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MERGER OR SHARE EXCHANGE
FLORIDA EAST COAST INDUSTRIES, INC.

Certificate of Status	0
Certified Copy	1
Page Count	19
Estimated Charge	\$68.75

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TALLAHASSEE, FLORIDA
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**ARTICLES OF MERGER
OF
FECI MERGER SUB LLC
with and into
FLORIDA EAST COAST INDUSTRIES, INC.
Dated November 15, 2013**

Pursuant to and in accordance with the provisions of Section 607.1109 of the Florida Business Corporation Act (the "FBCA"), FECI Merger Sub LLC, a Delaware limited liability company ("Merger Sub"), and Florida East Coast Industries, Inc., a Florida corporation (the "Company"), do hereby adopt these Articles of Merger (these "Articles") for the purpose of merging Merger Sub with and into the Company, with the Company surviving the merger (the "Merger").

1. Plan of Merger. That certain Agreement and Plan of Merger (the "Plan"), dated as of October 22, 2013 is attached hereto as Exhibit A.
2. Approval of Plan. The Plan was approved (i) by the Company in accordance with the applicable provisions of the FBCA and (ii) by Merger Sub in accordance with the applicable laws of the State of Delaware.
3. Effective Date. The effective date of the Merger shall be the date on which these Articles are filed with the Department of State of the State of Florida.
4. Counterparts; Facsimile Signatures. These Articles may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document. Facsimile or other electronically scanned and transmitted signatures (including by email attachment) shall be deemed originals for all purposes of these Articles.

[Signature page follows]


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IN WITNESS WHEREOF, the undersigned have executed these Articles as of the date first set forth above.

FECI MERGER SUB LLC

By: Iron Horse Acquisition Holding LLC, as sole member of Merger Sub

By: 
Name: Cameron MacDougall
Title: Assistant Secretary

FLORIDA EAST COAST INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, the undersigned have executed these Articles as of the date first set forth above,

FECI MERGER SUB LLC

By: Iron Horse Acquisition Holding LLC, as sole member of Merger Sub

By: _____
Name:
Title:

FLORIDA EAST COAST INDUSTRIES, INC.

By: 
Name: Colleen Cobb
Title: Executive Vice President

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EXHIBIT A

[AGREEMENT AND PLAN OF MERGER]

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger, dated as of October 22, 2013 (this "Agreement"), is made by and among Iron Horse Acquisition Holding LLC, a Delaware limited liability company ("Parent"), Florida East Coast Industries, Inc., a Florida corporation (the "Company"), and FECI Merger Sub LLC, a Delaware limited liability company and a wholly-owned subsidiary of Parent ("Merger Sub," and together with Parent and the Company, the "Parties").

WITNESSETH:

WHEREAS, in order to maximize value for the Company and the Company's shareholders and further important business objectives of the Company, the Parties desire that Merger Sub be merged with and into the Company and that the Company continue as the surviving entity in such Merger (as defined below), upon the terms and subject to the conditions set forth herein and in accordance with the Delaware Limited Liability Company Act (the "DLLCA") and the Florida Business Corporation Act (the "FBCA") and that the receipt of a duly executed Form 972 (as defined below) from each shareholder of the Surviving Company (as defined below) is essential to the achievement of such important business objectives;

WHEREAS, the Company and Merger Sub each has determined that it is advisable, fair to and in the best interests of its shareholders and its sole member, respectively, to effect a merger (the "Merger") of Merger Sub with and into the Company pursuant to the FBCA upon the terms and subject to the conditions set forth in this Agreement, pursuant to which each outstanding common share, par value \$0.01 per share (each, a "Common Share" and collectively, the "Common Shares"), shall be converted into the right to receive cash or a common share of the Surviving Company (as defined below), as set forth herein, all upon the terms and subject to the conditions of this Agreement;

WHEREAS, the Board of Directors of the Company 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 shareholders and (ii) adopted resolutions adopting and approving this Agreement and the transactions contemplated hereby, including the Merger, declaring its advisability and recommending the approval by the Company's shareholders of this Agreement and the Merger and the other transactions contemplated hereby; and

