

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D C 20005

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

lgitomer@bjllp.com

LOUIS E GITOMER
OF COUNSEL
(202) 466-6532

April 7, 1999

RECORDATION NO

20256-B
FILED

APR 7 '99

3-20PM



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

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. 20256. We request that this document be recorded under Recordation No. 20256-B.

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

Secured Party:

Bank IV, 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) 64 locomotives numbered (i) WATX 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 18, 20, 1002, 1003, 2008, 2009, and 8138; (ii) ISC 20, 21, 22, 3004, 3005, and 5737; (iii) BMR 790 and 784; (iv) SEK 102, 103, 106, 117, 123, 143; (v) SKO 106, 797, 789, 2290, 2211, 6606, 6628, 6629, and 3002; (vi) EIR 1004, 798, 793, 791, 788, 786, 785, 782, 2242, 2228, 2204, 3669, 2274, 3167, 3133, 2225, 6525, and 6513; and (vii) 7, 102, 149, 167, and 187; and (2) 15 rail cars numbered WATX 36, 39, 7904, 7907, 7911, 7912, 7913, 7915, 7921, 7923, 7927, 7928, 8118, 8139, and 8140.

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

RECORD 20256-B

BALL JANIK LLP

Honorable Vernon A. Williams

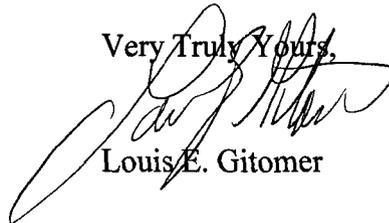
April 7, 1999

Page 2

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: an Instrument of Satisfaction and Release by Bank IV, National Association, Third and Broadway, Pittsburg, KS 66762, covering all now owned and hereafter acquired property, including: (1) 64 locomotives numbered (i) WATX 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 18, 20, 1002, 1003, 2008, 2009, and 8138; (ii) ISC 20, 21, 22, 3004, 3005, and 5737; (iii) BMR 790 and 784; (iv) SEK 102, 103, 106, 117, 123, 143; (v) SKO 106, 797, 789, 2290, 2211, 6606, 6628, 6629, and 3002; (vi) EIR 1004, 798, 793, 791, 788, 786, 785, 782, 2242, 2228, 2204, 3669, 2274, 3167, 3133, 2225, 6525, and 6513; and (vii) 7, 102, 149, 167, and 187; and (2) 15 rail cars numbered WATX 36, 39, 7904, 7907, 7911, 7912, 7913, 7915, 7921, 7923, 7927, 7928, 8118, 8139, and 8140.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name below.

Louis E. Gitomer

Enclosures

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

WITNESSETH

WHEREAS, by Security Agreement, dated September 6, 1996, as amended, WATCO SWITCHING, INC., formerly Titan Rail Services, Inc. ("WATCO SWITCHING"), as debtor, pledged as security to BANK IV, as secured party, all now owned and hereafter acquired property, including: (1) 64 locomotives numbered (i) WATX 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 17, 18, 20, 1002, 1003, 2008, 2009, and 8138; (ii) ISC 20, 21, 22, 3004, 3005, and 5737; (iii) BMR 790 and 784; (iv) SEK 102, 103, 106, 117, 123, 143; (v) SKO 106, 797, 789, 2290, 2211, 6606, 6628, 6629, and 3002; (vi) EIR 1004, 798, 793, 791, 788, 786, 785, 782, 2242, 2228, 2204, 3669, 2274, 3167, 3133, 2225, 6525, and 6513; and (vii) 7, 102, 149, 167, and 187; and (2) 15 rail cars numbered WATX 36, 39, 7904, 7907, 7911, 7912, 7913, 7915, 7921, 7923, 7927, 7928, 8118, 8139, and 8140 (including hereafter acquired property, all referred to as the "Locomotives");

WHEREAS, the Security Agreement was filed and recorded at the Surface Transportation Board on September 9, 1996 in Recordation No. 20256;

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 SWITCHING 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. 20256-B FILED

APR 7 '99 3-20PM

BANK IV, NATIONAL ASSOCIATION

By: [Signature]
Name: Michael W. Slack
Its: President

As used in this document, all references to "Bank", "Bank IV", "Eastman'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, National Association, and that (s)he is duly authorized to sign the foregoing instrument on behalf of Bank IV, National Association and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of Bank IV, National Association.



Patti Ballard
Notary Public

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

My commission expires: 8-3-02