



March 22, 2010

Watco Team:

One year ago the Watco Family was challenged by the illness of my father who ultimately passed March 23, 2009. During the year since his passing, we have faced other challenges and just as I expected the Watco Team rose above those challenges and succeeded. As I reflect on this last year I want to thank all of you for your dedication, hard work and support for our Family and Team. I also want to share with you a story and some wisdom a good friend shared with me.

A few months after my father's passing, I returned from a business trip to find a package on my desk. Inside was the book "The Little Engine That Could" and a note handwritten in the back flap. The note explained how the book not only told the story of a little engine, but how my father mirrored that locomotive with all its determination. Just as all the little boys and girls shared in the Little Engine's joy when it reached the top of the mountain, everyone who knew my father shared in his joy and success also, the note read. The note continued to say that it's important to understand when someone passes, they are not gone, only out of sight. "Just as the energy force that surrounds a magnet, your dad's energy is still around us all and his influence will be passed on for generations to come. Your dad is still a great man—not because of what he had or created, but because of what he gave to others: friendship, self-confidence, pride, integrity, a sense of humor and love."

Those of you who knew my father understand the joy it brought him to see people succeed. He had high expectations for himself and placed those same expectations on those around him because he knew they could be great and succeed as well. Like my father, I take great joy in the success of our team and our company. And like my father I have high expectations for all of us. As I have said many times before, the Watco Team is THE best in the industry. And just as that handwritten note said, my father is not gone, only out of sight and his influence will be passed on for generations to come.

Our company's vision and foundation principles created in 1983 have not changed: Improved Customer Satisfaction and Improved Profitability Over the Long Term. Let's honor my father's memory by keeping his vision alive and being the best we can be every day. By doing this Watco will continue to grow and prosper for many generations in the future.

Keep making great things happen,

*Rich*