

RAIL CONNECTION, INC.

RECORDATION NO. 26613 FILED

Post Office Box 800
737 Eleanor Industrial Park
Eleanor, West Virginia 25070
(V) 304.755.7083 ▼ (F) 304.755.7084

OCT 11 '06

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SURFACE TRANSPORTATION BOARD

October 9, 2006

Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington, D.C. 20423



Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Railroad Equipment Lease Agreement dated June 19, 2006; Amendment No. 1 dated August 1, 2006; and Amendment No. 2 dated September 1, 2006, including the following parties and railroad equipment. ***(Please note none of the aforementioned listed documents was filed previously.)***

Lessor: Rail Connection, Inc.
Post Office Box 800
737 Eleanor Industrial Park
Eleanor West Virginia 25070

Lessee: Watco Companies, Inc.
315 West Third Street
Pittsburg, Kansas 66762

Equipment: 20, Railcars
APPX 400001 – 400023, not inclusive

Please record these agreements as a primary document. The filing fee of \$34 is enclosed.

Summary: Memorandum of Railroad Equipment Lease Agreement dated June 19, 2006; Amendment No. 1 dated August 1, 2006; and Amendment No. 2 dated September 1, 2006, between Rail Connection, Inc. as Lessor and Watco Companies, Inc. as Lessee, including twenty (20) railcars—APPX 400001 – 400023, not inclusive.

Sincerely,

A handwritten signature in cursive script that reads "Pixie L. Legg".

Pixie L. Legg
Personnel Director & Policy Coordinator

:pl

Enclosures

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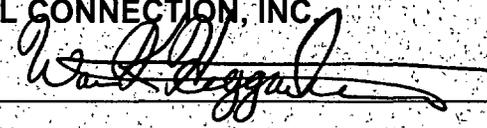
MEMORANDUM OF
RAILROAD EQUIPMENT LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

This **MEMORANDUM OF RAILROAD EQUIPMENT LEASE** ("Memorandum of Lease" entered into this 19th day of June, 2006, is intended to evidence the lease dated as of June 19, 2006; (the "Lease"), between **RAIL CONNECTION, INC.**, a West Virginia corporation ("Lessor"), and **WATCO COMPANIES, INC.**, a Kansas corporation ("Lessee"); for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 49 of U.S.C. 11301. Lessee has the right to use the twenty (20) railcars, which are described in Exhibit A attached hereto (the "Units"). Lessee is renting from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature

RAIL CONNECTION, INC.

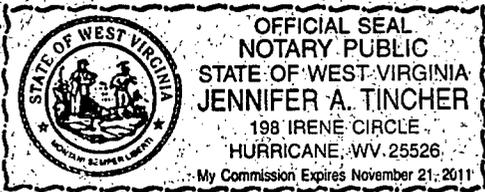
By: Name: Warren K. HigginbothamTitle: Vice PresidentDate: October 2, 2006

WATCO COMPANIES, INC.

By: Name: D. FARRISTitle: Fleet MgrDate: 10-5-06

STATE OF WEST VIRGINIA)
)
COUNTY OF PUTNAM)

The foregoing instrument was acknowledged before me this 2nd day of October, 2006, by Warren K. Higginbotham, the Vice President of Rail Connection, Inc., a West Virginia corporation, on behalf of the corporation.



Jennifer A. Tincher
Notary Public

My Commission expires:

November 21, 2011

STATE OF KANSAS)
)
COUNTY OF CRAWFORD)

The foregoing instrument was acknowledged before me this 5th day of October, 2006, by Deborah Ferris, the Fleet Manager of Watco Companies, Inc., a Kansas corporation, on behalf of the corporation.

Larry J. Magee
Notary Public

My Commission expires:

8/16/08

EXHIBIT A

To the Memorandum of Lease dated June 19, 2006, between Rail Connection, Inc. and Watco Companies, Inc.

DESCRIPTION OF UNITS

Twenty (20), railcars bearing reporting marks:

APPX 400001 – APPX 400023, not inclusive

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SURFACE TRANSPORTATION BOARD

**AMENDMENT NO. 1
TO
RAILROAD EQUIPMENT LEASE**

This Amendment No. 1 to Railroad Equipment Lease ("Amendment No. 1"), is entered into this 1st day of August 2006, by and between **RAIL CONNECTION, INC.** ("Lessor") and **WATCO COMPANIES, INC.**, ("Lessee"), amending that certain Railroad Equipment Lease dated June 19, 2006, (hereinafter referred to as the "Lease") by and between Lessor and Lessee.

WHEREAS, the parties agree to amend the Lease by the Lessor by granting to the Lessee (2) months of service time at no cost to the Lessee; in exchange for repairs, and amending the term of the original Lease from sixty (60) months to fifty-eight (58) months.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Lease shall be amended to reflect the term of the lease to be fifty-eight (58) months, effective September 1, 2006.
2. All other terms and conditions of the Lease remain unchanged and in full force and effect.

REMAINDER OF THIS PAGE PURPOSELY LEFT BLANK.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed as of the day and year first above written.

Signed and acknowledged
In the presence of:

Piper L. Legg

LESSOR

RAIL CONNECTION, INC.

BY: Warren K. Higginbotham

NAME: Warren K. Higginbotham

TITLE: Vice President

DATE: August 1, 2006

Signed and acknowledged
In the presence of:

Deborah Farris

LESSEE

WATCO COMPANIES, INC.

BY: Deborah Farris

NAME: Deborah Farris

TITLE: Fleet Manager

DATE: 8-14-06

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**AMENDMENT NO. 2
TO
RAILROAD EQUIPMENT LEASE**

SURFACE TRANSPORTATION BOARD

This Amendment No. 2 to Railroad Equipment Lease ("Amendment No. 2"), is entered into this 1st day of September 2006, by and between **RAIL CONNECTION, INC.** ("Lessor") and **WATCO COMPANIES, INC.**, ("Lessee"), amending that certain Railroad Equipment Lease dated June 19, 2006, (hereinafter referred to as the "Lease") by and between Lessor and Lessee.

WHEREAS, the parties agree to amend the Lease by the Lessor by granting to the Lessee (2) months of service time at no cost to the Lessee; in exchange for repairs, and amending the term of the original Lease from sixty (60) months to fifty-eight (58) months.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

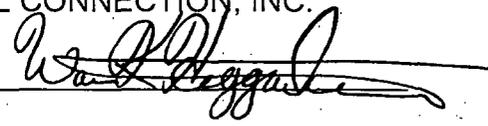
1. The Lease shall be amended to reflect the term of the lease to be fifty-eight (58) months, effective October 1, 2006.
2. All other terms and conditions of the Lease remain unchanged and in full force and effect.

REMAINDER OF THIS PAGE PURPOSELY LEFT BLANK.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to be executed as of the day and year first above written.

LESSOR

RAIL CONNECTION, INC.

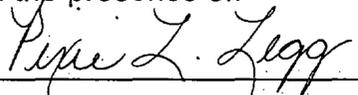
BY: 

NAME: Warren K. Higginbotham

TITLE: Vice President

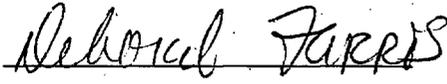
DATE: September 1, 2006

Signed and acknowledged
In the presence of:



LESSEE

WATCO COMPANIES, INC.

BY: 

NAME: DFARRIS

TITLE: Sheet Metal

DATE: 9-11-06

Signed and acknowledged
In the presence of:

