
- (b) The Company has made available to Parent complete and correct copies of all United States federal Tax Returns and state Tax Returns filed by or on behalf of the Company for all taxable periods beginning on or after April 30, 2003.
- (c) There are no pending Tax audits relating to the Company and no waivers of statutes of limitations have been given or requested by the Company that are currently outstanding.
- (d) There are no Encumbrances for Taxes, except for Encumbrances for Taxes not yet due or payable for which adequate reserves have been provided for in the latest balance sheet of the Company.
- (e) No unresolved deficiencies or additions to Taxes have been proposed, asserted, or assessed in writing against the Company.
- (f) Since April 30, 2007, the Company has not received notice from any Governmental Entity in a jurisdiction in which the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction
- (g) There are no agreements relating to the allocating or sharing of Taxes to which the Company is a party.
- (h) Since April 30, 2007, the Company has not entered into any closing agreement pursuant to Section 7121 of the Code (or any predecessor provision) or any similar provision of any state, local or foreign law
- (i) Since December 31, 2004, the Company has not constituted either a "distributing corporation" or a "controlled corporation" within the meaning of Section 355(a)(1)(A) of the Code.

(j) The Company has not filed any disclosures under Code Sections 6662 or 6011 or comparable provisions of state, local or foreign law to prevent the imposition of penalties with respect to any Tax reporting position taken on any Tax Return; the Company has not entered into any "listed transactions" as defined in Treasury Regulation Section 1.6011-4(b)(2), and the Company has properly disclosed all reportable transactions as required by Treasury Regulation Section 1.6011-4, including filing Forms 8886 with Tax Returns and with the Office of Tax Shelter Analysis.

(k) The Company will not be required to include any item of income in, or exclude any item of deduction from, its taxable incomes for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement," as described in Code Section 7121 (or any corresponding provision of state, local or foreign Tax Law), (iii) intercompany transactions or any excess loss account described in the Treasury Regulations under Code Section 1502 (or any corresponding provision of state, local or foreign Tax Law), (iv) installment sale or open transaction disposition made on or prior to the Closing Date or (v) prepaid amount received on or prior to the Closing Date.

(l) The Company has not established nor is a party to a nonqualified deferred compensation plan subject to Code Section 409A.

Section 3.11 Title to Properties.

(a) Section 3.11(a) of the Company Disclosure Letter sets forth a list (by milepost designation where appropriate) of the railroad right-of-way and other real property owned by the Company ("Owned Real Property") or otherwise used by the Company in connection with and which is material to the operation of its rail business as presently conducted, which listing is accurate in all material respects.

(b) The Company has, with respect to real property, good fee title, leasehold, easement, right of way or possession which is sufficient to permit such Persons to operate as railroads and conduct such other business as is currently conducted or carried on without undue charge or expense, in each case free and clear of all Encumbrances, except for (i) mechanics', carriers', workmen's, warehousemen's or repairmen's liens or other like Encumbrances imposed by or in accordance with applicable Law arising or incurred in the ordinary course of business for amounts that are not delinquent or for which the Company is contesting in good faith, (ii) Encumbrances for taxes, assessments and other governmental charges and levies that are not due and payable or that may thereafter be paid without interest or penalty, (iii) zoning, building and other similar codes and regulations, (iv) Encumbrances arising in the ordinary course of business under worker's compensation, unemployment insurance, social security, retirement and similar legislation, (v) purchase money liens and liens securing rental payments under capital lease arrangements, (vi) mortgages, deeds of trust, security interests or other encumbrances on title related to indebtedness reflected on the consolidated financial statements of the Company and (vii) any conditions that are matters of public record or that would be disclosed by a current, accurate survey, a railroad valuation map or physical inspection of the assets to which they relate (collectively, "Permitted Encumbrances").

(c) The Company has good title to, or a valid leasehold interest in, all of its tangible personal properties and assets, in each case free and clear of all Encumbrances, except for Permitted Encumbrances and Encumbrances that secure indebtedness reflected in the Company Financial Statements for fiscal year 2007 and Encumbrances that would not, individually or in the aggregate, reasonably be expected to materially impair the continued use and operation of the tangible personal properties and assets to which they relate in the business of the Company as presently conducted.

Section 3.12 Related Party Transactions. To the Company's Knowledge (a) no Related Party has, and no Related Party has at any time since January 1, 2005 had, any direct or indirect interest in any material asset used in or otherwise relating to the business of the Company; (b) no Related Party is, or has at any time since January 1, 2005 been, indebted to the Company; (c) since January 1, 2005, no Related Party has entered into, or has had any direct or indirect financial interest in, any material Contract, transaction or business dealing involving the Company; (d) no Related Party is competing, or has at any time since January 1, 2005 competed, directly or indirectly, with the Company; and (e) no Related Party has any claim or right against the Company (other than rights to receive compensation for services performed as an employee of the Company). (For purposes of this Section 3.12 each of the following shall be deemed to be a "Related Party" (i) each individual who is, or who has at any time since January 1, 2005 been, a director or officer of the Company, (ii) each member of the immediate family of each of the individuals referred to in clause (i) above; and (iii) any trust or other Person (other than the Company) in which any one of the individuals referred to in clause (i) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary or equity interest).

Section 3.13 Employee Benefit Plans.

(a) Section 3.13(a) of the Company Disclosure Letter sets forth a true and complete list of each Company Benefit Plan. Each Company Benefit Plan (and any related trust agreement) has been maintained, funded and administered in accordance with its terms and any applicable collective bargaining agreement, and the Company, and each ERISA Affiliate, is in compliance with the applicable provisions of ERISA, the Code and all Laws applicable thereto. No actions, suits, disputes or claims (other than routine claims for benefits in the ordinary course) are pending or threatened with respect to any Company Benefit Plan. No audits, inquiries, reviews, proceedings, claims, or demands are pending with any Governmental Entity with respect to any Company Benefit Plan. There are no facts which, to the Knowledge of the Company, could give rise to any liability in the event of any such investigation, claim, action, suit, audit, review, or other proceeding. No event has occurred and no condition exists with respect to any Company Benefit Plan or Employee Benefit Plan sponsored, maintained or contributed to by any ERISA Affiliate of the Company which would reasonably be expected to give rise to any liability for the Company, Parent, the Surviving Corporation or any Affiliate of any of them under the Code, ERISA or other applicable law, including but not limited to Sections 409A, 511, 4971, 4972, 4975, 4976, 4977, 4979, 4980B, 4980D, 4980E, 4980F or 6652 of the Code, or to any fine or civil penalty under Sections 502, 4069 or 4071 of ERISA, other than the liability to pay benefits in the ordinary course in accordance with the terms of the Company Benefit Plans.

(b) In respect of each Company Benefit Plan, a complete and correct copy of each of the following documents has been made available to Parent: (i) the most recent plan documents (or, if a plan is not written, a written description thereof) or written agreement thereof, and all amendments thereto and all related trust or other funding vehicles with respect to each such Company Benefit Plan; (ii) the most recent summary plan description, and all related summaries of material modifications thereto; (iii) the most recent Form 5500 (including schedules and attachments), financial statements and actuarial reports for the past three years, and (iv) the most recent IRS determination letter and any pending application. With respect to each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code, the Company has either (i) received a favorable determination letter from the IRS upon which it is still entitled to rely and such letter states that such Company Benefit Plan is qualified under Section 401(a) of the Code and nothing has occurred that is reasonably likely to result in the revocation of such letter, or (ii) is entitled to rely upon an IRS opinion letter stating that such Company Benefit Plan is qualified under Section 401(a) of the Code.

(c) Neither the Company nor any entity treated as a single employer with the Company under Section 414(b), (c), (m), or (o) of the Code ("ERISA Affiliate") maintains, has maintained or is or was required to contribute to any Employee Benefit Plan that (i) is a "multiemployer plan" as defined in Sections 3(37) of ERISA, (ii) is subject to the funding requirements of Section 412 of the Code or Title IV of ERISA, (iii) provides for post-retirement medical, life insurance or other welfare-type benefits (other than as required by Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code or under a similar state law), or (iv) is a "defined benefit plan" (as defined in Section 414 of the Code), whether or not subject to the Code or ERISA. The Company does not have, and has never had, an ERISA Affiliate.

(d) There is no Company contract, plan or arrangement (written or otherwise) covering any current or former employee or contractor of the Company that, individually or collectively, would entitle any employee or former employee or contractor to any severance or other payment or benefit as a result of the transactions contemplated hereby that would constitute an "excess parachute payment" within the meaning of Section 280G of the Code.

(e) All contributions (including all employer contributions and employee salary reduction contributions) and premium payments that are due have been timely made with respect to each Company Benefit Plan or have been recorded on the financial statements or records of the Company.

(f) The consummation of the transactions contemplated by this Agreement will not (i) entitle any current or former employee, officer or director of the Company to any stay or retention payment or to any severance pay, unemployment compensation or any other similar termination payment, or (ii) accelerate the time of payment or vesting of, or increase the amount of or otherwise enhance, any benefit due any such employee, officer or director.

Section 3.14 Labor Relations.