WHEREAS, Parent, as the sole member of Merger Sub, has approved this Agreement and the Merger and the other transactions contemplated hereby.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

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ARTICLE I

THE MERGER

Section 1.1 Merger. Upon the terms and subject to the conditions hereof and in accordance with the DLLCA and the FBCA, at the Effective Time (as hereinafter defined), Merger Sub shall be merged with and into the Company, whereupon the separate limited liability company existence of Merger Sub shall cease and the Company shall be the surviving entity (the "Surviving Company") in the Merger, and shall continue to be a Florida corporation.

Section 1.2 Closing. Upon the terms and subject to the conditions hereof, the closing of the Merger shall take place at 10:00 a.m. (New York City time) on the 15th day after the satisfaction or waiver of the conditions set forth in Article V hereof at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, unless another time, date or place is agreed to in writing by the Parties (the "Closing Date").

Section 1.3 Effective Time. On the Closing Date, and subject to the conditions hereof, the Parties shall cause to be filed (i) a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware in accordance with Section 18-209 of the DLLCA and (ii) articles of merger (the "Articles of Merger") with the Department of State of the State of Florida (the "Florida Department of State") in such form as required by, and executed in accordance with, the relevant provisions of the FBCA, and shall make any and all other filings or recordings required under the FBCA and the DLLCA. The Merger shall become effective at such time the Articles of Merger have been duly filed pursuant to the FBCA with the Florida Department of State or at such later date and time as the Parties shall agree to in writing and specify in the Articles of Merger (such date and time, the "Effective Time").

Section 1.4 Effect of Merger. The Merger shall have the effects set forth in this Agreement and in the relevant provisions of the FBCA, including in Section 607.11101 thereof. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all rights, privileges, immunities, powers, franchises, authority, assets and property of every description and every interest in the assets and property of the Company and Merger Sub shall vest in the Surviving Company, and all debts and obligations of the Company and Merger Sub shall become the debts and obligations of the Surviving Company.

Section 1.5 Articles of Incorporation. The articles of incorporation of the Company, as in effect immediately prior to the Effective Time (the "Articles of Incorporation"), shall from and after the Effective Time be the Articles of Incorporation of the Surviving Company until thereafter amended in accordance with the terms thereof and the FBCA.

Section 1.6 Board of Directors. The Board of Directors of the Company immediately prior to the Effective Time shall be the Board of Directors of the

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Surviving Company from and after the Effective Time and shall serve until the earlier of their respective resignations or removal or until their respective successors are duly elected and qualified in accordance with the Articles of Incorporation, the bylaws of the Company and the applicable provisions of the FBCA.

Section 1.7 Officers. The officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Company from and after the Effective Time and shall serve until the earlier of their respective resignations or removal or until their respective successors are duly elected or appointed and qualified in accordance with the Articles of Incorporation, the bylaws of the Company and the applicable provisions of the FBCA.

ARTICLE II

CAPITAL STOCK

Section 2.1 Conversion Common Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the Parties: (i) with respect to each holder of Common Shares immediately prior to the Effective Time who has validly executed and delivered to the Company on or prior to November 5, 2013 (the "Delivery Date") an IRS Form 972 consenting to a "consent dividend" for U.S. federal income tax purposes in an amount equal to \$829.00 per Common Share owned by such holder (such form, a "Form 972," and each such holder, an "Equity Consideration Recipient"), each Common Share held by such holder shall be canceled and converted automatically into one common share of the Surviving Company (the "Equity Consideration"); and (ii) with respect to each holder of Common Shares immediately prior to the Effective Time who has not validly executed and delivered to the Company on or prior to the Delivery Date a Form 972 (each a "Cash Consideration Recipient"), each Common Share held by such holder shall be canceled and converted automatically into the right to receive \$1,181.28 in cash, without interest and subject to any applicable tax withholding (the "Per Share Cash Consideration") (in each case, other than with respect to any (x) Common Shares cancelled in accordance with Section 2.3 and (y) Dissenting Shares).

