

HELM FINANCIAL CORPORATION

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

July 6, 1999

RECORDATION NO. 20369-M 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. 16** dated as of July 29, 1996, 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: Nine (9) locomotives as more fully described in Annex A attached hereto.

Please file this **Schedule No. 16** 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. 16

THIS SCHEDULE NO. 16 ("Schedule No. 16") 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 July 29, 1996.

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. 16 except that the term "Unit(s)" as used herein shall only refer to the locomotives described in this Schedule No. 16 unless otherwise indicated.
2. **Units Leased:** Lessor hereby leases to Lessee the locomotives described on Annex A attached hereto ("Unit(s)"), subject to the terms and conditions of the Lease and this Schedule No. 16.
3. **Delivery Point:** The Delivery Point for each Unit shall be the current location for such Unit on the lines of Lessee as of the Lease Commencement Date as defined below.
4. **Lease Commencement Date:** The Lease Commencement Date for each Unit is set forth in 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 for each Unit shall commence on the Rent 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 of this Lease:** The Term of this Lease for each accepted Unit shall commence on the Lease Commencement Date for such Unit and shall continue in full force and effect through and including [REDACTED].
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 per Unit as set forth in the Casualty Schedule attached hereto as Annex B, or (b) replace such Unit with a Substitute Unit in accordance with the terms and provisions of Section 7 of the Lease.
9. **Parts and Labor Warranty.** In the event of a failure, Lessor agrees at its own expense to repair or replace the certain locomotive components of any Unit as set forth in Annex C attached hereto (the "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. 16 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. 16 dated as of July 29, 1996 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.

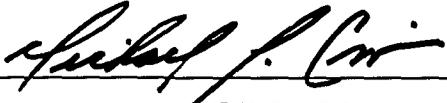
LESSOR

LESSEE

HELM FINANCIAL CORPORATION

UNION PACIFIC RAILROAD COMPANY

CM By: 
Print Name: Richard C. Kirchner

By: 
Print Name: Michael J. Cronin

Title: President

Title: VICE PRESIDENT - SUPPLY

ANNEX A

To Schedule No. 16 dated as of July 29, 1996 to that certain Master Locomotive Lease Agreement dated as of May 1, 1995 between Helm Financial Corporation and Union Pacific Railroad Company.

The Units: Nine (9), 2,000 horsepower, GP38-3 locomotives equipped with extended range dynamic brakes and Woodward CLC, rebuilt in 1996, 1997 and 1998.

New Reporting
Mark & Numbers:

UP 2417
UP 2425
UP 2523
UP 2524
UP 2525
UP 2526
UP 2551
UP 2562
SP 4873

Old Reporting
Mark & Numbers:

CSXT 2049
NS 2812
CSXT 6649
CSXT 6540
HLCX 4050
UP 581
UP 867
UP 880
CSXT 2177



CERTIFICATION OF TRUE COPY

On June 23, 1999, I, Cecilia Mostaghim, have examined the original copy of the **SCHEDULE NO. 16** dated as of July 26, 1996 to that certain Master Full Service Lease Agreement dated as of May 1, 1995 between **HELM FINANCIAL CORPORATION** 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 June 24th, 1999, before me, Alison Drain, personally appeared Cecilia Mostaghim, Contract Administrator, **HELM FINANCIAL 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.

Alison Drain
SIGNATURE OF THE NOTARY