(a) There is no labor strike, dispute, slowdown, stoppage or lockout actually pending or, to the Knowledge of the Company, threatened against or affecting the Company and, since January 1, 2004, there has not been any such action. The Company is not a party to any

material collective bargaining agreements or similar labor agreements. The Company is, and has at all times been, in material compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment, equal opportunity, nondiscrimination, immigration, labor, wages, hours of work and occupational safety and health, and is not engaged in any unfair labor practices as defined in the Railway Labor Act or other applicable Law. To the Knowledge of the Company, no Governmental Entity responsible for the enforcement of labor or employment Laws intends to conduct an investigation with respect to or relating to the Company and no such investigation is in progress, including, without limitation, any investigation by the Railroad Retirement Board. All of the Company's officers and employees are covered employees under the Railroad Retirement Act and Railroad Unemployment Insurance Act.

(b) Since January 1, 2004, the Company has not effectuated (i) a "plant closing" as defined in the Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act") affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company, or (ii) a "mass layoff" as defined in the WARN Act affecting any site of employment or facility of the Company. Since January 1, 2004, the Company has not been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any Law similar to the WARN Act.

Section 3.15 Intellectual Property. Section 3.15 of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, domain name registrations and registered copyrights and applications therefor (collectively, "Intellectual Property Rights") that, in each case, are material to the conduct of the business of the Company as presently conducted, and the Company owns, licenses or otherwise has the right to use, each such Intellectual Property Right. The conduct of the business of the Company as currently conducted does not infringe, misappropriate or otherwise violate any Intellectual Property Rights of any Person, and no claims are pending or, to the Knowledge of the Company, threatened that the Company is infringing the rights of any Person with regard to any Intellectual Property Right. To the Knowledge of the Company, as of the date of this Agreement, no Person is infringing the rights of the Company with respect to any Intellectual Property Right.

Section 3.16 Insurance Policies. The Company maintains insurance with reputable insurers for the business and assets of the Company against all risks normally insured against, and in amounts normally carried by, corporations of similar size engaged in similar lines of business. All insurance policies and bonds with respect to the business and assets of the Company are in full force and effect and will be maintained by the Company in full force and effect as they apply to any matter, action or event relating to the Company occurring through the Effective Time, and the Company has not reached or exceeded its policy limits for any insurance policies in effect at any time during the past five years. There are no claims pending under the Company's current insurance policies.

Section 3.17 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement, the Merger or

the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or any of its directors, officers or employees.

Section 3.18 Proxy Statement. The Proxy Statement will, when mailed to the Company Stockholders, comply as to form in all material respects with the applicable requirements of the MGCL. The Proxy Statement, at the date the Proxy Statement is first mailed to the Company Stockholders, and at the time of the Company Stockholders Meeting, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time any event with respect to the Company shall occur which is required to be described in the Proxy Statement, such event shall be so described, and, if required by law, disseminated to the Company Stockholders. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by Parent, MMID Holding or Merger Sub that is contained in any of the foregoing documents.

Section 3.19 Environmental Matters.

(a) No notice, notification, demand, request for information, citation, summons or order has been received in the past ten years, no complaint has been filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review (or any basis therefor) is pending or, to the Knowledge of the Company, is threatened by any Governmental Entity or other Person relating to the Company and relating to or arising out of any Environmental Law. The Company is in compliance with all Environmental Laws and all Environmental Permits. There are no Liabilities of the Company arising under or relating to any Environmental Law or relating to any Hazardous Substance and there is no condition, occurrence, situation or set of circumstances, including, without limitation, the release of any Hazardous Substance, which would reasonably be expected to result in or be the basis for any such Liabilities. The Company is not obligated to conduct or pay for, and is not conducting or paying for, any response or corrective action under any Environmental Law at any location. The Company is not party to any order, judgment or decree that imposes any obligations under any Environmental Law.

(b) The Company has provided Parent with all written reports or evaluations and summaries of the material terms of any oral reports prepared by or for the Company, or provided to the Company, with respect to any ongoing environmental investigations. Except as set forth in the preceding sentence, to the Knowledge of the Company, there has been no environmental investigation, study, audit, test, review or other analysis conducted in relation to the business of the Company or any property or facility now owned, leased or used by the Company that has not been made available to Parent.

Section 3.20 Anti-Takeover Provisions The approval of the Company Board of Directors of this Agreement, the Merger and the other transactions contemplated by this Agreement represents all the action necessary to render the provisions of Section 3-602 of the MGCL inapplicable to this Agreement, the Merger and the other transactions contemplated by this Agreement, to the extent, if any, such Section would otherwise be applicable to this Agreement, the Merger and the other transactions contemplated by this Agreement, and no other

state anti-takeover statute applies to this Agreement, the Merger or the other transactions contemplated by this Agreement. The Company and the Company Board of Directors have taken all necessary action to ensure that any anti-takeover provision under the Company Articles of Incorporation and Company Bylaws are not applicable to, or will not otherwise become effective as a result of, the transactions contemplated by this Agreement.

Section 3.21 Contracts.

(a) Section 3.21(a) of the Company Disclosure Letter is a true and complete list of all of the following contracts and agreements entered into as of the date of this Agreement by the Company (the "Material Contracts"):

(i) each Contract for the purchase of goods or for the furnishing of services to the Company under the terms of which the Company: (A) is likely to pay or otherwise give consideration of more than \$250,000 in the aggregate during the calendar year ended December 31, 2007 or (B) is likely to pay or otherwise give consideration of more than \$500,000 in the aggregate over the remaining term of such Contract;

(ii) all Contracts relating to employment that provide for compensation in excess of \$100,000 annually;

(iii) all Contracts relating to Indebtedness of the Company evidencing or which constitute a guarantee of any Indebtedness of any Person;

(iv) all material Contracts with any Governmental Entity;

(v) all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time;

(vi) each lease of real property involving more than \$50,000 in the aggregate of rent over the remaining term of the lease;

(vii) each lease of personal property involving more than \$50,000 in the aggregate of rent over the remaining term of the lease;

(viii) all Contracts between or among the Company and any of the holders of capital stock of the Company or any Affiliate of any of such holders;

(ix) all Contracts providing for benefits under any Company Benefit Plan;

(x) all Contracts under which the Company is or may become obligated to pay any brokerage, finder's or similar fees or expenses in connection with this Agreement or consummation of the transactions contemplated hereby;

(xi) all Contracts to sell or otherwise dispose of any assets having a fair market value in excess of \$50,000 other than in the ordinary course of business,

(xii) all Contracts under which the Company is or may become obligated to pay any amount in respect of deferred or conditional purchase price (other than ordinary trade terms), indemnification obligations, purchase price adjustment or otherwise in connection with any (A) acquisition or disposition of all or substantially all of the assets or securities constituting a line of business of any Person, (B) merger, consolidation or other business combination, or (C) series or group of related transactions or events of a type specified in subclauses (A) and (B),

(xiii) all Contracts for the pending purchase or sale of real property or personal property in excess of \$50,000;

(xiv) all Contracts that contain exclusivity, most favored nation or similar types of provisions;

(xv) all material guarantees of the obligations of customers, suppliers, officers, directors, employees, Affiliates or others entered into other than in the ordinary course of business;

(xvi) all Contracts containing "paper barriers" as such term is generally understood in the railroad industry;

(xvii) all Contracts granting demurrage relief to a shipper, receiver or other customer;

(xviii) all Contracts imposing car or other equipment supply obligations on the Company;

(xix) all Contracts granting another common carrier the right to use all or any portion of the Owned Real Property or rail lines, yards or other facilities owned, leased or used by the Company or the right to serve industries located on the Owned Real Property or rail lines, yards or other facilities owned, leased or used by the Company;

(xx) all Contracts granting the right to use all or any portion of the rail line, yards or other facilities of another common carrier which relate to the Owned Real Property or the rail lines, yards or other facilities owned, leased or used by the Company;

(xxi) all Contracts that relate to trackage rights, haulage, interchange, joint facility, switching and similar agreements or any agreements with respect to any preferential rights relating thereto which relate to the Owned Real Property or the rail lines, yards, or other facilities owned, leased or used by the Company;

(xxii) all Contracts with shippers, receivers and customers for rail transportation, transloading, distribution, warehousing, car tracing and other transportation and logistics services;

(xxiii) all written Contracts imposing a construction obligation that would cost more than \$50,000; and

(xxiv) all other Contracts, whether or not made in the ordinary course of business, which are material to the Company or the absence of which would have a Company Material Adverse Effect.

(b) Each Material Contract is valid and binding on the Company and, to the Knowledge of the Company, the other parties thereto, is in full force and effect and, upon consummation of the transactions contemplated by this Agreement, shall continue in full force and effect without any change in control or prepayment expense or penalty, other penalty or other adverse consequence and without the consent, approval or act of, or the making of any filing with, any other Person, and the Company is not in material breach of, or material default under, any Material Contract and no event has occurred which with notice or lapse of time would constitute such a material breach or material default or permit termination, modification or acceleration thereunder.

(c) To the Knowledge of the Company, no other party to any Material Contract is in material breach thereof or material default thereunder and no event has occurred which with notice or lapse of time would constitute such a breach or default or permit termination, modification or acceleration thereunder.

(d) There is no contract, agreement or other arrangement granting any Person any preferential right to purchase, other than in the ordinary course of business consistent with past practice, any of the properties or assets of the Company.

