

BALL JANIK LLP

A T T O R N E Y S

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LOUIS E. GITOMER
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April 7, 1999


Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

19016-C
APR 7 '99 3-20 PM

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is an Instrument of Satisfaction and Release, a secondary document, dated as of October 29, 1998. The primary document to which this is connected is recorded under Recordation No. 19016. We request that this document be recorded under Recordation No. 19016-C.

The name and address of the party to the Instrument of Satisfaction and Release is:

Secured Party:

Bank IV Pittsburg, National Association
Third and Broadway
Pittsburg, KS 66762

A description of the equipment covered by the Instrument of Satisfaction and Release consists of all now owned and hereafter acquired property, including: (1) seven GP-7L locomotives numbered UP 782, 785, 786, 788, 791, 793, and 798; (2) two SD-45 locomotives numbered 3133 and 3167; (3) five GP-30 locomotives numbered CR 2174, 2204, 2225, 2228, and 2242; (4) two GP-35 locomotives numbered CR 3669 and 2356; and (5) two SD-45 locomotives numbered 6513 and 6525.

A fee of \$26.00 is enclosed. Please return one original to:

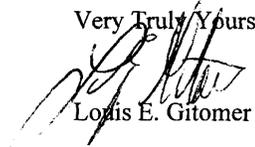
BALL JANIK LLP

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Louis E. Gitomer
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Washington, DC 20005

A short summary of the document to appear in the index follows: an Instrument of Satisfaction and Release by Bank IV Pittsburg, National Association, Third and Broadway, Pittsburg, KS 66762, covering all now owned and hereafter acquired property, including: (1) seven GP-7L locomotives numbered UP 782, 785, 786, 788, 791, 793, and 798; (2) two SD-45 locomotives numbered 3133 and 3167; (3) five GP-30 locomotives numbered CR 2174, 2204, 2225, 2228, and 2242; (4) two GP-35 locomotives numbered CR 3669 and 2356; and (5) two SD-45 locomotives numbered 6513 and 6525.

Very Truly Yours,



Louis E. Gitomer

Enclosures

INSTRUMENT OF SATISFACTION AND RELEASE (the "INSTRUMENT"), dated as of October 29, 1998, by BANK IV PITTSBURG, NATIONAL ASSOCIATION ("BANK IV").

WITNESSETH

WHEREAS, by Security Agreement, dated as of August 8, 1994, as amended, WATCO, INC. ("WATCO"), as borrower, pledged as security to BANK IV, as secured party, all now owned and hereafter acquired property, including: (1) seven GP-7L locomotives numbered UP 782, 785, 786, 788, 791, 793, and 798; (2) two SD-45 locomotives numbered 3133 and 3167; (3) five GP-30 locomotives numbered CR 2174, 2204, 2225, 2228, and 2242; (4) two GP-35 locomotives numbered CR 3669 and 2356; and (5) two SD-45 locomotives numbered 6513 and 6525 (including hereafter acquired property, all referred to as the "Locomotives");

WHEREAS, the Security Agreement was filed and recorded at the Interstate Commerce Commission on August 8, 1994 in Recordation No. 19016;

WHEREAS, BANK IV desires to execute this Instrument to evidence for the public record the satisfaction and release of all of its rights and obligations under the Security Agreement with respect to the Locomotives.

NOW, THEREFORE, in consideration of the premises:

BANK IV does hereby acknowledge and confirm for the public record the satisfaction and release of all of its rights and obligations arising under the Security Agreement with respect to the Locomotives. BANK IV does hereby acknowledge and agree that all of the monetary obligations of WATCO under the Security Agreement have been fully discharged and satisfied and BANK IV does hereby release its security interest in all of the Locomotives and Security Agreement with regard to the Locomotives.

IN WITNESS WHEREOF, BANK IV has executed or caused this Instrument to be executed as of the date first above written.

RECORDATION NO.

19016-C
FILED

APR 7 '99

3-20 PM

BANK IV PITTSBURG, NATIONAL ASSOCIATION

By: [Signature]

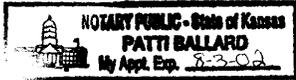
Name: Michael W. Slack

Its: President

As used in this document, all references to "Bank", "Bank IV", "Boatmen's National Bank", NationsBank, N.A. (Mid-West) or to any predecessor institution shall mean NationsBank, N.A.

State of Kansas)
) ss.
County of Crawford)

On this 27th day of October, 1998, before me personally appeared Michael W. Slack, to me personally known, who, being by me duly sworn, says that (s)he is President of Bank IV Pittsburg, National Association, and that (s)he is duly authorized to sign the foregoing instrument on behalf of Bank IV Pittsburg, National Association and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of Bank IV Pittsburg, National Association.



Patti Ballard
Notary Public

As used in this document, all references to "Bank", "Bank IV", "Bostmen's National Bank", NationsBank, N.A. (Mid-West) or to any predecessor institution shall mean NationsBank, N.A.

My commission expires: 8-3-02