

Watco Transportation Services Announcement

Date: October 15, 2009

To: Watco Team

From: Alex King, Alabama Southern Railroad & Alabama Warrior Railway General Manager

Subject: John Peek, Assistant General Manager, Alabama Warrior Railway & Alabama Southern Railroad
Todd Johns, Assistant Trainmaster, Alabama Southern Railroad
Cecil Traylor, Chief Mechanical Officer, Alabama Southern Railroad

John M. Peek, formerly Trainmaster for the Alabama Southern, has been promoted to Assistant General Manager for the Alabama Southern Railroad (ABS) and the Alabama Warrior Railway (ABWR). John will be based out of the ABWR Birmingham terminal.

John brings a wealth of knowledge in operations and a very team-oriented focus to management. As Assistant General Manager he will be responsible for assisting the General Manager in supervising all departments of the ABWR, focusing on operations, safety, and financial budget management.

John has been with Watco since the Alabama Southern startup in November of 2005. During his tenure with the Company he served as a conductor and engineer, and assisted with three Watco startups; the Alabama Southern, Mira Loma, CA, auto terminal, and the Alabama Warrior Railway. He was promoted to Assistant Trainmaster in 2008, and then to Trainmaster, also in 2008, for the Alabama Southern. Prior to coming on board with Watco, he worked for CSX Transportation in Chicago and Danville, Illinois. John received a bachelor's degree in business administration from Athens State University in 2005.

John and his wife Kimberly reside in Tuscaloosa, Alabama. They have a four year-old son Tyler. When not working to further improve the ABS and ABWR under Watco Founding Principles and Customer First vision, John and his family enjoy outdoor activities and sports, traveling to see family in North Alabama, and of course, Alabama football.

John can be reached at the Birmingham office: 205-275-5302 or by e-mail ajpeek@watcocompanies.com. Please join me in congratulating him on his new endeavor and wishing him great success with the Alabama Warrior!

Todd E. Johns joins the Watco team as Assistant Trainmaster for the Alabama Southern Railroad (ABS). Todd will be based out of the Tuscaloosa terminal office. As Assistant Trainmaster he will be responsible for: supervising and coordinating all customer service activities of yard and road train crews, managing car movements and on time delivery through RMI and train operating plans, and

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monitoring all safety and operating efficiencies on the ABS system.

Todd previously worked for the Kansas City Southern as Trainmaster out of Dequeen, Ark., and Jackson, Miss. Prior to the KCS he was with the Norfolk Southern from 2003 to 2007 in the Chicago Region, where he held the position of Terminal Trainmaster.

Todd is used to working in fast paced environments in terminal operations, and will be able to “hit the ground running” contributing to the continued operational improvements on the ABS.

Todd and his wife Cindy have three children; Cameron, 10; Derrick, 8; and Nathan, 5. They will be residing in Vance, Ala., just outside of Tuscaloosa. Todd and his family are active in church and he has served as Youth Pastor in Oklahoma. He also has been very active in coaching youth football and baseball. Of course, the entire family are big Alabama football fans, and a big Roll Tide welcome goes out from Team ABS.

Todd can be reached at the Tuscaloosa office: 205-901-8773 or by e-mail at tjohns@watcocompanies.com. Please join me in congratulating him on his new endeavor and wishing him great success with the Alabama Southern!

Cecil A. Traylor has been promoted to Chief Mechanical Officer for the Alabama Southern. Cecil joined the ABS in April of 2009 as Assistant Chief Mechanical Officer. He is based out of the Tuscaloosa Locomotive Facility.

Cecil's railroad career spans 30 years, starting with the Missouri Pacific in May of 1979 in Houston, Texas. He worked through the Machinist Apprenticeship, and advanced to Locomotive Supervisor, General Foreman, and Manager Transportation Supervisor in various locations with the MP and UP, before finishing in Lavonia, Louisiana.

Cecil moved back to his home state of Alabama in September of 2007 to be closer to family, and accepted a position with the Birmingham Southern Railroad.

When not working to continually improve the quality and availability of the ABS locomotive fleet, Cecil enjoys going home to Sweetwater, Ala., to spend time with his family and watching both Auburn and Alabama football.

Cecil can be reached at the Tuscaloosa Facility: 205-542-3606 or by e-mail at ctraylor@watcocompanies.com.

Please join me in congratulating Cecil and wishing him great success managing the ABS locomotive fleet and continuing his improvements on inventory cost control, locomotive availability, and taking care of our internal and external customers through his experience and team management!