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August 12, 2002

RECORDATION NO. 23548-A FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

AUG 12 '02 2-47 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Release dated as of August 9, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Guaranty and Collateral Agreement which was previously filed with the Board under Recordation Number 23548.

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

Secured Party: Banc of America, N.A.
Third and Broadway
Pittsburg, KS 66162

[Debtor: Kansas & Oklahoma Railroad, Inc.
Watco Companies, Inc.
315 W. 3rd Street
Pittsburg, KS 66762]

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

20 GP38 locomotives bearing HLCX, HATX and TFM reporting marks and road numbers.

Mr. Vernon A. Williams
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A short summary of the document to appear in the index follows:

Release

Also enclosed is a check in the amount of \$30.00 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 "Alvord", written in a cursive style.

Robert W. Alvord

RWA/anr
Enclosures

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RELEASE
SURFACE TRANSPORTATION BOARD

Bank of America, N.A., with a mailing address of Third and Broadway, Pittsburg, KS 66762, as Administrative Agent for the Lenders pursuant to the Credit Agreement dated as of June 29, 2001, among Watco Companies, Inc., Borrower, Kansas & Oklahoma Railroad, Inc. (one of the Guarantors listed therein), the Lenders listed therein, and the Administrative Agent, hereby releases all of the Administrative Agent's and Lenders' right, title and interest in and to the following locomotives:

- HLCX 3611 HLCX 3621 HLCX 3622 HLCX 3624 HLCX 3625 HLCX 3626
- HLCX 3627 HLCX 3628 HLCX 3631 HLCX 3632 HLCX 3633 HLCX 3695
- HATX 108 HATX 111 TFM 1150 TFM 1151 TFM 1152 TFM 1153
- TFM 1154 TFM 1155

Except for such locomotives, the security interest of the Administrative Agent and the Lenders in all other collateral described in the document to which this RELEASE relates shall continue in full force and effect.

The document to which this RELEASE relates was recorded with the Surface Transportation Board on June 29, 2001, under Recordation Number 23548.

IN WITNESS WHEREOF, Bank of America, N.A., has caused this RELEASE to be signed as of August 9, 2002.

Bank of America, N.A.
 By: [Signature]
 Name: THOMAS R. MATTHEWY
 Its: SENIOR VICE PRESIDENT

STATE OF ~~KANSAS~~ Missouri)
) ss.
 COUNTY OF ~~CRAWFORD~~)
JACKSON

On this 9 day of August, 2002, before me personally appeared THOMAS R. MATTHEWY, to me personally know, who, being by me duly sworn, says that (s)he is SENIOR VICE PRESIDENT of Bank of America, N.A., and that (s)he is duly authorized to sign the foregoing RELEASE on behalf of Bank of America, N.A., and (s)he acknowledged that the execution of the foregoing INSTRUMENT was the free act and deed of Bank of America, N.A.

[Signature: Rebecca L. Williams]
 Notary Public

