

**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

November 1, 2007

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

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

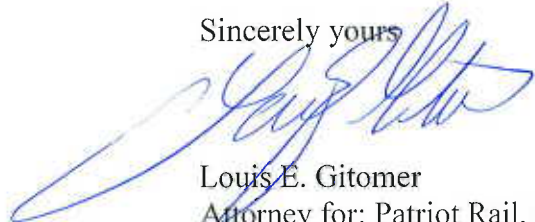
Dear Secretary Williams:

On October 29, 2007, Patriot Rail, Corp., filed a Petition to Reject Notice of Exemption. In the Petition, Patriot noted that it was pursuing remedies in other forums. As information, attached is the complaint filed by Patriot in Palm Beach, Florida.

Patriot is efilng the attachment in the above-entitled proceeding.

Thank you for your assistance. If you have any questions, please call or email me.

Sincerely yours



Louis E. Gitomer
Attorney for: Patriot Rail, Corp.

Enclosure

Cc: Mr. Fishman

IN THE CIRCUIT COURT OF THE
15TH JUDICIAL CIRCUIT IN AND FOR
PALM BEACH COUNTY, FLORIDA

CIVIL DIVISION

50 2007 CA 019308XXXX MB

CASE NO:

PATRIOT RAIL CORP.

Plaintiff,

vs.

MARYLAND MIDLAND RAILWAY, INC.

Defendant.

SUMMONS

THE STATE OF FLORIDA:

To Each Sheriff of the State:

YOU ARE COMMANDED to serve this Summons and a copy of the Complaint and Plaintiff's First Request for Production in this action on

Defendant: **MARYLAND MIDLAND RAILWAY, INC.**

By Serving Its Registered Agent:

THE CORPORATION TRUST INCORPORATED
300 E. LOMBARD STREET
BALTIMORE, MD 21202

Each defendant is required to serve written defenses to Complaint on:

DONALD S. HERSHMAN, P.A.

Plaintiff's attorney, whose address is:

The Courtyard, Suite 280
5301 North Federal Highway
Boca Raton, Florida 33487

within 20 days after service of this Summons and Complaint, exclusive of the day of service, and to file the original of the defenses with the clerk of this court either before service on Plaintiffs' attorney or immediately thereafter. If a defendant fails to do so, a default will be entered against that defendant for the relief demanded in the complaint or petition.

DATED on OCT 31 2007, 2007.

SHARON R. BOCK
Clerk & Comptroller

SHARON R. BOCK
Clerk & Comptroller
P.O. Box 4887
West Palm Beach, Florida
33402-4887



Clerk of the Court

Deputy Clerk

Nikasia ALLENSTROM

IN THE CIRCUIT COURT OF THE
15TH JUDICIAL CIRCUIT IN AND FOR
PALM BEACH COUNTY, FLORIDA

CIVIL DIVISION

CASE NO. 50 2007 CA 019308 XXXX MB
AID

PATRIOT RAIL CORP.

Plaintiff,

vs.

MARYLAND MIDLAND RAILWAY, INC.

Defendant.

COMPLAINT
BREACH OF CONTRACT
SPECIFIC PERFORMANCE
FRAUD IN THE INDUCEMENT
JURY TRIAL DEMAND
RECEIVED FOR FILING

OCT 31 2007

AND NOW COMES the Plaintiff by and through its undersigned counsel and makes
this its Complaint against the Defendant as follows:

SPARKLE BOOKS
CLERK & COMPTROLLER
CIRCUIT CIVIL DIVISION

THE PARTIES AND THEIR REPRESENTATIVES

1. Plaintiff, PATRIOT RAIL CORP. (PATRIOT) is a Delaware corporation with a principle place of business in Palm Beach County, Florida.
2. At all times relevant hereto, Plaintiff has been involved in the acquisition and operation of shortline and regional freight railroads.
3. Defendant, MARYLAND MIDLAND RAILWAY, INC. (MMID) is a Maryland corporation with a principle place of business in Union Bridge, Maryland.
4. At all times relevant hereto, Defendant MMID has been the owner/operator of a shortline freight railroad in the State of Maryland.
5. At all times relevant hereto, GARY O. MARINO has been the Chairman, President and CEO of Plaintiff.
6. At all times relevant hereto, HARVEY MILLER has been the Chairman of the

Board of Defendant MMID.

7. At all times relevant hereto, DAVID BORDNER has been the President and CEO of MMID.

FACTUAL ALLEGATIONS

8. On or about May 13, 2005, Plaintiff PATRIOT sent a letter to Defendant MMID inquiring whether MMID was available for purchase.

9. At that time Defendant MMID sent a reply letter notifying that it was not for sale but that it would keep Plaintiff's letter on file.

10. In March of 2007 HARVEY MILLER, the Chairman of Defendant, called Plaintiff's CEO, GARY O. MARINO, in Boca Raton, Florida and said that Defendant would consider an offer of purchase.