(e) The Company is not currently renegotiating any of the Material Contracts or paying liquidated damages in lieu of performance thereunder. Complete and correct copies of each Material Contract have been made available to Parent.

Section 3.22 Termination of Option Agreement. The Company has entered into an agreement, a copy of which has been provided to Parent, with Lehigh Cement to terminate the Option Agreement, and all of Lehigh Cement's rights thereunder, conditioned and effective upon the Closing.

Section 3.23 No Other Representations or Warranties. Except for the representations and warranties contained in Article 4, the Company acknowledges that none of Parent, MMID Holding, Merger Sub or any Person on behalf of Parent, MMID Holding or Merger Sub makes any other express or implied representation or warranty with respect to Parent, MMID Holding or Merger Sub or with respect to any other information provided or made available to the Company in connection with the transactions contemplated by this Agreement.

Section 3.24 Full Disclosure. No representation or warranty made by the Company in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make any such representation or warranty, in light of the circumstances in which it was made, not misleading

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to the Company as follows:

Section 4.1 Organization and Good Standing Each of Parent, MMID Holding and Merger Sub, (i) is a corporation, respectively duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the Laws of its jurisdiction of incorporation, except where any failure to be so organized, existing or in good standing would not reasonably be expected to have a Parent Material Adverse Effect, and (ii) has full corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and assets and to conduct its business as presently conducted, except where any failure to have such power or authority would not reasonably be expected to have a Parent Material Adverse Effect.

Section 4.2 Authority for Agreement. Each of Parent, MMID Holding and Merger Sub has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by Parent, MMID Holding and Merger Sub of this Agreement, and the consummation by MMID Holding and Merger Sub of the Merger and the consummation by Parent, MMID Holding and Merger Sub of the other transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of Parent, MMID Holding or Merger Sub are necessary to authorize this Agreement or to consummate the Merger or the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Parent, MMID Holding and Merger Sub and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of Parent, MMID Holding and Merger Sub enforceable against Parent, MMID Holding and Merger Sub in accordance with its terms, except as enforcement thereof may be limited against Parent, MMID Holding or Merger Sub by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (ii) the exercise by courts of equity powers.

Section 4.3 No Conflict; Required Filings and Consents

(a) The execution and delivery of this Agreement by Parent, MMID Holding and Merger Sub do not, and the performance of this Agreement by Parent, MMID Holding and Merger Sub and the consummation of the Merger and the other transactions contemplated by this Agreement will not, (i) conflict with or violate Parent's Certificate of Incorporation or the Parent Bylaws, or the equivalent charter documents of MMID Holding or Merger Sub, (ii) assuming that all consents, approvals and authorizations contemplated by Section 4.3(b) have been obtained, and all filings described therein have been made, conflict with or violate any Law applicable to Parent or by which any material property or asset of Parent is bound or affected, or (iii) require any consent or other action by any Person under, result in a breach of or constitute a

default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations pursuant to, or result in the loss of any right or benefit to which the Company is entitled under, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent is a party or by which Parent, or any material property or asset of Parent, is bound or affected, except in the case of clauses (ii) and (iii) above for any such conflicts, violations, breaches, defaults or other occurrences that would not reasonably be expected to have a Parent Material Adverse Effect.

(b) The execution and delivery of this Agreement by Parent, MMID Holding and Merger Sub do not, and the performance of this Agreement by Parent, MMID Holding and Merger Sub will not, require any consent, approval, authorization or permit of, or filing with or notification to, or registration or qualification with, any Governmental Entity, except for applicable requirements, if any, of the Securities Act, the Exchange Act, or state securities laws or "blue sky" laws, the ICC Termination Act of 1995 (as amended), the rules and regulations of the STB, the rules and regulations of the FCC, and the filing and recordation of the Articles of Merger, as required by the MGCL.

Section 4.4 Brokers No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement, the Merger or the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent, MMID Holding or Merger Sub or any of their respective directors, officers or employees, for which the Company may become liable.

Section 4.5 Cash Available. At the Effective Time, MMID Holding will have sufficient funds, in cash, to pay the Merger Consideration and any other amounts payable by MMID Holding or Merger Sub under this Agreement, together with all fees and expenses of MMID Holding and Merger Sub incurred in connection with any of the transactions contemplated hereby and to effect the Merger and the transactions contemplated hereby.

Section 4.6 No Other Representations or Warranties. Except for the representations and warranties contained in Article 3, Parent, MMID Holding and Merger Sub acknowledge that the Company nor any Person on behalf of the Company makes any other express or implied representation or warranty with respect to the Company or with respect to any other information provided or made available to Parent, MMID Holding or Merger Sub in connection with the transactions contemplated by this Agreement.

ARTICLE 5

COVENANTS

Section 5.1 Conduct of Business by the Company Pending the Merger

(a) The Company covenants and agrees that between the date of this Agreement and the Effective Time, unless Parent shall otherwise agree in writing (and except as

set forth in Section 5.1 of the Company Disclosure Letter or as otherwise expressly contemplated, permitted or required by this Agreement), the Company shall (i) maintain its existence in good standing under applicable Law; (ii) subject to the restrictions and exceptions set forth in Section 5.1(b) or elsewhere in this Agreement, conduct its business and operations only in the ordinary and usual course of business and in a manner consistent with prior practice; (iii) use commercially reasonable efforts to preserve substantially intact its business organizations, to keep available the services of its current officers and employees and to preserve the current relationships of the Company with customers, suppliers, distributors and other Persons with which the Company has business relations; and (iv) (A) pay all Taxes required to be withheld and paid at any time prior to the Effective Time, including in connection with the exercise of stock options by any employee, independent contractor, creditor, Company Stockholder or other Person, and (B) file prior to the Effective Time, any Tax Returns required to be filed in connection therewith.

(b) Without limiting the foregoing, the Company covenants and agrees that between the date of this Agreement and the Effective Time, the Company shall not (except as expressly contemplated, permitted or required by this Agreement, as set forth on the applicable subsection of Schedule 5.1(b) of the Company Disclosure Letter or with the prior written approval of Parent, such approval not to be unreasonably withheld or delayed):

(i) declare, set aside, make or pay any dividends or other distributions (whether in cash, stock or property) in respect of any of its capital stock, except for dividends in the ordinary course of business consistent with past practice on a pro rata basis to the equity owners thereof;

(ii) adjust, split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock;

(iii) repurchase, redeem or otherwise acquire or offer to repurchase, redeem or otherwise acquire, directly or indirectly, any shares of its capital stock or any Company Stock Rights;

(iv) issue, deliver or sell any shares of its capital stock or Company Stock Rights;

(v) amend the Company Articles of Incorporation or Company Bylaws (whether by merger, consolidation or otherwise);

(vi) purchase an equity interest in, or a substantial portion of the assets of, any Person or any division or business thereof, if the aggregate amount of the consideration paid or transferred (including all deferred or contingent consideration) by the Company in connection with all such transactions, together with the aggregate amount of all payments that are made, required to be made or reasonably expected to be made by the Company in order to improve or develop such assets, or the assets of such Person that the Company invests in, in accordance with the plans of the Company for the next three years after completion of the applicable transaction, would exceed \$10,000, or merge or consolidate with any Person;

(vii) sell, lease or otherwise dispose of any of its properties or assets, other than (A) sales or other dispositions of inventory and other assets in the ordinary course of business, (B) leases and subleases of Owned Real Property and real property leased by the Company, and voluntary terminations or surrenders of leases on real property held by the Company, in each case, in the ordinary course of business, (C) sales or other dispositions of real estate not utilized in the operations of the Company with a sale price that does not exceed \$10,000 individually or \$50,000 in the aggregate, (D) sales or other dispositions of assets utilized in the operations of the Company the total value of which does not exceed \$10,000 in the aggregate; and (E) the transactions described in Section 5 1(b)(vii) of the Company Disclosure Letter;

(viii) pledge, encumber or otherwise subject to an Encumbrance (other than a Permitted Encumbrance) any of its properties or assets, other than in the ordinary course of business;

(ix) incur any Indebtedness for borrowed money (other than Indebtedness incurred in the ordinary course of business including any borrowings under the Company's existing credit facilities and any trade letters of credit), issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company, guarantee any Indebtedness or any debt securities of another Person, or enter into any "keep well" or other agreement to maintain any financial statement condition of another person;

(x) make any loans or capital contributions to, or investments in, any Person, other than in the ordinary course of business;

(xi) settle any claim or litigation, in each case made or pending against the Company, or any of its officers and directors in their capacities as such, other than the settlement of claims or litigation in the ordinary course of business which, in any event (A) is for an amount not to exceed \$10,000 in excess of accruals therefor reflected in the most recent balance sheet contained in the Company Financial Statements available prior to the date of this Agreement with respect to any such claim or litigation (or series of related claims or litigation) and (B) reasonably would not be expected to prohibit or materially restrict the Company from operating its business in substantially the same manner as operated on the date of this Agreement, provided that in no event shall the Company settle any claim or litigation relating to the consummation of the transactions contemplated by this Agreement; and provided further that the Company shall (1) promptly notify Parent of the threat or institution of any stockholder litigation against the Company or any of its directors relating to this Agreement, the Merger or the transactions contemplated by this Agreement, (2) keep Parent fully informed on a reasonably current basis regarding all material developments in any such stockholder litigation, (3) provide Parent the opportunity to consult with the Company regarding the defense or settlement of any such stockholder litigation, and (4) give due consideration to Parent's advice with respect to such stockholder litigation,

