

HELM-PACIFIC LEASING
JOINT VENTURE

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

January 4, 1999

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. 21797 FILED *B*

JAN 7 '99 1-10PM

Dear Mr. Williams:

Enclosed are three (3) Certification of True Copies evidencing **Schedule No. 2** dated as of November 12, 1998 to that certain Master Full Service Lease Agreement dated as of September 2, 1997 between the following parties:

Lessor: Helm-Pacific Leasing
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Lessee: Union Pacific Railroad Company
1416 Dodge Street, Room 200
Omaha, Nebraska 68179

Equipment: Twenty-five (25), 60', 100-ton XL boxcars equipped with 16' sliding doors and four heavy-duty bulkheads; built by ACF in 1972 and bearing the mark and numbers CHTT 265000-265024.

Please file this Schedule as a supplementary document to Recordation No. 21797 and return **two (2)** stamped originals to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,

Alison Drain

Alison Drain
Document Administrator

/ad
Enclosures (3)

CERTIFICATION OF TRUE COPY

JAN 7 '99

1-10PM

On December 14, 1998, I, Cecilia Mostaghim, have examined the original copy of the SCHEDULE NO. 2 dated November 12, 1998 to that certain Master Full Service Lease Agreement dated as of September 2, 1997 between HELM-PACIFIC LEASING and UNION PACIFIC RAILROAD COMPANY. I hereby certify that I have compared the attached duplicate copy with the original and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgments thereof.

Cecilia Mostaghim

Cecilia Mostaghim
Contract Administrator

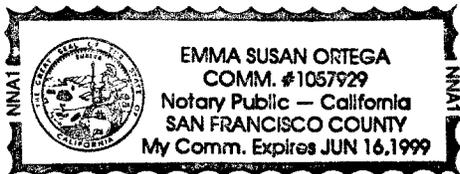
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On December 15, 1998, before me, Emma S. Ortega, personally appeared Cecilia Mostaghim, Contract Administrator, HELM PACIFIC CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



Emma Susan Ortega
SIGNATURE OF THE NOTARY

JAN 7 '99

1-10PM

SCHEDULE NO. 2

THIS SCHEDULE NO. 2 ("Schedule") to that certain Master Full Maintenance Lease Agreement ("Lease") dated as of September 2, 1997 between HELM-PACIFIC LEASING ("Lessor") and UNION PACIFIC RAILROAD COMPANY ("Lessee") is dated as of November 12, 1998.

Lessor and Lessee agree as follows:

1. **Capitalized Terms:** All capitalized terms defined in the Lease shall have the meanings defined therein when used in this Schedule except that the term "Unit(s)" shall refer only to the equipment described in this Schedule.
2. **Units Leased:** Subject to the terms and conditions of the Lease and this Schedule, Lessor hereby leases to Lessee twenty-five (25), 60', 100-ton, XL boxcars equipped with 16' sliding doors and 4 heavy-duty bulkheads; built by ACF in 1972 and bearing the mark and numbers CHTT 265000-265024.
3. The "Delivery Point" shall be the interchange between the railroad lines of the Columbia & Cowlitz Railway Company and Lessee at Rocky Point, WA.
4. The "Lease Commencement Date" for each Unit shall be the date such Unit is released from the Northwest Freight Car Repairs Corporation repair facility in Longview, WA.
5. The "Rent Commencement Date" for each Unit shall be the date such Unit arrives at the Delivery Point.
6. The "Effective Date" shall be the first day of the month following the Rent Commencement Date for the last delivered Unit.
7. The "Rent" for each Unit shall be [REDACTED] per Unit per month.
8. The "Fixed Term" of this Lease shall commence on the Effective Date and shall continue in full force and effect for [REDACTED] months thereafter.
9. **Lease Renewal Option:** If no Event of Default has occurred and is continuing under the Lease or this Schedule, effective on the expiration of the Fixed Term, Lessee shall have the option to renew the Lease for all of the Units ("Renewal"); provided, however, that Lessee has notified Lessor sixty (60) days prior to the expiration of the Fixed Term of its intention to negotiate such Renewal. The Renewal rental rate for the Units shall be based upon the then fair market rental value for the Units, and the terms and conditions of the Renewal for the Units shall be mutually agreed upon between Lessor and Lessee.
10. Pursuant to Section 8 of the Lease, the "Settlement Value" for each Unit shall be as set forth on Annex A attached hereto.
11. **Maintenance:** For the Units covered under this Schedule only, Subsections 10.C.(iii) and 10.C.(v) of the Lease are hereby replaced as follows:
 - "10.C. (iii) repairs required because of excessive, unusual, or avoidable damage caused to the Units by devices used during the loading or unloading of a Unit, except for any fork lift puncture or tear in any bulkhead which protrudes inward whereby the surface of the bulkhead is smooth and will not damage any load, or any hole in any bulkhead that is cosmetic in nature.
 - (v) repairs required because of damage to or missing safety appliances, specialty items, removable parts or attachments, interior lading fittings or devices and doors, except for any maintenance and repairs to any door and any bulkhead, which is billed under the Why Made Code 01 "Worn Out" as defined in Rule 77 of the 1995 Field Manual of the A.A.R. Interchange Rules, which shall be Lessor's responsibility."

CW

12. Remark of the Units: Prior to the delivery of any Unit to Lessee, Lessor shall, at its expense, cause such Unit to be remarked to bear the reporting marks and numbers as provided herein above and to reprogram the Automatic Equipment Identification Tags ("**AEI Tags**") on such Unit to conform with such new railroad markings. Upon the expiration or earlier termination of the Lease for the Units covered under this Schedule, prior to the return of any Unit to Lessor, at Lessor's direction, Lessee shall, at its expense, remark such Unit. Remarking shall include: (i) removal of the existing reporting marks and any company logos of Lessee; (ii) complete cleaning of the area where the new marks are to be placed as designated by Lessor; (iii) application of new mandatory reporting marks but excluding company logos; (iv) reprogramming of the AEI Tags to conform with such new railroad markings and (iv) any transportation involved in moving each Unit to and from the remarking facility on Lessee's railroad lines.

IN WITNESS WHEREOF, each party pursuant to due corporate authority has caused this Schedule to be executed by its authorized officer.

LESSOR

LESSEE

HELM-PACIFIC LEASING

UNION PACIFIC RAILROAD COMPANY

By: Helm Pacific Corporation,
a General Partner

By:  _____

Name: David R. Eckles

Title: President

By:  _____

Name: Michael J. Cronin

Title: Vice President-Supply

By: Union Pacific Venture
Leasing, Incorporated,
a General Partner

By:  _____

Name: Eric L. Butler

Title: President