11. As a result, Plaintiff and Defendant, on or about April 4, 2007 executed a Confidentiality and Non-Disclosure Agreement under the terms of which Defendant would provide Plaintiff with certain financial information and other corporate information (hereinafter the "Information") for a potential purchase, and Plaintiff agreed not to divulge that information to any third party. A copy of the executed Confidentiality and Non-Disclosure Agreement is marked and attached hereto as Exhibit "A."

12. Defendant then caused both the Confidentiality Agreement and the Information to be sent to Plaintiff's offices in Boca Raton, Florida.

13. After reviewing Defendant's Information, Plaintiff's CEO MARINO traveled to Baltimore, Maryland and met with HARVEY MILLER and DAVID BORDNER on April 20, 2007 for further discussions regarding the potential acquisition by Plaintiff.

14. Defendant during May of 2007 continued to send information to Plaintiff in

Florida for review.

15. After reviewing Defendant's Information, Plaintiff on or about June 29, 2007 sent Defendant a transmittal letter and a Letter of Intent, both signed by Plaintiff's Chairman. Copies of the two (2) June 29, 2007 letters are marked and attached hereto as Exhibit "B" and "C."

16. The June 29, 2007 transmittal letter explicitly told Defendant's Chairman that PATRIOT RAIL did not want to find itself competing with other potential buyers for MARYLAND MIDLAND and thus the reason for the early expiration date of July 10th in the Letter of Intent.

17. The Letter of Intent offered to purchase approximately eighty-six (86%) percent of the issued and outstanding common stock of Defendant for the sum of TWENTY-THREE MILLION SIX HUNDRED FIFTY THOUSAND (\$23,650,000.00) DOLLARS in cash, closing to occur within sixty (60) days of the acceptance of the Letter of Intent.

18. In addition, paragraph 2(b) of the Letter of Intent mandated that the Defendant in consideration of Plaintiff's anticipated expenditure of time, money, effort, legal and accounting fees would not negotiate, nor have substantive discussions with nor enter into any agreement with any other entity for the sale of the company's assets or stock of the company.

19. The Letter of Intent had an expiration date of July 10, 2007 if not accepted by Defendant.

20. Subsequently, the parties verbally agreed to extend the expiration date until July 18, 2007.

21. On July 16, 2007 Defendant's Chairman, HARVEY MILLER, sent a written

counter-proposal to Plaintiff in Florida that contained a higher price. The counter-proposal is marked and attached hereto as Exhibit "D."

22. On July 30, 2007 the Chairmen of both companies participated in a phone conversation in which they agreed to a new higher price of TWENTY-SIX MILLION ONE HUNDRED SIXTY-SEVEN THOUSAND SEVEN HUNDRED (\$26,127,700.00) DOLLARS for the purchase of the stock.

23. On August 13, 2007 Defendant MMID through its Chairman sent Plaintiff's Chairman an e-mail in which the material contractual terms and conditions as discussed and agreed upon in their July 30, 2007 phone conversation were accepted by the Board of Directors of MMID. A copy of the August 13, 2007 e-mail is marked and attached hereto as Exhibit "E."

24. The parties continued to exchange various drafts of the Letter of Intent regarding immaterial points even though the parties were contractually bound by the Defendant's letter of August 13, 2007. Defendant continued to send information to Plaintiff in Florida from August 14, 2007 until September 18, 2007.

25. Suddenly and without warning, Defendant's Chairman called GARY O. MARINO on September 18, 2007 and notified MARINO that MMID was selling itself to a third party. In addition on September 18, 2007, Defendant's Chairman sent Plaintiff a letter demanding the return of all information previously provided by Defendant, pursuant to the terms and conditions of the Confidentiality Agreement of April 4, 2007.

26. Plaintiff later learned that Defendant had entered into a contract to sell its common stock to another rail company, Genesee and Wyoming, Inc.

JURISDICTIONAL ALLEGATIONS

27. Defendant has subjected itself to the jurisdiction of the Florida Court System pursuant to Florida Statute 48.193. In addition, Defendant's conduct constitutes sufficient minimum contacts with the State of Florida to satisfy the due-process clause of the United States Constitution.

COUNT I
STATING A CAUSE OF ACTION FOR BREACH
OF THE PURCHASE AND SALE AGREEMENT OF AUGUST 13, 2007

28. The allegations contained in paragraphs 1 through 27 are hereby incorporated by reference as if set forth in full detail.

29. By virtue of the premises, Defendant has breached the written contract of August 13, 2007 and Plaintiff has been damaged by loss of the benefit of the bargain and/or lost profits that it would have garnered from operation of Defendant's rail line.

WHEREFORE, Plaintiff demands judgment in an amount in excess of FIFTEEN THOUSAND (\$15,000.00) DOLLARS, plus interest, and cost of suit. A Jury Trial is demanded.