(xii) cancel any material Indebtedness or waive any claims or rights of substantial value, in each case other than in the ordinary course of business;

(xiii) change its Tax accounting methods, principles or practices, except as required by GAAP or applicable Laws;

(xiv) alter, amend or create any obligations with respect to compensation, severance, benefits, change of control payments or any other payments to present or former employees, directors or Affiliates of the Company;

(xv) increase benefits payable under any existing severance or termination pay policies or employment agreements; enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director, officer or employee of the Company; or establish, adopt or amend (except as required by applicable Law) any bonus, profit-sharing, thrift, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Company;

(xvi) enter into any collective bargaining agreement or renew, extend or renegotiate any existing collective bargaining agreement;

(xvii) hire, terminate the employment of or reassign any employees other than non-officer employees in the ordinary course of business consistent with past practice,

(xviii) make or change any material Tax election, settle or compromise any material Tax Liability, fail to file any Tax Return when due, enter any closing agreement, file any materially amended Tax Return or surrender any right to claim a material Tax refund, offset or other reduction in Tax Liability, except as required by applicable Law,

(xix) enter into any agreement or arrangement that limits or otherwise restricts in any material respect the Company, or any of its Affiliates or any successor thereto or that would reasonably be expected to, after the Effective Time, limit or restrict in any material respect the Company, the Surviving Corporation, Parent, MMID Holding or any of their respective Affiliates, from engaging or competing in any line of business, in any location or with any Person;

(xx) change the Company's methods of accounting;

(xxi) fail to use reasonable efforts to maintain existing insurance policies or comparable replacement policies to the extent available for a reasonable cost;

(xxii) make any capital expenditure or commitment for any capital expenditure except (A) as set forth in Section 5.1(b)(xxii) of the Company Disclosure Letter, (B) to the extent consistent with the budget previously disclosed to Parent, (C) in amounts not more than \$10,000 for each existing capital expenditure project and for each new capital expenditure project, in either case over and above the budget previously disclosed to Parent, subject to a maximum of \$50,000 in the aggregate pursuant to this clause (C), or (D) to the extent necessary to restore service to Company customers and guarantee safety in the event of railroad accidents or incidents affecting railroad operations;

(xxiii) take any action that would reasonably be expected to make any representation or warranty of the Company hereunder, or omit to take any action reasonably necessary to prevent any representation or warranty of the Company hereunder from being, inaccurate in any respect at, or as of any time before, the Effective Time, or

(xxiv) agree to take any of the actions described in this Section 5.1(b)

Section 5.2 Access to Information and Employees; Confidentiality.

(a) From the date hereof to the Effective Time, the Company shall, and shall cause the Representatives of the Company to, (i) afford the Representatives of Parent, MMID Holding and Merger Sub, upon not less than two days' prior written notice, which shall be directed to the President and Chief Executive Officer of the Company with a copy to the Chairman of the Board of Directors, reasonable access during normal business hours to the officers, employees, agents (including outside accountants), properties, offices and other facilities, books and records of the Company, (ii) furnish to Parent and its Representatives such financial and operating data and other information as such Persons may reasonably request, and (iii) keep Parent reasonably informed as to the status of the Company's material business operations including, without limitation, any negotiations involving changes in rail rates. Except for disclosures expressly permitted by the terms of the Confidentiality Agreement, Parent, MMID Holding and Merger Sub shall hold, and shall cause their respective Representatives to hold, all information received, directly or indirectly, from the Company or its Representatives in confidence in accordance with the Confidentiality Agreement.

(b) No investigation pursuant to this Section 5.2 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

Section 5.3 Reasonable Best Efforts to Consummate Merger; Notification.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of Parent, MMID Holding, Merger Sub and the Company agrees to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to fulfill all conditions applicable to such party pursuant to this Agreement and to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by the Transaction Documents, including (i) obtaining all necessary, proper or advisable actions or non-actions, waivers, consents, qualifications and approvals from Governmental Entities and making all necessary, proper or advisable registrations, filings and notices and taking all steps as may be necessary to obtain an approval, waiver or exemption from any Governmental Entity (including, without limitation, from the STB and the FCC); (ii) obtaining all necessary, proper or advisable consents, qualifications, approvals, waivers or exemptions from non-governmental Third Parties; and (iii) executing and delivering any additional documents or instruments necessary, proper or advisable to consummate the transactions contemplated by, and to fully carry out the purposes of, the Transaction Documents.

(b) Without limiting the foregoing, Parent, MMID Holding, Merger Sub and the Company shall cooperate with one another (A) in promptly determining whether any filings are required to be or should be made or consents, approvals, permits or authorizations are required to be or should be obtained under any other federal, state or local Law or regulation or whether any consents, approvals or waivers are required to be or should be obtained from other parties to loan agreements or other contracts or instruments material to the Company's business in connection with the consummation of the transactions contemplated by this Agreement, (B) in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations, approvals or waivers, and (C) in keeping the other party reasonably informed, including by providing the other party with a copy of any communication received by such party from, or given by such party to, any Governmental Entity, of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby.

(c) In addition to and without limitation of the foregoing, Parent shall, as soon as possible but in any event within five Business Days of the date hereof, file with the STB the appropriate and necessary documentation for the approval or exemption, as the case may be, of the Merger and the transactions contemplated hereby. In addition, the Company shall (or shall permit Parent, MMID Holding or Merger Sub on behalf of the Company to) as soon as possible but in any event within five Business Days of the date hereof, file with the FCC the appropriate and necessary documentation for the transfer of control of the Company's FCC radio station authorization license as a result of the Merger. Parent shall bear its own costs for the preparation of such filings and responding to any inquiries or information requests, if applicable, and Parent shall be responsible for the payment of any applicable filing fees. Parent, MMID Holding, Merger Sub and the Company shall cooperate with one another (A) in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such approval or exemption, and (B) in keeping the other party reasonably informed of the status of any communications with, and any inquiries or requests for additional information from, the STB or the FCC, regarding any of the transactions contemplated hereby. Parent shall permit the Company to review, prior to filing, all documents proposed by Parent, MMID Holding or Merger Sub to be filed with the STB, the FCC, any other Governmental Entity or any court to secure approval or exemption of the transactions contemplated hereby.

(d) In the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Entity or private party challenging the Merger or any other transaction contemplated by this Agreement, or any other agreement contemplated hereby, each of Parent, MMID Holding, Merger Sub and the Company shall cooperate fully with each other and use its respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement.

(e) Each of the Company, on the one hand, and Parent, MMID Holding and Merger Sub, on the other, shall promptly (and in any event within five Business Days after becoming aware of any such breach) notify the other party in writing if it believes that

such party has breached any representation, warranty, covenant or agreement contained in this Agreement.

(f) The Company shall promptly notify Parent of (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, (ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement and (iii) any actions, suits, claims, investigations or proceedings commenced or, to its Knowledge, threatened against, relating to or involving or otherwise affecting the Company, that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to this Agreement, or that relate to the consummation of the transactions contemplated by this Agreement.

Section 5.4 Company Stockholders Meeting. The Company, acting through the Company Board of Directors, shall take all actions in accordance with applicable Law, the Company Articles of Incorporation and the Company Bylaws to duly call, give notice of, convene and hold as soon as reasonably practicable the Company Stockholders Meeting for the purpose of considering and voting upon the adoption of this Agreement. To the fullest extent permitted by applicable Law and subject to the right of the Company Board of Directors to modify its recommendation in a manner adverse to Parent under certain circumstances as specified in Section 5.5, (i) the Company Board of Directors shall recommend adoption of this Agreement and approval of the Merger by the Company Stockholders and include such recommendation in the Proxy Statement and (ii) neither the Company Board of Directors nor any committee thereof shall withdraw or modify, or propose or resolve to withdraw or modify in a manner adverse to Parent, the recommendation of the Company Board of Directors that the Company Stockholders vote in favor of the adoption of this Agreement and approval of the Merger, and (iii) take all lawful action to solicit from the Company Stockholders proxies in favor of the proposal to adopt this Agreement and approve the Merger and shall take all other action necessary or advisable to secure the vote or consent of the Company Stockholders that are required by the MGCL. Notwithstanding anything to the contrary contained in this Agreement, the Company, after consultation with Parent, may adjourn or postpone the Company Stockholders Meeting to the extent necessary to ensure that any legally required supplement or amendment to the Proxy Statement is provided to the Company Stockholders or, if as of the time for which the Company Stockholders Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient shares of Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Stockholders Meeting.

Section 5.5

REDACTED

REDACTED

REDACTED

Section 5.6 Public Announcements. The Company and Parent shall consult with each other before issuing any press release or otherwise making any public statements (including scheduling a press conference or conference call with investors or analysts) with respect to this Agreement or any of the transactions contemplated by the Transaction Documents and shall not issue any such press release or make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that a party may, without the prior consent of the other party, issue such press release or make such public statement as may be required by Law or Order, the applicable rules of the New York Stock Exchange or any listing agreement with the New York Stock Exchange.

Section 5.7 Employee Benefit Matters.

