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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)  
ROBERT W. ALVORD (2011)

April 19, 2016

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Partial Release of Security Agreement, dated as of April 18, 2016, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Security Agreement, as amended and supplemented, previously filed with the Board under Recordation Number 26985.

The name and address of the party to the enclosed document is:

Secured Party: Bank of Montreal  
111 West Monroe Street  
Chicago, IL 60603

A description of the equipment covered by the enclosed document is:

6 GP-38 locomotives RELEASED within the series WAMX 3801 – WAMX 3884; and 5 GP-38AC locomotives RELEASED within the series WAMX 3860 – WAMX 3867 as more particularly set forth on the attachment to the document.

A short summary of the document to appear in the index is:

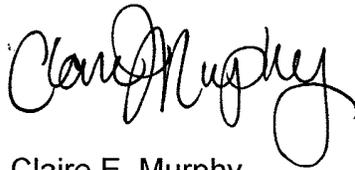
Partial Release of Security Agreement.

Section Chief  
April 19, 2016  
Page 2

Also enclosed is a check in the amount of \$43.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Claire E. Murphy". The signature is written in a cursive style with a large, looping "y" at the end.

Claire E. Murphy

CEM  
Enclosures

**PARTIAL RELEASE OF SECURITY AGREEMENT**

Memorandum of Partial Release of Security Agreement, effective as of April 18, 2016, from Bank of Montreal, a chartered bank of Canada, acting through its Chicago branch, as secured party ("*Secured Party*") in favor of Watco Companies, L.L.C., Watco Transportation Services, L.L.C., Alabama Southern Railroad, L.L.C., Arkansas Southern Railroad, L.L.C., Eastern Idaho Railroad, L.L.C., Great Northwest Railroad, L.L.C., Kaw River Railroad, L.L.C., Kansas & Oklahoma Railroad, L.L.C., Louisiana Southern Railroad, L.L.C., Mission Mountain Railroad, L.L.C., South Kansas and Oklahoma Railroad, L.L.C., Timber Rock Railroad, L.L.C., Vicksburg Southern Railroad, L.L.C., Yellowstone Valley Railroad, L.L.C., Millennium Rail, L.L.C., Watco Mechanical Services, L.L.C., Reload Express, Inc., Austin Western Railroad, L.L.C., Baton Rouge Southern Railroad, L.L.C., Pacific Sun Railroad, L.L.C., Pennsylvania Southwestern Railroad, L.L.C., Palouse River and Coulee City Railroad, L.L.C., Mississippi Southern Railroad, L.L.C., Kansas City Switching Company, L.L.C., Alabama Warrior Railway, L.L.C., Grand Elk Railroad, Inc., Boise Valley Railroad, L.L.C., Watco Dock & Rail, L.L.C., Watco Transloading, L.L.C., PRCCR, Inc., Autauga Northern Railroad, L.L.C., CAF, L.L.C., Watco Railroad Company Holdings, Inc., Swan Ranch Railroad, L.L.C., Birmingham Terminal Railway, L.L.C., Watco Dock & Rail II, L.L.C., Wisconsin & Southern Railroad, L.L.C., Watco International Holdings L.L.C., Pecos Valley Permian Railroad, L.L.C., San Antonio Central Railroad, L.L.C., Watco Alabama Port Services, L.L.C., Ann Arbor Railroad, Inc., Watco Finance Corp., Stillwater Central Railroad, L.L.C., Blue Ridge Southern Railroad, L.L.C., Lubbock and Western Railway, L.L.C., Texas and New Mexico Railway, L.L.C., Watco Supply Chain Services, L.L.C., Bogalusa Bayou Railroad, L.L.C., Cicero Central Railroad, L.L.C., and Aspen Transportation, LLC (collectively referred to herein as the "*Debtors*" and each individually as a "*Debtor*").

**WITNESSETH:**

1. The undersigned have entered into that certain Security Agreement, dated as of April 30, 2007 (the "*Original Security Agreement*"), as amended by the Amended and Restated Security Agreement, dated as of March 22, 2013 (the "*Amended and Restated Security Agreement*"), together with the Original Security Agreement and any amendments, supplements or modifications to each of the Original Security Agreement and the Amended and Restated Security Agreement being referred to herein as the "*Security Agreement*"), by which each Debtor has granted to Secured Party a security interest in certain railroad equipment bearing reporting marks as listed on Schedule G attached to the Security Agreement in order to secure such Debtor's performance of its obligations as described in the Security Agreement. Capitalized terms used herein without definition have the meanings assigned to them in the Indenture.

2. The Security Agreement (or a memorandum thereof) was recorded with Surface Transportation Board on May 25, 2007 at 4:10 P.M. under recordation number 26985 pursuant to Section 11301 of Title 49 of the United States Code. A memorandum of amended and restated equipment description relating to the Security Agreement was recorded with the Surface Transportation Board on (i) February 16, 2011 at 3:10 P.M. under recordation number 26985-A,

(ii) February 9, 2012 at 8:00 A.M. under recordation number 26985-C and (iii) March 22, 2013 at 4:00 P.M. under recordation number 26985-D, in each case, pursuant to Section 11301 of Title 49 of the United States Code.

3. The Security Agreement is terminated effective as of the date hereof solely with respect to the locomotives set forth on Exhibit A attached hereto.

4. This Partial Release of Security Agreement shall neither impair nor terminate the rights and obligations of the parties under the Security Agreement which expressly survive this partial release.

IN WITNESS WHEREOF, the undersigned has caused this memorandum to be duly executed by its officers duly authorized as of the date and year first above written.

BANK OF MONTREAL, as Agent

By   
Name: William Thomson  
Title: Director

Executed on this 18 day of April, 2016.

STATE OF ILLINOIS )  
 ) SS.:  
COUNTY OF COOK )

On this, the 18<sup>th</sup> day of April, 2016, before me, a Notary Public in and for said County and State, personally appeared William Thomson, who being by me duly sworn, says that (s)he is the Director of BANK OF MONTREAL, that said instrument was signed on April 18, 2016 on behalf of said association by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Nancy A. Zarazua  
Name: Nancy A. Zarazua  
Notary Public  
My Commission Expires: April 14, 2017  
Residing in Chicago, Illinois

(SEAL)

**EXHIBIT A**

**UNITS**

| EQUIPMENT           | QUANTITY | REPORTING MARKS  |
|---------------------|----------|--|
| GP-38 Locomotives   | 6        | WAMX 3801<br>WAMX 3804<br>WAMX 3809<br>WAMX 3817<br>WAMX 3861<br>WAMX 3884 |
| GP-38AC Locomotives | 5        | WAMX 3860<br>WAMX 3862 through<br>WAMX 3864, inclusive<br>WAMX 3867        |

**CERTIFICATION**

I, Claire E. Murphy, an attorney licensed to practice in the State of New Jersey, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: April 19, 2016

  
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Claire E. Murphy