COUNT II
STATING AN ALTERNATIVE CAUSE OF ACTION FOR
SPECIFIC PERFORMANCE FOR BREACH
OF THE PURCHASE AND SALE AGREEMENT OF AUGUST 13, 2007

30. The allegations contained in paragraphs 1 through 27 are hereby incorporated by reference as if set forth in full detail.

31. This is an action for specific performance of a contract to transfer ownership of common stock that exceeds the value of FIFTEEN THOUSAND (\$15,000) DOLLARS.

32. On August 13, 2007 the Plaintiff and Defendant entered into a written contract, a copy being marked and attached hereto previously as Exhibit "E" for the purchase of approximately eighty-six (86%) percent of the common stock of Defendant's corporation.

33. The stock of the corporation can not be obtained on the open market, has never been offered to the general public for sale, and the value of the stock lies in the fact that it represents the controlling shares of the Defendant corporation.

34. As a result, the stock of the corporation is unique and Plaintiff's remedy at law for damages is inadequate because there is no established value for the stock and the control of the corporation can not be measured in money damages.

35. Defendant has refused to comply with the terms and conditions of the August 13, 2007 Agreement and indeed has entered into a contract to sell the stock to a third party.

36. Plaintiff is ready, willing and able to perform the contract by purchasing the shares of stock for the agreed upon price.

WHEREFORE, Plaintiff demands judgment that Defendant specifically perform the subject contract between the parties.

COUNT III
STATING A CAUSE OF ACTION FOR BREACH
OF THE CONFIDENTIALITY AGREEMENT OF APRIL 4, 2007

37. The allegations contained in paragraph 1 through 27 are hereby incorporated by reference as if set forth in full detail.

38. By virtue of the premises, the Defendant has breached the terms and conditions of the Confidentiality Agreement of April 4, 2007, previously marked and attached hereto

as Exhibit "A."

39. Upon information and belief, Defendant used Plaintiff's offer to actively shop the railroad for sale by disclosing the price that Plaintiff had agreed to pay and soliciting higher offers, all in contravention of the prohibition contained in the April 4, 2007 Non-Disclosure Agreement.

40. As a direct and proximate result of the Defendant's breach of the Non-Disclosure Agreement, the Plaintiff expended time, money, effort, legal and accounting fees to evaluate the purchase of Defendant's stock and to evaluate Defendant's financial condition.

41. Plaintiff has been damaged by the expenditures of this time, money and effort by reason of the Defendant's conduct.

WHEREFORE, Plaintiff demands judgment against the Defendant in an amount in excess of FIFTEEN THOUSAND (\$15,000.00) DOLLARS, plus interest and cost of suit. A Jury Trial is demanded.

COUNT IV
STATING A CAUSE OF ACTION FOR FRAUD IN THE INDUCEMENT

42. The allegations contained in paragraphs 1 through 27 are hereby incorporated by reference as if set forth in full detail.

43. The Defendant in agreeing not to divulge Plaintiff's offer of purchase to third parties made a misrepresentation of a material fact.

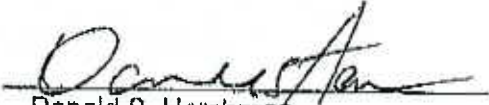
44. The Defendant's Chairman knew of the falsity of the statement when he made it because, on information and belief, the Defendant was actively shopping itself for sale to third parties.

45. The Defendant intended that the representation would induce Plaintiff to rely and act upon that representation.

46. The Plaintiff suffered injury by reason of the time, money, accounting and legal fees spent on evaluating the potential purchase and justifiably relied on Defendant's misrepresentations.

WHEREFORE, Plaintiff demands judgment against the Defendant in an amount in excess of FIFTEEN THOUSAND (\$15,000) DOLLARS, plus interest and cost of suit. A Jury Trial is demanded.

DONALD S. HERSHMAN, P.A.
Attorney for Plaintiff
The Courtyard, Suite 280
5301 North Federal Highway
Boca Raton, Florida 33487
Telephone: (561) 241-6650
Facsimile: (561) 241-6654
Email: Bocabarrister@aol.com

By: 

Donald S. Hershman
Florida Bar No. 269042

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Harvey L Miller

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PATRIOT RAIL, LLC
Investing in America

One Boca Place
2255 Glades Rd/Suite 342-W
Boca Raton, Florida 33431

April 4, 2007

Mr. Harvey L. Miller
Chairman
Maryland Midland Railway
P.O. Box 1000
40 North Main Street
Union Bridge, Maryland 21791-0568

Dear Mr. Miller:

On the terms and conditions set forth in this agreement, Maryland Midland Railway Inc. (the "Company") is prepared to furnish to Patriot Rail, LLC ("Patriot Rail") certain financial, technical and other information regarding Maryland Midland Railway which the Company regards as highly confidential and sensitive in connection with a possible acquisition of the railroad by Patriot Rail (the "Transaction").

