

AUG 03 '11 -2 45 PM

UNITED STATES TRANSPORTATION BOARD

FIRST UNION RAIL

One O'hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018-4214

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August 2, 2011

Chief Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Notice of Memorandum of Partial Lease Termination

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Notice of Memorandum of Partial Lease Termination dated August 2, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease evidencing such lease Equipment which was duly filed at the Surface Transportation Board on October 1, 2003, August 25, 2005 and March 9, 2006 under Recordation Numbers 24506-A, 24506-C and 24506-D respectively.

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

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

Lessee: Watco Transportation Services
315 W. 3rd Street
Pittsburg, KS 66762

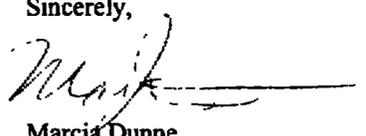
The enclosed document is for nine (9) locomotives, (see Exhibit A for locomotive numbers) which have been terminated in all respects and are no longer covered under the Lease.

A short summary of the document to appear in the index follows: **Notice of Memorandum of Partial Lease Termination**

Also enclosed is a check in the amount of \$41.00 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) 384-5397. Thank you for your cooperation in this matter.

Sincerely,



Marcia Dunne
Senior Documentation Specialist

Enclosures

(WACO007)

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NOTICE OF MEMORANDUM OF PARTIAL LEASE TERMINATION

SURFACE TRANSPORTATION BOARD

THIS NOTICE OF MEMORANDUM OF PARTIAL LEASE TERMINATION (the "Memorandum") dated as of Aug. 2, 2011 is made by First Union Rail Corporation (the "Lessor"), a North Carolina corporation, and pertains to that certain Lease Agreement dated as of September 12, 2002, (collectively, the "Lease"), between Lessor and Watco Transportation Services (the "Lessee"), a Kansas corporation.

WITNESSETH:

WHEREAS, Lessor and Lessee entered into the Lease whereby Lessor has agreed to lease to Lessee certain locomotives (the "Equipment") as more particularly described in on Exhibit A attached hereto; and,

WHEREAS, Lessor and Lessee entered into certain Memorandum of Lease, evidencing the above-described Lease of such Equipment, which were filed at the Surface Transportation Board on October 1, 2003 at 10:48 a.m. with recordation number 24506-A, August 25, 2005 at 2:41 p.m. with recordation number 24506-C and March 9, 2006 at 2:20 p.m. with recordation number 24506-D.

WHEREAS, certain Equipment has been released and is no longer covered under the Lease; and,

NOW, THEREFORE, the Lessor desires to clarify the public record state as follows:

1. This Notice serves as notice that the Equipment listed on the attached Exhibit A as evidenced by the Memorandum of Lease filed with the Surface Transportation Board have been terminated in all respects.
2. All of the interest of the Lessee, its successors and assigns, in the Equipment listed on Exhibit A arising pursuant to the Lease has been terminated.
3. Lessor wishes to record this Notice of Partial Termination of Memorandum of Lease so as to release the lien with respect to the Equipment.

IN WITNESS WHEREOF, the party hereto has caused this Memorandum to be duly executed by their respective officer duly authorized as of the date and year first above written (and the undersigned declares under penalty of perjury that he holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

LESSOR:

FIRST UNION RAIL CORPORATION

Name: John J. Thomas

Title: President

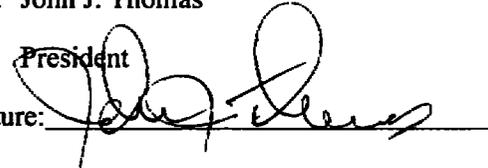
Signature: 

EXHIBIT A
to
MEMORANDUM OF PARTIAL LEASE TERMINATION

NUMBER OF LOCOMOTIVES:	Nine (9)		
DESCRIPTION OF LOCOMOTIVES:	1966-1971 built, 1998 rebuilt, EMD/Boise GP40M-3R Locomotives; 3000 horsepower		
LOCOMOTIVE NUMBERS:	FURX 1162	FURX 1163	FURX 1167
	FURX 1169	FURX 1175	FURX 1176
	FURX 1177	FURX 1178	FURX 1179