

RECORDATION NO. 24506-D FILED

MAR 09 '06

2-20 PM

SURFACE TRANSPORTATION BOARD



# FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 500  
Rosemont, IL 60018-4214

VIA UPS 2<sup>nd</sup> DAY AIR

March 7, 2006

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated February 22, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24506.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Watco Transportation Services  
355 W. 3<sup>rd</sup> Street  
Pittsburg, KS 66762

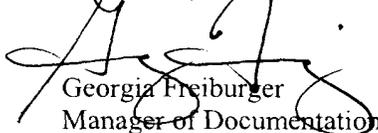
A description of the railroad equipment covered by the enclosed document is one (1) EMD/Boise GP40M-3R Locomotive, with FURX marks (see Exhibit A for locomotive number).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,

  
Georgia Freiburger  
Manager of Documentation

Enclosures  
(WAC0008)

ASSGN. NO.: WACO008

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 22<sup>nd</sup> day of February, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Watco Transportation Services ("Lessee"), a Kansas corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 12, 2002 whereby Lessor has agreed to lease to Lessee certain locomotives pursuant to Rider No. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 16, 2006 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

**LESSOR:**

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

By: K. A. Dombrowski

Name: RICHARD F. SEYMOUR  
Vice President Sales & Marketing

Name: K. A. Dombrowski

Title: \_\_\_\_\_

Title: DIRECTOR OF DOCUMENTATION Executed on this 22<sup>nd</sup> day of February, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 22<sup>nd</sup> day of February, 2006

Susan Grokulska  
Notary Public

My Commission Expires:

8-14-2008  
(Notary Public)



LESSEE:

WATCO TRANSPORTATION SERVICES

By: [Signature]

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed on this 15<sup>th</sup> day of February, 2006.

[CORPORATE SEAL]

STATE OF Florida

COUNTY OF CLAY

I, THOMAS C. SANTORO, a Notary Public of the County and State aforesaid, certify that Clyde Wayne Sigley personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 15<sup>th</sup> day of February, 2006.

[Signature]  
Notary Public

Commission Expires:

Thomas C. Santoro  
Notary Public Commission # DD469047  
Expires October 31, 2009

\_\_\_\_\_  
(Notary Public)

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF LOCOMOTIVES:                      One (1)

DESCRIPTION OF LOCOMOTIVES:              1971 built, 1998 rebuilt, EMD/Boise  
GP40M-3R Locomotives, 3000 horsepower

LOCOMOTIVE NUMBERS:                      FURX 1178