As used herein, "Confidential Information" means all information about the Company furnished to Patriot Rail pursuant to this agreement or in connection with the Transaction by or on behalf of the Company, regardless of the form or manner in which such information is communicated to Patriot Rail, and all documents or materials prepared by or on behalf of Patriot Rail containing, based on, or generated or derived, in whole or in part, from any such information; provided, however, that "Confidential Information" does not include information that (1) was available to the public prior to the time of disclosure, (2) becomes available to the public through no act or omission by Patriot Rail, or (3) becomes available to Patriot Rail from a third party not known by Patriot Rail to be under any obligation of confidentiality to the Company with respect thereto.

Patriot Rail will hold the Confidential Information in confidence, will use it only to assist Patriot Rail in evaluating and negotiating the Transaction, and will not use the information to the Company's detriment and will not disclose any of it or any other information of any kind relating to the Transaction to any person or entity except (1) to Patriot Rail's directors, employees, agents or representatives who need such information for the purpose of evaluating and negotiating the Transaction (and such persons shall be

EXHIBIT A

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Harvey L. Miller

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informed by Patriot Rail of the confidential nature of the material and shall agree to hold the Confidential Information in confidence) or (2) as may be required by law in the reasonable judgment of Patriot Rail's counsel. Patriot Rail shall be responsible to the Company for the breach of any of the terms of this agreement by its directors, employees, agents or representatives. In the event of disclosure under clause (2), Patriot Rail will provide the Company with prompt notice so that the Company may seek a protective order or other appropriate remedy, and Patriot Rail will not oppose action by the Company to obtain such order or remedy.

Patriot Rail shall, at any time at the Company's request, (1) return to the Company all documents furnished to Patriot Rail by or on behalf of the Company containing Confidential Information, and (2) deliver to the Company or destroy all materials prepared by or on behalf of Patriot Rail containing, based on, or generated or derived, in whole or in part, from any Confidential Information and shall provide a certificate of an officer of Patriot Rail to that effect if requested by the Company. Notwithstanding anything herein to the contrary, the obligations set forth in this paragraph shall survive until the later of (1) two years after the date this agreement is executed by the Company and (2) sixty (60) days after the termination of this agreement.

Without the prior written consent of the Company, Patriot Rail will not disclose to any person the fact that Patriot Rail is evaluating or negotiating the Transaction. Patriot Rail further agrees that it will not communicate with or contact any customers, employees, Board of Directors, suppliers, or agents of the Company in connection with the Transaction without the Company's prior consent.

No failure or delay by the Company in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial waiver thereof preclude any other or further exercise thereof or the exercise of any other right hereunder.

The Company makes no representations or warranties as to the accuracy or completeness of any Confidential Information provided hereunder or as to the completeness of any Confidential Information so provided.

The Company and Patriot Rail shall each bear its own expenses in connection with the Transaction. The Company shall not be liable to pay fees due to any broker regarding the Transaction.

Notwithstanding any past, present or future discussions or negotiations, or any past, present or future oral or other commitments, understandings, indications or approvals given by the management or other representatives of the Company or Patriot Rail, neither the Company nor Patriot Rail shall be under any obligation with respect to the Transaction, and no offer, commitment, undertaking, estoppel or obligation of any kind whatsoever relating to the Transaction or any similar transaction shall be implied in fact, in law or in equity, unless and until one or more definitive agreements in detailed legal form has been duly and validly executed and delivered by all parties thereto.

This agreement shall be governed by and construed in accordance with the laws of the State of Maryland. In addition to any remedies available at law, the Company shall

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also be entitled to equitable relief, including injunction and specific performance, in the event of any breach of this agreement, without the necessity of proof of damages.

Either party may terminate this agreement at any time by notice to the other party. Patriot Rail's obligation of confidentiality and to return Confidential Information shall survive the termination of this agreement as otherwise set forth herein.

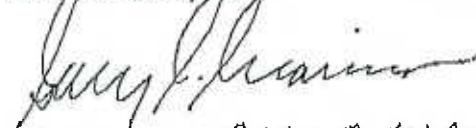
Unless sooner terminated, Patriot Rail's obligations under this agreement shall extend for a period of two years from the date of this agreement.

This agreement sets forth the entire understanding and agreement of the parties and related persons with regard to the subject matter hereof and supersedes all prior and contemporaneous agreements, arrangements and understandings related thereto. This agreement may be amended, superseded or cancelled only by a written instrument which specifically states that it amends, supersedes or cancels this agreement, signed and delivered by a duly authorized officer of each entity to be bound thereby. This agreement shall be binding upon and inure to the benefit of Patriot Rail and the Company and their respective representatives, successors and permitted assigns and may not be assigned by either Patriot Rail or the Company without the written consent of the other party.