Section 2.2 Company Preferred Stock. All shares of the Company's Series A Redeemable Preferred Stock and Series B Cumulative Non-Voting Preferred Stock outstanding immediately prior to the Effective Time shall be unaffected by the Merger and shall remain outstanding as Series A Redeemable Preferred Stock or Series B Cumulative Non-Voting Preferred Stock of the Surviving Company, as applicable.

Section 2.3 Company Shares. Each Common Share held by the Company immediately prior to the Effective Time shall automatically be canceled and retired and shall cease to exist, and no consideration or payment shall be delivered in exchange therefor or in respect thereof.

Section 2.4 Cancellation of Merger Sub Membership Interests. The membership interests of Merger Sub outstanding immediately prior to the Effective Time

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shall be canceled at the Effective Time and no consideration or payment shall be delivered in exchange therefor or in respect thereof.

Section 2.5 Payments to Cash Consideration Recipients. As soon as reasonably practicable following the Effective Time, the Surviving Company shall pay to each Cash Consideration Recipient an amount equal to the product of (i) the number of Common Shares such Cash Consideration Recipient held immediately prior to the Effective Time and (ii) the Per Share Cash Consideration.

Section 2.6 Issuance to Equity Consideration Recipients. As soon as reasonably practicable following the Effective Time, the Surviving Company shall issue to each Equity Consideration Recipient a number of common shares of the Surviving Company equal to the number of Common Shares such Equity Consideration Recipient held immediately prior to the Effective Time by crediting such number of common shares of the Surviving Company to the account of such Equity Consideration Recipient in book-entry form.

Section 2.7 Withholding. The Surviving Company shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this Agreement such amounts as the Surviving Company is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, or any provision of state, local or foreign tax law.

Section 2.8 Appraisal Rights. Common Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of approval of this Agreement or consented thereto in writing and who has properly exercised appraisal rights in respect of such shares under Section 607.1301 et seq. of the FBCA (the "Appraisal Rights", and such Common Shares referred to collectively as the "Dissenting Shares" until such time as such holder fails to perfect or otherwise loses such holder's Appraisal Rights) shall not be converted into the right to receive the Per Share Cash Consideration or the Equity Consideration, as applicable. Such holders shall be entitled to receive such consideration as is determined to be due with respect to such Dissenting Shares in accordance with the FBCA; provided, however, that if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under the Appraisal Rights, then the right of such holder to be paid such consideration as is determined to be due pursuant to the Appraisal Rights shall cease and such Dissenting Shares shall be deemed to have become exchangeable solely for the right to receive the Per Share Cash Consideration, without interest, or the Equity Consideration, as applicable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

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The Company represents and warrants to each of the other Parties 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 Florida, (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 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, except in the case of clause (ii) or clause (iii), where such failure would not (x) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, or (y) 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 hereby.

(b) The Company is not in violation of any of the provisions of the Articles of Incorporation or the Company's bylaws and will not be in violation of any of the provisions of the Articles of Incorporation or the Company's bylaws, as such articles of incorporation or bylaws may be amended between the date hereof and the Closing Date.

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, 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. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent 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 other 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 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by the Company does not, and the performance of this Agreement by the Company and the

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consummation of the Merger and the other transactions contemplated by this Agreement will not: (i) conflict with or violate any provision of the Articles of Incorporation or the Company's bylaws, (ii) assuming that all consents, approvals and authorizations contemplated by Section 3.3(b) have been obtained, and all filings described therein have been made, conflict with or violate any law applicable to the Company or its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected, (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 under, result in the loss of any right or benefit to which the Company or any of its subsidiaries 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 or any of its subsidiaries is a party or by which the Company or any of its subsidiaries, or any property or asset of the Company or any of its subsidiaries, 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 or its subsidiaries, except in the case of clauses (ii), (iii) and (iv) above for any such conflicts, violations, breaches, defaults or other occurrences that would not reasonably (x) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, or (y) 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 hereby.