(a) Notwithstanding anything in this Agreement to the contrary, prior to Closing, the Company shall terminate the Maryland Midland Railway 401(k) Plan (the "Company 401(k) Plan") and any other Company Benefit Plan intended to be qualified under Code Section 401(a). Notwithstanding anything herein to the contrary, all employees of the Company shall be permitted to begin participating in the Genesee & Wyoming Inc 401(k) Savings Plan ("Parent 401(k) Plan"), immediately on and after the Effective Time. Parent shall cause such Parent 401(k) Plan to accept rollovers of all eligible rollover distributions from the Company 401(k) Plan, including rollovers of participant loans.

(b) From and after the Effective Time, Parent shall cause the Surviving Corporation to honor and provide for payment of all accrued obligations and benefits under (i) all Company Benefit Plans set forth, and identified as such, in the Company Disclosure Letter (including, without limitation, employment or severance agreements between the Company and Persons who are or had been employees of the Company at or prior to the Effective Time), all in accordance with their respective terms, and (ii) all other agreements or arrangements set forth in the Company Disclosure Letter providing for payments by the Company to Persons who are or had been employees of the Company at or prior to the Effective Time.

(c) To the extent Company Employees are included in any Parent Benefit Plan following the Effective Time, such Company Employees shall receive credit for past service with the Company for purposes of accrual of vacation time and, to the extent practicable and permitted under applicable benefit plans, for purposes of eligibility for participation, vesting and benefit accruals (but not for purposes of benefit accruals under any defined benefit pension plan) under Parent Benefit Plans.

(d) During the period beginning on the Effective Time and ending on the one year anniversary of the Effective Time, Parent shall provide Company Employees with compensation that is no less favorable than the compensation provided to such Company Employees immediately prior to the Effective Time and with employee benefits that are, at a minimum, at least as favorable in the aggregate as the Company Benefit Plans as of the date of this Agreement.

(e) To the extent Company Employees are included in any Parent Benefit Plan following the Effective Time, all actively-at-work or similar limitations, eligibility waiting periods and evidence of insurability requirements under any Parent Benefit Plan that is a group health plan shall be waived with respect to such Company Employees and their eligible dependents, in each case, to the same extent as such limitation or requirement had been satisfied or waived under the comparable Company Benefit Plan, and credit shall be provided for any co-payments, deductibles and offsets (or similar payments) made under Company Benefit Plans for the applicable plan year prior to the Effective Time for purposes of satisfying any applicable deductible, out-of-pocket or similar requirements under any Parent Benefit Plans in which they become eligible to participate after the Effective Time.

(f) Nothing herein shall prevent Parent or the Surviving Corporation from amending or terminating any Company Benefit Plan in accordance with its terms. In the event that any Company Benefit Plan that is a group health plan is terminated, Parent or, if applicable, an ERISA Affiliate shall provide applicable notices and continuing health coverage under and to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), to qualified beneficiaries who are receiving COBRA coverage on or after the Closing Date or covered employees and their beneficiaries who experience a COBRA qualifying event on or after the Closing Date.

(g) No provision of this Section 5.7 shall create any third-party beneficiary rights in any current, former or retired employee, officer, consultant, independent contractor or director (including any heir, executor, administrator, representative, beneficiary or dependent thereof) Nothing contained herein shall prevent Parent from terminating the employment of any

Company Employee or, subject to compliance with the provisions of this Section 5.7, terminating, or amending the terms of, any Company or Parent Benefit Plan in its sole discretion.

Section 5.8 No Control of the Other Party's Business. Nothing contained in this Agreement shall give Parent, directly or indirectly, the right to control or direct the Company's operations prior to the Effective Time, and nothing contained in this Agreement shall give the Company, directly or indirectly, the right to control or direct Parent's operations prior to the Effective Time. Prior to the Effective Time, each of the Company and Parent shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its operations.

Section 5.9 Directors' and Officers' Indemnification and Insurance.

(a) From and after the Effective Time, the Surviving Corporation shall indemnify and hold harmless all past and present officers and directors of the Company (the "Indemnified Parties") for acts or omissions occurring at or prior to the Effective Time to the fullest extent permitted by the MGCL or any other applicable Law or provided under the Company Articles of Incorporation and the Company Bylaws in effect on the date hereof; provided that such indemnification shall be subject to any limitation imposed from time to time under the MGCL or other applicable Law. Parent shall guarantee such performance by the Surviving Corporation.

(b) Parent understands and agrees that, prior to the Effective Time, the Company intends to obtain a prepaid six-year "tail" insurance policy that provides coverage for events occurring prior to the Effective Time, on terms no less favorable than the coverage provided under the Company's current directors' and officers' insurance policy, for the Persons who are covered by such policy on the date of this Agreement; provided, however, that the Company shall not pay an aggregate premium in excess of 250% of the aggregate amount per annum that the Company paid for such coverage in its last full fiscal year prior to the date hereof, which amount the Company has disclosed to Parent prior to the date hereof, but may purchase such coverage as may be obtained for such 250% amount.

(c) Parent and the Company agree that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time (and rights for advancement of expenses) now existing in favor of the current or former directors or officers of the Company as provided in the Company Articles of Incorporation and the Company Bylaws and any indemnification or other agreements of the Company as in effect on the date of this Agreement shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms. Further, the Articles of Incorporation and the Bylaws of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of former or present directors and officers than are presently set forth in the Company Articles of Incorporation and Company Bylaws, which provisions shall not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would adversely affect the rights thereunder of any such individuals, except as amendments may be required by the MGCL during such period provided

that such indemnification shall be subject to any limitation imposed from time to time under the MGCL or other applicable Law.

(d) This Section 5.9 shall survive the consummation of the Merger, is intended to benefit the Company, the Surviving Corporation and each Indemnified Party, shall be binding on all successors and assigns of the Surviving Corporation and Parent. The provisions of this Section 5.9 are intended to be for the benefit of, and will be enforceable by, each Indemnified Party, his or her heirs, and his or her representatives and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise

(e) In the event that the Surviving Corporation or its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a majority of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation shall succeed to the obligations set forth in this Section 5.9.

Section 5.10 Confidentiality Agreements. During the period from the date of this Agreement through the Effective Time, the Company will not terminate, amend, modify or waive any provision of any confidentiality agreement not entered into in the ordinary course of business, other than the Confidentiality Agreement pursuant to its terms or by written agreement of the parties thereto. Except as otherwise approved by Parent, during such period, the Company shall enforce, to the fullest extent permitted under applicable Law, the provisions of any such agreement, including by obtaining injunctions to prevent any material breaches of such agreements and to enforce specifically the material terms and provisions thereof in any court of the United States of America or of any state having jurisdiction.

ARTICLE 6

CONDITIONS PRECEDENT

Section 6.1 Conditions to Each Party's Obligation to Effect the Merger. The obligations of the parties to effect the Merger on the Closing Date are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) **Company Stockholder Approval**. The Company Required Vote shall have been obtained.

(b) **No Order**. No Law or Order (whether temporary, preliminary or permanent) shall have been enacted, issued, promulgated, enforced or entered that is in effect and that prevents or prohibits consummation of the Merger.

(c)

REDACTED

(d) Consents and Approvals. Other than the filing of the Articles of Merger with the Maryland State Department of Assessments and Taxation, all consents, approvals and authorizations of any Governmental Entity required to consummate the Merger shall have been obtained without any material limitation, restriction or condition; provided, however, that in no event shall Parent, MMID Holding, Merger Sub or the Company be obligated to agree, as a condition for resolving any such matter, to dispose of or hold separate any of its properties or other assets, or the properties or other assets of the Company after the consummation of the Merger.

Section 6.2 Additional Conditions to Obligations of Parent, MMID Holding and Merger Sub The obligations of Parent, MMID Holding and Merger Sub to effect the Merger on the Closing Date are also subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Accuracy of Representations and Warranties.

(i) The representations and warranties of the Company contained in this Agreement shall be true, complete and accurate in all respects at and as of the date hereof (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except that any inaccuracies in such representations and warranties will be disregarded if the circumstances giving rise to all such inaccuracies (considered collectively) do not constitute, and could not reasonably be expected to have, a Company Material Adverse Effect; provided, however, that, for purposes of determining the truth, completeness and accuracy of such representations and warranties, all "Company Material Adverse Effect" qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded

(ii) The representations and warranties of the Company contained in this Agreement shall be true, complete and accurate in all respects at and as of the Effective Time as if made at and as of the Effective Time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except that any inaccuracies in such representations and warranties will be disregarded if the circumstances giving rise to all such inaccuracies (considered collectively) do not constitute, and could not reasonably be expected to have, a Company Material Adverse Effect; provided, however, that, for purposes of determining the truth, completeness and accuracy of such representations and warranties, (A) all "Company Material Adverse Effect" qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded and (B) any update of or modification to the Company Disclosure Letter made or purported to have been made after the date of this Agreement shall be disregarded

(iii) Notwithstanding anything to the contrary set forth in Section 6.2(a)(i) or 6.2(b)(ii), the representations and warranties contained in Section 3.3(a) shall be true, complete and accurate in all respects at and as of the date of this Agreement and at and as of the Effective Time as though made at and as of the Effective Time.