Please confirm your agreement with the foregoing by signing and returning to us the enclosed copy of this agreement.

Very truly yours,

PATRIOT RAIL, LLC



Matthew Devins GARY O. MARLINO
Executive Vice President PRES. & CEO

ACCEPTED AND AGREED the date first set forth above:

MARYLAND ^{MIDLAND} ~~MIDLAND~~ RAILWAY

By 

Name: HARVEY L. GILTHA

Title: CHAIRMAN

TRANSMISSION VERIFICATION REPORT

TIME : 04/09/2007 13:07
NAME : PATRIOT RAIL
FAX : 5619979267
TEL : 5619892212
SER. N : 000K6J142932

DATE, TIME	04/09 13:04
FAX NO./NAME	914105846737
DURATION	00:03:25
PAGE(S)	05
RESULT	OK
MODE	STANDARD
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PATRIOT RAIL CORP.
Investing in America

Gary O. Marino
Chairman, President & CEO

June 29, 2007

Mr. Harvey L. Miller
Chairman
Maryland Midland Railway, Inc.
13737 Cuba Road
Hunt Valley, MD 21030

Dear Harvey,

As usual, it was a pleasure speaking with you today. In connection with our conversation I am pleased to enclose herewith our Letter of Intent to acquire 88% of the common stock of Maryland Midland Railway Inc. You will note in the letter that we value the company at \$27,500,000 and to purchase 88% of the company we are prepared to pay \$23,650,000.

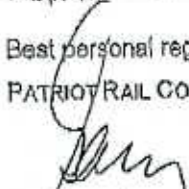
We believe that Maryland Midland is a terrific railroad with a strong customer base, strategic rail assets and a fine management team and staff. In consideration of these facts, we believe our offer represents an above market purchase price for the company. There may be others out there proposing to pay a higher purchase price, but in our experience we believe our proposal represents the best value to your shareholders given the certainty of closure by our organization with our committed capital for transactions such as this.

As I mentioned to you on the phone, from the moment we have a signed Letter of Intent from you we will move forward expeditiously to complete due diligence, draft a stock purchase agreement, obtain regulatory approval and close the transaction. We believe all of these things can be accomplished within 60 days. I don't want to find Patriot Rail competing with other potential buyers for Maryland Midland and therefore I've placed an expiration date of July 10 in our Letter of Intent. After that date if you have not accepted our offer by July 10, it will be withdrawn.

We are hopeful of your favorable response to this proposal and we look forward to consummating an equitable transaction with you and your shareholders. Should you have any questions or comments regarding this matter, please do not hesitate to call me on my cell phone next week while I am in Colorado.

Best personal regards,

PATRIOT RAIL CORP.


Gary O. Marino
Chairman, President & CEO

ONE BOCA PLACE • 2255 CLADES ROAD / SUITE 342-W • BOCA RATON, FLORIDA 33431
TELEPHONE: 561.443.5300 • FACSIMILE: 561.443.5319

EXHIBIT B



PATRIOT RAIL CORP.
Investing in America

Gary O. Marino
President and CEO

June 29, 2007

Mr. Harvey L. Miller
Chairman
Maryland Midland Railway, Inc.
13737 Cuba Road
Hunt Valley, MD 21030

Dear Harvey:

Patriot Rail Corp. is pleased to propose a transaction between Patriot Rail or an affiliated entity (collectively the "Purchaser") and Maryland Midland Railway, Inc. (the "Seller" or "the Company") whereby Purchaser would purchase all the issued and outstanding common stock of the Seller. This offer is based upon the information received to date and is subject to the terms and conditions indicated below. The proposed transaction described herein is called the "Transaction."

1. Proposed Transaction

- (a) We have determined that the enterprise value of the Company is \$27,500,000. We understand that Lehigh Cement Company, owner of approximately 14% of the equity of the Company, wishes to retain its ownership. Therefore, Purchaser proposes to acquire approximately 86% of the issued and outstanding common stock of the Company for a price of approximately \$23,650,000 in cash payable at closing. Closing is anticipated to occur within 60 days of acceptance of this Letter of Intent.
- (b) This offer assumes that all interest bearing debt will be paid off by the Company at or prior to closing of the Transaction. In addition, the purchase price shall be increased by the amount that the working capital at closing exceeds \$3,888,000, or shall be decreased by the amount that the working capital at closing is less than \$3,888,000.

Principal Terms and Conditions

Consummation of the Transaction would be subject to customary closing conditions, including:

- (a) satisfactory completion of a due diligence review by Purchaser, no later than the closing date, including, without limitation, a legal, financial, commercial

EXHIBIT C

Letter to Harvey L. Miller
June 29, 2007
Page 2

and environmental review of the Company and its business prospects, assets, liabilities, customers, and labor relationships;

- (b) execution of a satisfactory employment agreement with David W. Bordner to continue as President and CEO of the Company.
- (c) all necessary other approvals, including, but not limited to, regulatory.

