



WATCO
COMPANIES, INC.
"Your Transportation Specialists"

March 28, 2006

Mark Mickelson
Mickelson & Company LLC
200 E. Tenth Street Suite 302
Sioux Falls, SD 57104

Re: Reference

Dear Mark,

We are happy to serve as a reference for the work you have done for Watco, Inc.

Watco is the largest privately held short line railroad holding company in the United States with over 3,500 miles of track on 17 wholly owned short-line railroads. Overall, the Company is the third largest short line railroad and the tenth largest railroad in the United States.

Your assistance was invaluable in capturing the value of the 45G tax credit and allowing us to make the resulting significant additional track improvements.

We very much appreciate our business relationship and look forward to your continued assistance.

We would hire you again without hesitation and can state without reservation other short-line railroads would be well served to consider doing so as well.

Regards

A handwritten signature in blue ink, appearing to read 'Rick Baden', with a long horizontal flourish extending to the right.

Rick Baden
EVP and Chief Financial Officer