



DATE: December 22, 2005

TO: Watco Companies Employees and Managers

FROM: Terry Towner
President and Chief Operating Officer

SUBJECT: Kess Creech, Vice President of Engineering

Please join me in welcoming the newest member of the Watco Companies Team, Kess Creech. Kess will join Watco as Vice President of Engineering effective January 1, 2006. As Vice President of Engineering, Kess will be responsible for the operational and financial aspects of system-wide track maintenance and repair and track capital projects. This will include working with and supporting the Regional COO's to establish standards for track construction and maintenance, track inspection processes, project management and the establishment of work priorities, performance expectations and evaluation.

Kess comes to Watco with more than 32 years of experience in the railroad industry, beginning with the CSX in 1973 as a trackman. He later worked as assistant foreman and foreman before being promoted to roadmaster in 1982. In 1988, Kess went to work as roadmaster for RailTex and was later promoted to regional production manager and general roadmaster.

Most recently, Kess served as chief engineer for RailAmerica. He had been promoted to that position with RailTex in 2000 and RailAmerica acquired RailTex in 2002. In this position, he was responsible for all track related activities in the Central Region, including Kansas, Missouri, Oklahoma, Arkansas, Texas, Illinois and Indiana.

We are pleased to have Kess join our team in this most important role. The knowledge and experience that Kess adds will be valuable to our efforts to improve the quality of our track infrastructure throughout Watco.

Kess and his wife Jeanie live in Carthage, Missouri and have two daughters: Candice, 21 and Summer, 12. In his spare time, he enjoys spending time with his family and building, racing and showing street rods and hot rods.

Kess's office will be located in Pittsburg, Kansas. His contact information will be available at a later date.

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