2. Other Matters

- (a) From the date of this letter until the proposed closing or such earlier date as this letter is terminated, the Seller will conduct its business only in the normal and ordinary course and in a manner consistent with good business practices. Without the prior written consent of Purchaser, the Seller will not (i) engage in any transaction which could reasonably be expected to have a material adverse effect on the business, operations, assets, financial condition or prospects of the Seller, (ii) amend its Articles or Certificate of Incorporation or bylaws, amend the provisions of any material contracts, pay any cash or non-cash dividends or make any cash or non-cash distributions, redeem or issue any of its equity interests or securities convertible or exercisable into its equity interests, (iii) enter into any transactions with affiliates, (iv) change any employment arrangements between the Seller and its officers, directors and other key employees; or (v) amend, or enter into new collective bargaining agreements. The Seller will use its best efforts to preserve the Company's business organization intact and to preserve its existing business relationships.
- (b) As consideration for the substantial expenditures of time, effort, and money, including legal and accounting fees Purchaser will incur in connection with the aforementioned activities and transactions, the Seller, by and for itself and its officers, directors, employees and agents, agrees, until the earlier of (A) the execution of the Stock Purchase Agreement, (B) October 31, 2007 or (C) the date negotiations regarding the Transaction terminate, not to, directly or indirectly, negotiate or have substantive discussions with, or enter into any agreement or understanding (whether oral or written) with, any other person or entity for the sale, transfer or disposition of the assets or stock of the Company. Additionally, from the date this letter is accepted until the earlier of (A) the execution of the Stock Purchase Agreement, (B) October 31, 2007 or (C) the date negotiations regarding the Transaction terminate, the Seller shall not, and shall cause its officers, directors, employees and its agents not to, directly or indirectly (i) take any action to solicit, initiate, encourage or accept any Acquisition Proposal (as hereinafter defined), or (ii) continue, initiate or

Letter to Harvey L. Miller
June 29, 2007
Page 3

engage in negotiations with, or disclose any non-public information relating to the Seller, or afford access to the properties, books or records of the Seller to any corporation, partnership, person or other entity except Purchaser that may be considering or has made an Acquisition Proposal. The term "Acquisition Proposal" as used herein means any offer, proposal or indication of interest in a merger, consolidation or other business combination or acquisition involving any equity interest in, or a substantial portion of the assets of the Seller.

- (c) Both parties acknowledge that a Confidentiality Agreement between Purchaser and Seller remains in full force and effect and include all aspects of this proposed transaction. Should the proposed Transaction not be consummated, both parties agree that all information each of them has obtained about the other during this activity shall be kept strictly confidential and all documents in its possession relating to the other party shall be returned or destroyed forthwith.
- (d) Each party will bear its own expenses with respect to the Transaction, including fees and expenses of attorneys, accountants, finders and brokers.
- (e) Except with respect to paragraphs 3(a) - (d) above, this letter is not intended to be, and shall not be, a binding contract. Your acceptance of the general principles set forth in this letter shall not constitute an agreement to consummate the Transaction described herein. Such an agreement will be contained only in the definitive agreements, nor shall this letter constitute an agreement to enter into a definitive agreement.
- (f) Except as may be required by law, regulations or contractual obligations, neither Purchaser nor Seller or their representatives will make any public or private disclosure or publicity release pertaining to the existence of this letter or the subject matter contained herein without the prior written consent of the other party hereto.

If the foregoing is acceptable, please sign in the space indicated below and return one original to us. This proposal will expire on July 10, 2007, if not accepted prior to that time.

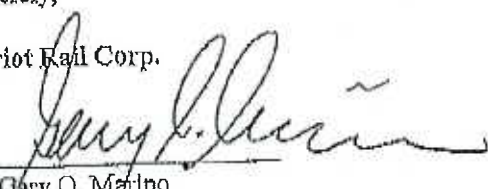
For purposes of this letter agreement, both parties hereby agree to accept documents delivered by facsimile to be deemed as original.

[SIGNATURE PAGE FOLLOWS]

Letter to Harvey L. Miller
June 29, 2007
Page 4

Sincerely,

Patriot Rail Corp.

By: 

Gary O. Marino
President and CEO

AGREED AND ACCEPTED:

Maryland Midland Railway, Inc.

By: _____

Chairman

Date

MARYLAND MIDLAND RAILWAY, INC.
 P.O. Box 1000, 40 North Main Street
 Union Bridge, Maryland 21791-0568

Mr. Gary O. Marino
 Chairman, President and CEO
 Patriot Rail Corp.
 One Boca Place
 2255 Glades Road / Suite 342-W
 Boca Raton, Florida 33431

July 16, 2007

Dear Gary:

Thanks for your letter of June 29, 2007 outlining your offer to buy Maryland Midland Railway, Inc.