(b) The execution and delivery of this Agreement by the Company does 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 the filing and recordation of the Articles of Merger and the Certificate of Merger, as required by the FBCA and the DLLCA, respectively, and such other consents, approvals, authorizations, permits, filings and notifications that would not (i) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, or (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 hereby.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Section 4.1 Organization and Good Standing. Each of Parent and Merger Sub, (i) is duly organized, validly existing and in good standing under the laws of

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the State of Delaware, (ii) has full limited liability company 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 and (iii) is duly qualified or licensed to do business as a foreign limited liability company or other entity and is in good standing 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, except in the case of clause (ii) or clause (iii), where the failure to be so qualified or licensed would not reasonably (x) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Parent and Merger Sub, taken as a whole, or (y) prevent or materially delay the performance by the Parent or Merger Sub of any of their obligations under this Agreement or the consummation of the Merger or the other transactions contemplated hereby.

Section 4.2 Authority for Agreement. Each of Parent and Merger Sub has all necessary limited liability company 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 and Merger Sub of this Agreement, and the consummation by Parent and Merger Sub of the Merger and the other transactions contemplated by this Agreement, have been duly authorized by all necessary limited liability company or other action and no other limited liability company or other proceedings on the part of Parent or Merger Sub, and no other votes or approvals of any member or, as applicable, class or series of capital stock of Parent 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 and Merger Sub and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of Parent and Merger Sub enforceable against Parent and Merger Sub in accordance with its terms, except as enforcement thereof may be limited against Parent or Merger Sub by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other 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 and Merger Sub does not, and the performance of this Agreement by Parent 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 or Merger Sub's certificate of formation or operating agreement, (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 its subsidiaries or by which any material property or asset of Parent or any of its subsidiaries is bound or affected, (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

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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 Parent or any of its subsidiaries is entitled under, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or any of its subsidiaries is a party or by which Parent or any of its subsidiaries, or any material property or asset of Parent or any of its subsidiaries, 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 material property or asset of Parent or its subsidiaries, except in the case of clauses (ii), (iii) and (iv) above for any such conflicts, violations, breaches, defaults or other occurrences that would not reasonably (x) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Parent and Merger Sub, taken as a whole, or (y) prevent or materially delay the performance by the Parent or Merger Sub of any of their obligations under this Agreement or the consummation of the Merger or the other transactions contemplated hereby.

(b) The execution and delivery of this Agreement by Parent and Merger Sub does not, and the performance of this Agreement by Parent 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 the filing and recordation of the Articles of Merger and the Certificate of Merger, as required by the FBCA and the DLLCA, respectively, and such other consents, approvals, authorizations, permits, filings and notifications that would not (i) be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Parent or Merger Sub, taken as a whole, or (ii) prevent or materially delay the performance by the Parent or Merger Sub of any of their obligations under this Agreement or the consummation of the Merger or the other transactions contemplated hereby.

ARTICLE V

CONDITIONS

Section 5.1 Conditions to the Obligations of the Parties. The respective obligations of the Parties to consummate the Merger are subject to the satisfaction or waiver by each Party, at or prior to the Effective Time, of the following conditions:

(a) the shareholders of the Company and the sole member of Merger Sub shall have approved the Merger in accordance with the organizational documents of each entity and the requirements of the FBCA and DLLCA; and

(b) no U.S. (federal, state or local) or foreign government, or any governmental, regulatory, judicial or administrative authority, agency or commission of

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competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law or order which is then in effect and has the effect of restraining, enjoining, rendering illegal or otherwise prohibiting consummation of the Merger.