(b) Agreements and Covenants. The Company shall have performed or complied in all material respects with all agreements and covenants required by this Agreement

to be performed or complied with by it on or prior to the Effective Time. Parent shall have received a certificate signed by an executive officer of the Company to that effect

(c) Termination of Option Agreement. The agreement between Lehigh Cement and the Company to terminate the Option Agreement and all of Lehigh Cement's rights thereunder shall remain in full force and effect without modification or termination.

(d) Proceedings. There shall not have been instituted or pending any action or proceeding by any Third Party challenging or seeking to make illegal, to delay materially or otherwise to restrain or prohibit the consummation of the Merger or seeking to obtain material damages with respect to the Merger.

Section 6.3 Additional Conditions to Obligation of the Company. The obligation of the Company to effect the Merger on the Closing Date is also subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Parent contained in this Agreement shall be true, complete and accurate in all respects at and as of the date of this Agreement and at and as of the Effective Time as if made at and as of the Effective Time (except, in each case, to the extent expressly made as of an earlier date, in which case as of such earlier date), except that any inaccuracies in such representations and warranties will be disregarded if the circumstances giving rise to all such inaccuracies (considered collectively) do not constitute, and could not reasonably be expected to have, a Parent Material Adverse Effect; provided, however, that, for purposes of determining the truth, completeness and accuracy of such representations and warranties, "Parent Material Adverse Effect" qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded.

(b) Agreements and Covenants. Each of Parent, MMID Holding and Merger Sub shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time. The Company shall have received a certificate signed by an executive officer of Parent to that effect.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

Section 7.1 Termination. This Agreement may be terminated and the Merger (and the other transactions contemplated by the Transaction Documents) may be abandoned at any time prior to the Effective Time (notwithstanding if the Company Required Vote has been obtained).

(a) by the mutual written consent of the Company and Parent, which consent shall have been approved by the action of their respective Boards of Directors;

(b) by the Company or Parent, if any Governmental Entity shall have issued an Order or taken any other action, or there exists any Law, permanently enjoining, restraining or

otherwise prohibiting the Merger or any of the other transactions contemplated hereby or by any of the Transaction Documents, and such Order or other action shall have become final and nonappealable or such Law is in effect; provided, however, that the party seeking to terminate this Agreement pursuant to this clause (b) shall have used all commercially reasonable efforts to remove such Order or to reverse such action;

(c) by either Parent or the Company, if at the Company Stockholders Meeting (giving effect to any adjournment or postponement thereof), the Company Required Vote shall not have been obtained;

(d) by the Company, in accordance with Section 5.5(b);

(e) by Parent if (i) the Company Board of Directors shall have withdrawn or adversely modified its approvals or recommendations of the Merger or the transactions contemplated hereby or by the Transaction Documents (it being understood, however, that for all purposes of this Agreement, the fact that the Company has supplied any Person with information regarding the Company or has entered into discussions or negotiations with such Person as permitted by this Agreement, or the disclosure of such facts, shall not be deemed in and of itself a withdrawal or modification of such approvals or recommendations), (ii) the Company Board of Directors shall have recommended to the Company Stockholders that they approve or accept a Superior Proposal or (iii) the Company shall have entered into, or publicly announced its intention to enter into, an Acquisition Agreement with respect to a Superior Proposal;

(f)

REDACTED

(g) by Parent, if (i) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement that would, individually or in the aggregate, result in a failure of a condition set forth in Section 6.2(a) or Section 6.2(b) if continuing on the Closing Date, (ii) Parent shall have complied with its obligations under Section 5.3(e) to provide prompt notice of such breach and (iii) such breach shall not have been cured (or is not capable of being cured) before the earlier of (x) the date which is thirty days after the date of delivery of such notice of breach, and (y) the Outside Termination Date (it being understood that Parent may not terminate this Agreement pursuant to this Section 7.1(g) if such breach by the Company is so cured, or if Parent shall have materially breached this Agreement);

(h) by the Company, if (i) there has been a breach by Parent of any representation, warranty, covenant or agreement contained in this Agreement that would, individually or in the aggregate, result in a failure of a condition set forth in Section 6.3(a) or Section 6.3(b) if continuing on the Closing Date, (ii) the Company shall have complied with its obligations under Section 5.3(e) to provide prompt notice of such breach and (iii) such breach shall not have been cured (or is not capable of being cured) before the earlier of (x) the date which is thirty days after the date of delivery of such notice of breach, and (y) the Outside

Termination Date (it being understood that the Company may not terminate this Agreement pursuant to this Section 7.1(h) if such breach by Parent is so cured, or if the Company shall have materially breached this Agreement); or

(i) by the Company, if (i) all of the conditions set forth in Section 6.1 and Section 6.2 have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Closing) and (ii) the Closing shall not have occurred on or prior to the fifth Business Day after the satisfaction or waiver of said conditions set forth in Section 6.1 and Section 6.2 (other than by reason of the failure of the Company to fulfill any obligation under this Agreement).

The party desiring to terminate this Agreement pursuant to subsection (b), (c), (d), (e), (f), (g), (h) or (i) of this Section 7.1 shall give written notice of such termination to the other party in accordance with Section 8.2, specifying the provision or provisions hereof pursuant to which such termination is effected. The right of any party hereto to terminate this Agreement pursuant to this Section 7.1 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, or any of their respective Affiliates or Representatives, whether prior to or after the execution of this Agreement.

Section 7.2 Expenses.

(a) **Expense Allocation.** Except as otherwise specified in this Section 7.2, all out-of-pocket costs and expenses incurred in connection with the Transaction Documents, the Merger and the other transactions contemplated hereby shall be paid by the party incurring such cost or expense.

(b)

REDACTED

(c)

REDACTED

REDACTED

(d) Recovery of Costs of Collection. Each of the Company and Parent acknowledges that the agreements contained in Section 7.2(b) and Section 7.2(c) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the other party would not enter into this Agreement, accordingly, if the Company or Parent, as applicable, fails promptly to pay any amount due pursuant to such Sections, and, to obtain such payment, the other party commences a suit which results in a judgment against the Company or Parent, as applicable, for the amount due pursuant to Section 7.2(b) or Section 7.2(c), the Company or Parent, as applicable, shall pay to the other party its out of pocket costs and expenses (including attorneys' fees and expenses) in connection with such suit.

Section 7.3 Effect of Termination In the event of termination of this Agreement by either the Company or Parent as provided in Section 7.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Parent and Merger Sub or the Company, except that (i) the provisions of the last sentence of Section 5.2(a), Section 7.2, this Section 7.3 and Article 9 shall survive termination and (ii) nothing herein shall relieve any party from liability for any willful or intentional breach of this Agreement or for fraud; provided that the provisions of Section 7.2(b) and Section 7.2(c) providing for REDACTED

REDACTED shall constitute an exclusive remedy with respect to the circumstances set forth therein.

Section 7.4 Amendment. This Agreement may be amended by the parties in writing by action of their respective Boards of Directors at any time before or after the Company Required Vote has been obtained and prior to the filing of the Articles of Merger with the Maryland State Department of Assessments and Taxation; provided, however, that, after the Company Required Vote shall have been obtained, no such amendment, modification or supplement shall alter the amount or change the form of the Merger Consideration to be delivered to the Remaining Company Stockholders or alter or change any of the terms or conditions of this Agreement if such alteration or change would adversely affect the Remaining Company Stockholders. This Agreement may not be amended, changed or supplemented or otherwise modified except by an instrument in writing signed on behalf of all of the parties.

Section 7.5 Extension; Waiver. At any time prior to the Effective Time, each of the Company, Parent and Merger Sub may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any document delivered pursuant to this Agreement, or (c) subject to the provisions of Section 7.4, waive compliance with any of the agreements or conditions of the other parties contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

ARTICLE 8

GENERAL PROVISIONS

Section 8.1 Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 8.1 shall not limit any covenant or agreement of the parties in this Agreement that by its terms contemplates performance after the Effective Time.

Section 8.2 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing (and made orally if so required pursuant to any section of this Agreement) and shall be deemed given (and duly received) if delivered personally, sent by overnight courier (providing proof of delivery and confirmation of receipt by telephonic notice to the applicable contact person) to the parties or sent by fax (providing proof of transmission and confirmation of transmission by telephonic notice to the applicable contact person) at the following addresses or fax numbers (or at such other address or fax number for a party as shall be specified by like notice):

if to Parent, MMID Holding or Merger Sub, to:

**Genesee & Wyoming Inc.
66 Field Point Road
Greenwich, CT 06830
Attn: Allison M. Fergus
Fax: (203) 661-4106**

with a copy to:

**Kirkpatrick & Lockhart Preston Gates Ellis LLP
1601 K Street, NW
Washington, DC 20006
Attn: Kevin M. Sheys, Esq.
fax: (202) 778-9100**

if to the Company:

**Maryland Midland Railway, Inc.
40 North Main Street
Union Bridge, MD 21791
Attn: Harvey L. Miller
Fax: (410) 775-2520**

with a copy to

DLA Piper US LLP
6225 Smith Avenue
Baltimore, Maryland 21209-3600
Attn: R W. Smith, Jr., Esq.
Fax. (410) 580-3780

if to the Stockholder Representative:

REDACTED

Section 8.3 Interpretation. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or a Section of this Agreement unless otherwise indicated. *The table of contents, headings and index of defined terms contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.* Whenever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereby" refer to this Agreement. The Company Disclosure Letter, as well as any schedules thereto and any exhibits hereto, shall be deemed part of this Agreement and included in any reference to this Agreement.