We considered the offers presented at our Board meeting on July 13, and I think you should know how we see the value of MMID.

The average EBITDA for 25 recent transactions (excluding Fortress/Rail America) is 8.6. With our strong financials, strong rail carload venue, customer base, 286,000 lbs. capable class 2 R/W, modern car and locomotive fleet, and excellent management team and staff, I'm sure you'll agree we're well above average. We feel our value is \$30,000,000 for the 261,677 shares of common stock (87.4%), excluding Lehigh's 37,746 (12.6%). Lehigh has decided to keep its position.

Our calculation is as follows:

EBITDA, y/e 4-30-08	
After bonuses	\$3,548,000
Appropriate multiple	9.0
Value for all shares including Lehigh - 299,423	31,932,000
Deduct Lehigh's position - (12.6%)	<u>4,023,432</u>
Value of 261,677 (87.4%) to be sold	27,908,568

EXHIBIT D

Working capital additions from
y/c 4-30-07 to settlement -estimate

2,000,000

Total to be paid by buyer.
(to be adjusted by working capital
additions).

29,908,568

If you want to pursue acquisition of Maryland Midland in line with the above, please let
me know.

Very truly yours,

Harvey L. Miller, Chairman
Ph 410-584-8735
Fax 410-584-8737
E-mail harveymiller@yahoo.com

MARYLAND MIDLAND RAILWAY, INC.
P.O. Box 1000
40 North Main Street
Union Bridge, Maryland 21791-0568

Mr. Gary O. Marino
Chairman, President and CEO
Patriot Rail Corp.
One Boca Place
2255 Glades Road / Suite 342-W
Boca Raton, Florida 33431

August 13, 2007
Via e-mail

Dear Gary:

The Board of Directors of Maryland Midland, at its meeting on August 10, 2007, approved the terms of an acquisition by Patriot Rail using the guidelines agreed to by phone on July 30. These conditions are as follows:

1. Patriot will pay to MMID shareholders \$26,167,700 for the 261,677 shares (87.4%) of common stock not owned by Lehigh Cement Company. Lehigh will retain ownership of its 37,746 shares (12.6%).
2. MMID will achieve EBITDA earnings of \$3,400,000 for the 12-month period ending October 31, 2007.
3. MMID will achieve an increase in Working Capital of \$1,200,000 above the April 30, 2007 year-end balance. Any increase greater than \$1,200,000 will be paid to MMID shareholders at closing.
4. MMID will not be required to reduce or pay off its long-term debt, currently \$1,500,000.
5. David Bordner, President and CEO, will execute a 5 year employment agreement.

Please incorporate these terms and conditions in your Letter-of-Intent, and leave flexibility in the expiration time for MMID's attorneys and Lehigh's attorneys to approve the letter.

Yours truly

Harvey L. Miller
Chairman

EXHIBIT E

IN THE CIRCUIT COURT OF THE
15TH JUDICIAL CIRCUIT IN AND FOR
PALM BEACH COUNTY, FLORIDA

CIVIL DIVISION

CASE NO. **50-2007 CA 019308XXXX MB**

PATRIOT RAIL CORP.

Plaintiff,

vs.

MARYLAND MIDLAND RAILWAY, INC.

Defendant.

PLAINTIFF'S FIRST REQUEST FOR
PRODUCTION DIRECTED TO
MARYLAND MIDLAND RAILWAY, INC. **AD**

COPY
RECEIVED FOR FILING

OCT 31 2007

SHARON R. BOOK
CLERK & COMPTROLLER
CIVIL DIVISION

NOW COMES the Plaintiff, PATRIOT RAILWAY CORP. by and through its undersigned attorney, pursuant to Rule 1.350 of the Florida Rules of Civil Procedure and makes this its First Request for Production directed to the Defendant, MARYLAND MIDLAND RAILWAY, INC., to be answered separately and fully in writing, under oath.

DEFINITIONS

A. "Document" or "documents" include, but are not limited to: the original, any copy and/or draft in your possession, custody or control of each and every item written, recorded or graphic material of whatever description (however produced or reproduced), including tapes or other recordings, information in a computer print-out or contained in a computer although not yet printed out, agreements, contracts, communications, correspondence, emails, faxes, marginal comments appearing on any document and all other writings, telegrams, memoranda, summaries or records of personal conversations, conferences or interviews, diaries, schedules, appointment books, calendars, notebooks, charts,

messages, appraisals, graphs, reports, plans, records, tables, pictures, drawings, sketches, maps, summaries of investigations or negotiations, receipts, opinions or reports of consultants, research, brochures, pamphlets, advertisements, circulars, press releases, analyses, inter and intra-office memoranda or communications, financial calculations and representations, ledgers, adding machine tapes, invoices or working papers.