ARTICLE VI

TERMINATION

Section 6.1 Termination. This Agreement may be terminated at any time prior to the Effective Time as follows:

- (a) by mutual written consent of the Parties; or
- (b) if the Merger shall not have been consummated on or before 5:00 p.m. (New York City time) on January 1, 2014.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Further Assurances. From time to time, as and when required by the Surviving Company or by its successors and assigns, there shall be executed and delivered on behalf of Merger Sub such deeds and other instruments, and there shall be taken or caused to be taken by the Surviving Company all such further and other actions as shall be appropriate or necessary in order to vest, perfect or confirm in the Surviving Company the title to and possession of all property, interests, assets, rights, privileges, powers and authority of Merger Sub, and otherwise to carry out the purposes of this Agreement. The Surviving Company is fully authorized, on behalf of the Surviving Company or Merger Sub, to take any and all such actions and to execute and deliver any and all such deeds, documents and other instruments.

Section 7.2 Entire Agreement; No Third-Party Beneficiaries. This Agreement contains the entire agreement among the Parties with respect to the Merger and supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof. This Agreement is not intended to and shall not confer upon any person other than the Parties any rights or remedies hereunder

Section 7.3 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE (OTHER THAN WITH RESPECT TO MATTERS GOVERNED BY THE FBCA, WITH RESPECT TO WHICH SUCH LAWS SHALL APPLY), WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANOTHER JURISDICTION TO APPLY.

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Section 7.4 Consent to Jurisdiction; Venue.

(a) Each of the Parties irrevocably submits to the exclusive jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the Southern District of Delaware for the purpose of any action arising out of or relating to this Agreement, and each of the Parties 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 Delaware. Each of the Parties 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 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 7.5 shall affect the right of any Party to serve legal process in any other manner permitted by law.

Section 7.5 Amendment. 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 7.6 Expense Allocation. All costs and expenses incurred in connection with the Merger and the other transactions contemplated hereby ("Expenses") shall be paid by the Party incurring such cost or expense, whether or not the Merger is consummated.

Section 7.7 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) 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 assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

Section 7.8 Notice. All notices, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by hand delivery, by prepaid overnight courier or by confirmed facsimile transmission or electronic mail, addressed as follows:

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if to the Company:

Florida East Coast Industries, Inc.
2855 Le Jeune Road, 4th Floor
Coral Gables, Florida 33134
Phone: (305) 520-2344
Email: Kolleen.Cobb@feci.com
Attention: Kolleen Cobb

if to Parent or Merger Sub:

Iron Horse Acquisition Holding LLC
c/o Florida East Coast Industries, Inc.
2855 Le Jeune Road, 4th Floor
Coral Gables, Florida 33134
Phone: (305) 520-2344
Email: Kolleen.Cobb@feci.com
Attention: Kolleen Cobb

with a copy, in each case (which shall not constitute notice), to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036
Phone: (212) 735-3000
Fax: (212) 735-2000

Email: joseph.coco@skadden.com
Attention: Joseph A. Coco
Email: heather.cruz@skadden.com
Attention: Heather Cruz

Section 7.9 Headings; Severability. The descriptive headings herein are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. If any provision of this Agreement shall be declared by any competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect.

Section 7.10 Binding Effect; Benefit. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other

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person any rights, remedies, obligations or liabilities of any nature whatsoever under or by reason of this Agreement.

Section 7.11 Counterparts. This Agreement may be executed in two or more counterparts (including via facsimile or e-mail), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their officers thereunto duly authorized, all effective as of the day and year first above written.

Iron Horse Acquisition Holding LLC

By: JPAL
Name: Joseph P. Adams, Jr.
Title: President

Florida East Coast Industries, Inc.

By: _____
Name: _____
Title: _____

FECI Merger Sub LLC

By: Iron Horse Acquisition Holding LLC, as
sole member of Merger Sub

By: JPAL
Name: Joseph P. Adams, Jr.
Title: President

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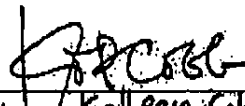
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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their officers thereunto duly authorized, all effective as of the day and year first above written.

Iron Horse Acquisition Holding LLC

By: _____
Name:
Title:

Florida East Coast Industries, Inc.

By: 
Name: Kathleen Cobb
Title: Executive Vice President

FECI Merger Sub LLC

By: Iron Horse Acquisition Holding LLC, as
sole member of Merger Sub

By: _____
Name:
Title:

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