Section 8.4 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 8.5 Entire Agreement; No Third-Party Beneficiaries. This Agreement and the Confidentiality Agreement (i) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter of this Agreement and (ii) are not intended to and do not confer upon any Person other than the parties hereto any rights or remedies hereunder

Section 8.6 Governing Law This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Maryland, without regard to the conflicts of laws principles thereof

Section 8.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned or delegated, in whole or in part, by operation of Law or otherwise by any of the parties without the prior written consent of the other parties, except that MMID Holding's and Merger Sub's rights and obligations may be assigned to and

assumed by Parent or any other corporation directly or indirectly wholly owned by Parent; provided, however, that any such assignment does not affect the economic or legal substance of the transactions contemplated hereby. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 8.8 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any state or federal court sitting in the State of Delaware, without proof of actual damages, this being in addition to any other remedy to which they are entitled at Law or in equity

Section 8.9 Consent to Jurisdiction; Venue.

(a) Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any action arising out of or relating to this Agreement and the Confidentiality Agreement, and each of the parties hereto irrevocably agrees that all claims in respect to such action may be heard and determined exclusively in any Delaware state or federal court sitting in the State of Delaware. Each of the parties hereto agrees that a final judgment in any action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto irrevocably consents to the service of any summons and complaint and any other process in any other action relating to the Merger, on behalf of itself or its property, by the personal delivery of copies of such process to such party. Nothing in this Section 8.9 shall affect the right of any party hereto to serve legal process in any other manner permitted by law.

Section 8.10 Waiver of Trial by Jury. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.10.

Section 811 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

ARTICLE 9

CERTAIN DEFINITIONS

"Account" shall mean that certain segregated account entitled "GWI-MMR Escrow Account" maintained by the Escrow Agent in accordance with the Escrow Agreement.

"Acquisition Agreement" shall mean any letter of intent, agreement in principle, merger agreement, stock purchase agreement, asset purchase agreement, acquisition agreement, option agreement or similar agreement relating to a **REDACTED**

"Affiliate" of any Person shall mean another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"Appraisal Shares" shall mean Shares issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, the provisions of Section 3-202 of the MGCL.

"Articles of Merger" shall mean the articles of merger with respect to the Merger, containing the provisions required by, and executed in accordance with, the MGCL.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York are authorized or obligated by Law or executive order to be closed

REDACTED

"Certificate" shall mean each certificate representing one or more Shares or, in the case of uncertificated Shares, each entry in the books of the Company representing uncertificated Shares.

"Closing" shall mean the closing of the Merger, as contemplated by Section 1.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company Articles of Incorporation" shall mean the Company's charter as in effect as of

the date hereof

"Company Balance Sheet" shall mean the unaudited balance sheet of the Company as of April 30, 2007.

"Company Benefit Plan" shall mean each Employee Benefit Plan that is sponsored, maintained or contributed to by the Company or with respect to which the Company is a party and in which any current or former employee, director, officer, consultant, independent contractor, contingent worker or leased employee of the Company is eligible to participate or derive a benefit or with respect to which the Company could incur liability.

"Company Bylaws" shall mean the Bylaws of the Company as amended and restated and as in effect as of the date hereof

"Company Disclosure Letter" shall mean the Company Disclosure Letter dated the date hereof and delivered by the Company to Parent prior to the execution of this Agreement.

"Company Employees" shall mean employees of the Company who remain employees of the Surviving Corporation.

"Company Financial Statements" shall mean the Company Balance Sheet and related unaudited statements of income and cash flows for the fiscal years ended April 30, 2004, 2005, 2006 and 2007, as reviewed by McLean, Koehler, Sparks and Hammond.

"Company Knowledge Person" shall mean David W. Bordner, the Company's President and Chief Executive Officer, Vicki D. Windsor, the Company's Finance Manager and Assistant Controller, and William L. Grove, the Company's Manager Track and Structure.

"Company Material Adverse Effect" shall mean, with respect to the Company, any change, event, effect or circumstance (any such item, an **"Effect"**) that, individually or taken together with all other Effects that have occurred prior to the date of determination of the occurrence of the Company Material Adverse Effect, is or is reasonably likely to (i) be materially adverse to the business, operations, properties, condition (financial or otherwise), assets or Liabilities of the Company, (ii) prevent or materially delay the performance by the Company of any of its obligations under this Agreement or the consummation of the Merger or the other transactions contemplated by the Transaction Documents, (iii) result in any uninsured Loss of greater than \$2,000,000, (iv) result in a decline in projected fiscal 2008 revenues or carloadings of more than 25% of fiscal 2007 annual results; **provided, however**, that in no event shall any of the following occurring after the date hereof, alone or in combination, be deemed to constitute, nor be taken into account in determining whether there has been or will be, a Company Material Adverse Effect (A) any Effect that results from changes affecting the railroad industry generally, or the United States economy generally, or any Effect that results from changes affecting general worldwide economic or capital market conditions, or any Effect that results from acts of war or terrorism or natural disasters, in each case except to the extent such changes, acts or disasters disproportionately affect the Company, relative to the other railroad companies operating in the United States, (B) the performance of this Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, or any action taken or omitted to be taken by the Company at the request or with the prior consent of Parent or Merger Sub, (C) any

Liability arising from any pending or threatened claim, suit, action, proceeding, investigation or arbitration disclosed to Parent in this Agreement or in the Company Disclosure Letter, (D) any applicable change in GAAP, or (E) in and of itself, the commencement of any suit, action or proceeding (provided that such exclusion shall not apply to any underlying fact, event or circumstance that may have caused or contributed to such action, suit or proceeding), or any liability, sanction or penalty arising from any governmental proceeding or investigation that was commenced prior to the date of this Agreement and disclosed to Parent in this Agreement or in the Company Disclosure Letter.

"Company Permits" shall mean all authorizations, licenses, permits, certificates, approvals and orders of all Governmental Entities necessary for the lawful conduct of the businesses of the Company.

"Company Required Vote" shall mean the affirmative vote of the holders of two-thirds or more of the outstanding Shares in favor of adoption of this Agreement.

"Company Stock Rights" shall mean any options, warrants, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) obligating the Company to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, the Company.

"Company Stockholders Meeting" shall mean a meeting of the Company Stockholders to be called to consider the Merger.

"Confidentiality Agreement" shall mean the Confidentiality Agreement between the Company and Parent dated September 12, 2007.

"Contract" shall mean any contract, lease, indenture, note, bond or other agreement that is in force and effect to which the Company is a party or by which any of its properties or assets is bound.

"Effective Time" shall mean the effective time of the Merger, which shall be the time the Articles of Merger are duly filed with and accepted by the Maryland State Department of Assessments and Taxation, or such later time as agreed by the parties hereto and specified in such Articles of Merger.

"Employee Benefit Plan" shall mean, with respect to any Person, each plan, fund, program, agreement, arrangement or scheme, including, but not limited to, each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained, in each case that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing for employee benefits or for the remuneration, direct or indirect, of the current or former employees, directors, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), including: each deferred compensation, bonus, incentive compensation, pension, retirement, stock purchase, stock option and other equity compensation plan or "welfare" plan (within the meaning of Section 3(1) of ERISA, determined without regard to

whether such plan is subject to ERISA), each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA); and each severance plan or agreement, health, vacation, summer hours, supplemental unemployment benefit, hospitalization insurance, medical, dental, legal and each other employee benefit plan, fund, program, agreement or arrangement.

"Encumbrance" shall mean any lien, mortgage, pledge, deed of trust, security interest, charge, easement, right of way, restriction or other encumbrance or other adverse claim or interest.

"Environmental Laws" shall mean any Laws or any agreement with any Governmental Entity, relating to the protection of the environment or Hazardous Substances, or the effect of any Hazardous Substance on human health and safety

"Environmental Permits" shall mean all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Entities relating to or required by Environmental Laws and affecting, or relating to, the business of the Company as currently conducted.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" shall mean Manufacturers and Traders Trust Company.

"Escrow Agreement" shall mean that certain escrow agreement dated as of September 18, 2007 by and among Parent, the Company and the Escrow Agent.

"Escrow Funds" shall mean the \$2 million refundable good faith deposit delivered by Parent and held by the Escrow Agent in the Account in accordance with the Escrow Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FCC" shall mean the United States Federal Communication Commission

REDACTED

"Final Net Working Capital" shall mean the final Net Working Capital amount determined in accordance with the procedures of Section 1.5(b).

"GAAP" shall mean United States generally accepted accounting principles in effect from time to time.

"Governmental Entity" shall mean any United States federal, state or local government or any court of competent jurisdiction, administrative or regulatory agency or commission or other domestic governmental authority or agency.

"Hazardous Substance" shall mean any pollutant, contaminant, waste, chemical material, substance, compound or constituent in any form subject to regulation under applicable Law for the purpose of protecting the environment or human health or safety, including, without limitation, crude oil or petroleum or petroleum products, asbestos and asbestos-containing materials and any radioactive substance.

