

HELM FINANCIAL CORPORATION

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

July 6, 1999

RECORDATION NO. **20369-L** FILED

JUL 19 '99 1-00PM

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

Dear Mr. Williams:

Enclosed are two (2) copies of **Schedule No. 13** dated as of January 9, 1998, to the Master Locomotive Lease Agreement dated as of May 5, 1995 between the following parties:

Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

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

The equipment involved in this transaction is as follows:

Equipment: Four (4) locomotives as more fully described in Annex A attached hereto.

Please file this **Schedule No. 13** as a supplementary document to Recordation No. 20369 and return one (1) stamped copy to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,



Alison Drain
Document Administrator

/ad
Enclosures (2)

JUL 19 '99

1-00PM

SCHEDULE NO. 13

THIS SCHEDULE NO. 13 ("Schedule No. 13") to that Master Locomotive Lease Agreement ("Lease") dated as of May 1, 1995 between HELM FINANCIAL CORPORATION ("Lessor") and UNION PACIFIC RAILROAD COMPANY ("Lessee") is dated as of January 9, 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 No. 13 except that the term "Unit(s)" as used herein shall only refer to the locomotives described in this Schedule No. 13 unless otherwise indicated.
2. Units Leased: Lessor hereby leases to Lessee the locomotives described in Annex A, attached hereto, subject to the terms and conditions of the Lease and this Schedule No. 13.
3. Delivery Point: For the Unit HLCX 6071 the Delivery Point shall be Hillcrest, Idaho. For the Units HLCX 6402, 6403 and 6404 the Delivery Point shall be Lessee's interchange with the Illinois Central Railroad Company at Memphis, TN.
4. Lease Commencement Date: Lessee has the right to inspect each Unit prior to such Unit being released from its current location at either the Boise Locomotive repair facility in Boise, Idaho (Unit HLCX 6071), and VMV Enterprises in Paducah, KY (Units HLCX 6402, 6403 and 6404). The Lease Commencement Date for each Unit shall be the date such Unit is delivered to Lessee at the Delivery Point as indicated on Annex A.
5. Rent Commencement Date: Rent shall commence for each Unit on the Lease Commencement Date for such Unit.
6. Rent: Lessee shall pay to Lessor as rent for each Unit an amount of [REDACTED] per Unit per day ("Rent"). Rent for each Unit shall commence on the Lease Commencement Date for such Unit and continue through and including the date such Unit is returned to Lessor pursuant to Section 11 of the Lease. Rent payments with respect to each Unit shall be made by Lessee on the last day of each month in arrears.
7. Term:
 - A. Term of this Lease. The Fixed Term of this Lease shall commence on [REDACTED] (the "Effective Date") and shall continue in full force and effect through and including [REDACTED]
 - B. Renewal Option. If no Event of Default has occurred and is continuing under the Lease or this Schedule No. 13, the parties may extend the Term of this Lease beyond expiration of the Fixed Term with respect to any Unit(s) covered under this Schedule No. 13 ("Renewal"); **provided, however**, that Lessee and Lessor mutually agree in writing forty-five (45) days prior to the expiration of the Fixed Term of their

intention to negotiate such Renewal. The Renewal rental rate shall be based upon the then fair market value for the Units and the terms, conditions and such rental rate of the Lease shall be mutually agreed upon between Lessor and Lessee.

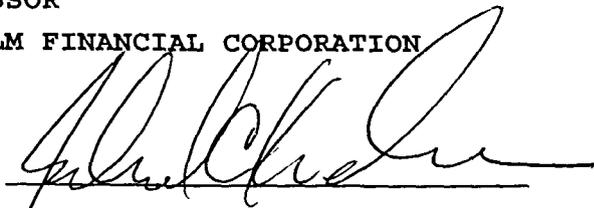
8. Settlement Value: For any Casualtied Unit, Lessee shall have the option to either (a) pay to Lessor a Settlement Value payment in the amount as set forth in Annex B attached hereto, or (b) replace such Unit with a Substitute Unit.