B. "Person" shall mean an individual, proprietorship, corporation, partnership, joint venture, association, or any other legal entity, and any director, officer, employee, agent, or person working on behalf thereof.

C. "Identify":

(a) When used with reference to a natural person or individual, means to state that person's (1) full name; (2) present or last known home and/or business address; (3) present employer (occupation or business if self-employed); (4) present employment title or position; (5) employer as of the time in question (or occupation or business if self-employed); (6) employment title or position as of the time in question; (7) blood or other family relationship, if any, to any one of the individual defendants.

(b) When used in reference to any entity included within the above-definition of "person" other than a natural person or individual, shall mean to state the current or last known full business name and previous registered and/or operating names, if any, the present or last known business address, the nature of the business, and the identity of the chief executive officer(s) and/or general manager(s) throughout the specified time period of said entity.

(c) When used in reference to a document shall mean to state the following:

(1) The date of its preparation;

- (ii) The identity of its author and of any other individual, other than personnel who typed or reproduced the document, involved in its preparation;
- (iii) What type of document it is (e.g., letter, chart, memorandum, etc.), or some other designation by which to identify it;
- (iv) Its content;
- (v) Its present custodian or its location;
- (vi) The identity of all persons for whom it was prepared and/or who received copies of it, regardless of whether or not said individuals were designated addressees of said document;

(d) When used in reference to a meeting or to an oral communication, shall mean to state the following:

- (i) The date and the place thereof;
- (ii) The identity of the individual who initiated said meeting or oral communication;
- (iii) The identity of each person who participated in, or who was present at, any part of or all of said meeting or oral communication, or who became privy to the substance of said meeting or oral communication;
- (iv) The purpose, content, and substance of said meeting or oral communication;
- (v) Whether said meeting or oral communication occurred in person or by telephone, and, if both, the method by which each

individual participated.

D. "and" or "or" have both conjunctive and disjunctive meanings: "all" and "any" both mean "each" and "every".

E. All terms defined in the Complaint have the same meanings herein.

INSTRUCTIONS

A. If you claim any form of privilege or immunity, whether based on statute or otherwise, to any document requested to be provided herein, set forth in complete detail each and every fact upon which the privilege or immunity is based, including sufficient facts for the Court to make a full determination whether the claim of privilege or immunity is valid.

B. If you claim any form of privilege or immunity (whether based on statute or otherwise) as a ground for not describing requested oral communications, state the following with respect to each such communication: (1) the date thereof; (2) the name, and the present or last known home and business address and telephone number, title (or position) and occupation of each of the participants in the oral communications; (3) the name, the present or last known home and business address and telephone number; (4) a description of the oral communication which is sufficient to identify the particular communication without revealing the information which a privilege is claimed; and (5) with sufficient specificity to permit the Court to make a full determination whether the claim of privilege or immunity is valid, state each and every fact or basis on which you claim any such privilege or immunity.

C. If any of the discovery requested herein calls for information or the production of a document which you claim to be privileged or immune from discovery, and such

Information or document is withheld by you on that basis, furnish a list of each and every document for which the privilege or immunity is claimed reflecting the following information; (a) the reason for withholding it; (b) the person initiating the communication or the author of the document; (c) the identity of each individual or other person to whom the communication was made or to whom the document indicates the original or a copy was sent; (d) the identity of each person who received, reviewed, has or has had possession, custody or control of the document; (e) the date of the communication or document; and (f) the title and general subject matter of the document communication (without revealing the information as to which privilege is claimed); and (g) with sufficient specificity to permit the Court to make a full determination whether the claim is valid, each and every fact or basis on which you claim such privilege.

D. Responsive documents shall be produced as they have been kept in the usual course of business or shall be organized and labeled to correspond with the categories in this demand. If there are no documents responsive to a particular category, respondent shall so state in writing.

2. Except for otherwise specifically stated, each of the following requests are for the period from May 1, 2005 to the present.

FIRST REQUEST FOR PRODUCTION

1. All Documents that evidence or tend to evidence any and all communications between you and any entity regarding the potential sale of the majority of your common stock and/or assets to any other entity.
2. All Documents that evidence or tend to evidence any and all communications between you and Genesee and Wyoming, Inc. it agents, attorneys and accountants.
3. All Documents that evidence or tend to evidence any and all communications between you Lehigh Portland Cement regarding the sale or potential sale of your common stock and/or assets to any entity, including but not limited to PATRIOT RAIL CORP. or Genesee and Wyoming, Inc.
4. A copy of any Letters of Intent between you and Genesee and Wyoming, Inc.
5. A copy of any Purchase and Sale Agreements, including preliminary drafts between you and Genesee and Wyoming, Inc.
6. All phone bills, including but not limited to cell phone bills for company officers and employees, from March 1, 2007 through October 15, 2007,

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Facsimile : (561) 241-6654

By: _____

Donald S. Hershman
Florida Bar No. 269042