"Indebtedness" shall mean, with respect to any Person, (a) all indebtedness of such Person, whether or not contingent, for borrowed money and prepayment and termination costs related thereto, (b) all obligations of such Person for the deferred purchase price of property or services (including the aggregate principal amount thereof and the aggregate amount of any accrued but unpaid interest thereon), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments and prepayment and termination costs related thereto, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities or in respect of interest rate and currency obligation swaps, hedges or similar arrangements and prepayment and termination costs related thereto, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of such Person or any warrants, rights or options to acquire such capital stock, valued, in the case of redeemable preferred stock, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (h) all Indebtedness of others referred to in clauses (a) through (g) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through any agreement and (i) all Indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness.

"IRS" shall mean the Internal Revenue Service.

"Knowledge," or any similar expression, shall mean, with respect to the Company, the actual knowledge of any Company Knowledge Person, and, with respect to Parent, the actual knowledge of any Parent Knowledge Person.

"Law" shall mean any federal, state or local statute, law, regulation, requirement, interpretation, permit, license, approval, authorization, rule, ordinance, code, policy or rule of common law of any Governmental Entity, including any judicial or administrative interpretation thereof.

"Lehigh Cement" shall mean Lehigh Cement Company, a Pennsylvania corporation

"Liabilities" shall mean any and all debts, liabilities and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, those arising under any contract, agreement, commitment, instrument, permit, license, franchise or undertaking and those arising as a result of any act or omission.

"Loss" or **"Losses"** shall mean any losses, costs, expenses (including without limitation, reasonable attorneys' fees and disbursements of counsel), Liabilities, damages, fines, penalties, charges, assessments, judgments, settlements, claims, causes of action and other obligations of any nature whatsoever.

"Merger Consideration" shall mean an amount of cash equal to (i) Cash Consideration plus (ii) Net Working Capital minus (iii) the Outstanding Debt, multiplied by the Reduction Rate without duplication.

REDACTED

"Net Working Capital Statement Amount" shall mean the amount of the Net Working Capital as reflected in the Net Working Capital Statement delivered by Parent to the Stockholder Representative pursuant to Section 1.5(a).

"Option Agreement" shall mean that certain Stock Option and Standstill Agreement by and between the Company and Lehigh Cement, dated May 24, 1991.

"Order" shall mean any writ, judgment, injunction, consent, order, decree, stipulation, award or executive order of or by any Governmental Entity.

REDACTED

"Parent Benefit Plan" shall mean each Employee Benefit Plan that is sponsored, maintained or contributed to by Parent or with respect to which Parent or any of its Subsidiaries

is a party and in which any current or former employee, director, officer, consultant, independent contractor, contingent worker or leased employee of Parent is eligible to participate or derive a benefit or with respect to which Parent could incur liability.

"Parent Bylaws" shall mean Parent's Bylaws as in effect as of the date hereof.

"Parent Material Adverse Effect" shall mean, with respect to Parent or Merger Sub, any Effect that, individually or taken together with all other Effects that have occurred prior to the date of determination of the occurrence of the Parent Material Adverse Effect, is or would be reasonably likely to prevent or materially delay the performance by Parent or Merger Sub of any of their material obligations under this Agreement or the consummation of the Merger or the other transactions contemplated by the Transaction Documents.

"Parent Knowledge Person" shall mean John C. Hellmann, Parent's President and Chief Executive Officer of Parent, and Mark W. Hastings, Parent's Executive Vice President of Corporate Development.

"Paying Agent" shall mean a bank or trust company reasonably satisfactory to the Company that is organized and doing business under the Laws of the United States or any state thereof appointed by Parent to act as paying agent for payment of the Merger Consideration.

"Person" shall mean any individual, corporation, partnership (general or limited), limited liability company, limited liability partnership, trust, joint venture, joint-stock company, syndicate, association, entity, unincorporated organization or government, or any political subdivision, agency or instrumentality thereof.

"Proxy Statement" shall mean a proxy statement, including any amendment or supplement thereto, relating to the Merger and this Agreement to be mailed to the Company Stockholders in connection with the Company Stockholders Meeting.

"Reduction Rate" shall mean 87.3938%, less the percentage represented by the Appraisal Shares, if any.

"Remaining Company Stockholders" shall mean all of the Company Stockholders remaining after giving effect to Lehigh Cement's contribution of all of its Company Common Stock to MMID Holding, other than holders of Appraisal Shares, if any.

"Representatives" shall mean officers, directors, employees, auditors, accountants, attorneys and financial advisors and other agents or advisors

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Special Fees and Expenses" shall mean the fees and expenses of, and payable to, the Accounting Expert and the Stockholder Representative, including any legal or other advisors engaged by the Stockholder Representative.

"STB" shall mean the Surface Transportation Board.

"Stockholder Representative" shall initially mean **REDACTED** who, for purposes of Section 1.5, shall serve as the agent of the Company Stockholders (except such Company Stockholders, if any, as shall have perfected their appraisal or dissenters' rights under the MGCL). In the event that **REDACTED** shall die, become disabled or otherwise be unable to fulfill his responsibilities as agent of the Company Stockholders or resigns from such position, then the Company Stockholders shall, by approval of a majority of the number of shares of Company Common Stock based on the number of shares Company Common Stock owned prior to the Effective Time, within ten days after such death, disability or resignation, appoint a successor agent and, promptly thereafter, shall notify Parent of the identity of such successor. Any such successor shall become the "Stockholder Representative" for purposes of Section 1.5.

"Subsidiary" of any Person shall mean any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either directly or through or together with another Subsidiary of such Person) owns more than 50% of the voting stock or value of such corporation, partnership, limited liability company, joint venture or other legal entity

REDACTED

"Surviving Corporation" shall mean the corporation surviving the Merger.

REDACTED

"Tax" or **"Taxes"** shall mean any federal, state, county or local income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, transfer or excise tax, or any other tax, governmental fee or other like assessment or charge in the nature of a tax of any kind whatsoever, together with

any interest or penalty or addition thereto, whether disputed or not, imposed by any Governmental Entity and any liability for any of the foregoing as transferee.

"Tax Return" shall mean any return, report, information, filing, document or similar statement required to be filed with respect to any Tax (including any attached schedules), including any information return, claim for refund, amended return or declaration of estimated Tax

"Third Party" shall mean any Person or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent, MMID Holding, Merger Sub or any Affiliates thereof.

REDACTED

"Transaction Documents" shall mean this Agreement and all other agreements, instruments and documents to be executed by Parent, Merger Sub and the Company in connection with the transactions contemplated by such agreements.

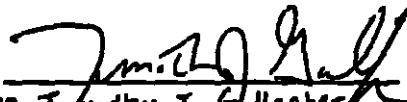
REDACTED

"Voting Agreement" means the forms of voting agreement, dated as of the date hereof, among Parent and certain stockholders of the Company named therein, attached hereto as Exhibit A-1 and Exhibit A-2.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above

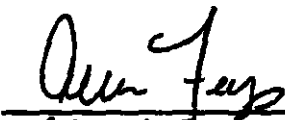
GENESEE & WYOMING INC.

By: 
Name: Timothy J. Gallagher
Title: Chief Financial Officer

MMID HOLDING INC

By: 
Name: Allison M. Fergus
Title: Secretary

MMID ACQUISITION SUB INC

By: 
Name: Allison M. Fergus
Title: Secretary

MARYLAND MIDLAND RAILWAY, INC.

By: _____
Name: Harvey L. Miller
Title: Chairman of the Board

STOCKHOLDER REPRESENTATIVE

By: _____
Name: REDACTED

PUBLIC VERSION REDACTED

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

GENESSEE & WYOMING INC.

By: _____
Name:
Title:

MMID HOLDING INC.

By: _____
Name:
Title:

MMID ACQUISITION SUB INC.

By: _____
Name:
Title:

MARYLAND MIDLAND RAILWAY, INC.

By: Harvey L. Miller
Name: Harvey L. Miller
Title: Chairman of the Board

STOCKHOLDER REPRESENTATIVE

By: _____
Name: REDACTED

PUBLIC VERSION REDACTED

EXHIBIT A-1

**FORM OF VOTING AGREEMENT
(Director and Officer Stockholders)**

PUBLIC VERSION REDACTED

EXHIBIT A-2

**FORM OF VOTING AGREEMENT
(Non-Director and Officer Stockholders)**

PUBLIC VERSION REDACTED

EXHIBIT B

REDACTED

EXHIBIT C-1

**Form of Certification of Non-Foreign Status under
Treasury Regulations §1.1445-2(b)(2)
(Entity Seller)**

Section 1445 of the Internal Revenue Code provides that a transferee of a U S real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by [name of Seller], the undersigned hereby certifies the following on behalf of [name of Seller]:

1. [Name of Seller] is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. [Name of Seller] is not a disregarded entity as defined in §1.1445-2(b)(2)(iii);

3. [Name of Seller]'s U S employer identification number is _____; and

4 [Name of Seller]'s office address is

[Name of Seller] understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of [name of Seller]

Dated: _____

[Name of Seller]

By: _____

Name:

Title:

EXHIBIT C-2

**Form of Certification of Non-Foreign Status under
Treasury Regulations §1.1445-2(b)(2)
(Individual Seller)**

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon my disposition of a U.S. real property interest, I, [name of Seller], hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;
2. My U.S. taxpayer identifying number (Social Security number) is _____;
3. My home address is:

and

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment, or both

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete.

Dated: _____

[Name of Seller]