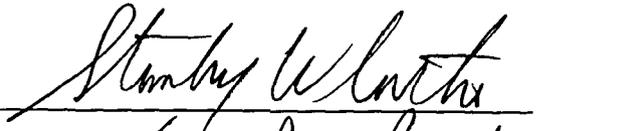
9. Parts and Labor Warranty. In the event of a failure, Lessor agrees at its own expense to repair or replace any component set forth in Annex C attached hereto ("Warranty Item(s)"), including any labor charges relating thereto. Lessee agrees at its own expense to repair or replace any failed Warranty Item(s), including labor charges relating thereto, at any time if Lessee's misuse or abuse, or a derailment or any accident causes such failure. If the Unit is removed from service due to the failure of a Warranty Item for which Lessor is responsible, Rent will abate on the date Lessor receives Lessee's written notification of such failure ("Notification Date"), and Rent shall be reinstated on the date such repaired Unit is redelivered to Lessee at an interchange point located on Lessee's lines; *provided, however*, if Lessee fails to deliver the Unit to Lessor's designated interchange location ("Designated Interchange") within ten (10) days after the Notification Date, Rent shall be reinstated for such Unit on the eleventh (11th) day after the Notification Date and Lessee shall continue to pay Rent to Lessor for such Unit until the date Lessee delivers such Unit to the Designated Interchange. Notwithstanding anything in this Schedule No. 13 or the Master Lease, Lessor shall have the right to terminate the Lease of the Unit subject to a Warranty Item failure. In the event Lessor terminates the Lease for the Unit due to a Warranty Item failure, Rent shall cease on the date that such Unit is interchanged off Lessee's railroad. LESSOR'S LIABILITY HEREUNDER IS EXPRESSLY LIMITED TO THE COST OF REPAIRING OR REPLACING THOSE PARTS IDENTIFIED AS WARRANTY ITEMS. IN NO EVENT SHALL LESSOR BE LIABLE UNDER ANY CIRCUMSTANCES TO LESSEE OR ANY THIRD PARTY FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES IN ANY AMOUNT RELATING TO OR CONNECTED WITH THE FAILURE OF A WARRANTY ITEM, INCLUDING, BUT NOT LIMITED TO, TRANSPORTATION CHARGES, LOSS OF USE OR DOWNTIME OF ANY UNIT OR LOST PROFITS.

IN WITNESS WHEREOF, each party, pursuant to due corporate authority, has caused this Schedule No. 13 dated as of January 9, 1998 to the Master Locomotive Lease Agreement dated as of May 1, 1995 to be executed by its authorized officer, and the parties each declare that the foregoing is true and correct.

LESSOR
HELM FINANCIAL CORPORATION

LESSEE
UNION PACIFIC RAILROAD COMPANY

By: 

By: 

Print Name: Richard C. Kirchner

Print Name: Gen Din Panchasani

Title: President

Title: WLOTRD

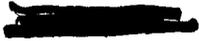
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ANNEX A

To Schedule No. 13 dated as of January 9, 1998 to that certain Master Locomotive Lease Agreement dated as of May 1, 1995 between Helm Financial Corporation and Union Pacific Railroad Company.

The Units:

- 1. SD40-3: One (1), 3,000 HP, SD40-3 locomotive equipped with extended range dynamic brakes.

<u>New Reporting Mark & Number:</u>	<u>Old Reporting Mark & Number:</u>	<u>Lease Commencement Date</u> :
HLCX 6071	HLCX 5057 (formerly MC 602)	

- 2. SD40-2: Three (3), 3,000 HP, SD40-2 locomotives equipped with extended range dynamic brakes.

<u>New Reporting Mark & Number:</u>	<u>Old Reporting Mark & Number:</u>	<u>Lease Commencement Date</u> :
HLCX 6402	SP 7522	
HLCX 6403	SP 7450	
HLCX 6404	SP 7418	

