

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

VIA AIR COURIER

March 16, 1990

RECORDATION NO 16797 FILED 1625
MAR 19 1990 -2 25 PM
INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Lee:

Enclosed is a Locomotive Lease Agreement dated as of March 12, 1990 between the following parties:

Lessor: Helm Financial Corporation

Lessee: Dakota, Minnesota and Eastern Railroad Corporation

*337 22nd ave
Brookings, S Dakota 57006*

The equipment involved in this transaction is as follows:

Equipment: (9) SD40-2, 3000 horsepower, diesel electric locomotives
See Exhibit A for Car Numbers

Please file this agreement as a primary document. The filing fee of \$15 is enclosed. Thank you.

Sincerely,

Karen Staudenmaier

Karen Staudenmaier
Fleet Operations Administrator

KS:jgs
Enclosures

RECORDATION NO 16797 FILED 1425

MAR 19 1990 - 2 25 PM
INTERSTATE COMMERCE COMMISSION

LOCOMOTIVE LEASE AGREEMENT

THIS LEASE is made and entered into as of the 12th day of March, 1990, by and between Dakota, Minnesota and Eastern Railroad Corporation, a South Dakota corporation, hereinafter called "Lessee", and Helm Financial Corporation, a California corporation, hereinafter called "Lessor".

LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:

1. Lessee: Lessee agrees to lease from the Lessor the Locomotives described in Exhibit A, together with all replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto (the "Locomotives").

2. Rent: The Lease shall commence with respect to each Locomotive when said Locomotive is interchanged to Lessee's railroad, and Lessee shall have executed a Certificate of Acceptance in the form attached as Exhibit B, and shall continue until return of the Locomotive to Lessor in satisfactory condition, subject to Section 10. Upon such interchange, Lessee shall have the right to reject any Locomotive that has been damaged in transit or that is missing any essential parts or components. Rent will commence on such date as the Lease commences, which date herein is called the "Rent Commencement Date" and shall continue (unless sooner terminated as provided herein) for the term hereof, designated on Exhibit A. The rental shall accrue at the rate provided on Exhibit A hereto and shall be payable monthly in advance beginning on the Rent Commencement Date.

Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off, counterclaim, recoupment or defense against rent or any other amount payable hereunder for any reason whatsoever, including, but not limited to, abatements, reductions, set-off, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided herein; nor shall this Agreement terminate or the obligations of Lessee be otherwise affected by reason of any defect in the condition, design, operation or fitness for use of any Locomotive or damage to or loss of possession or use or destruction of all or any of such Locomotives from whatever cause and of whatever duration, except as otherwise provided herein. Lessee will settle all claims, defenses, set-off and

counterclaims it may have of any nature against the Locomotive manufacturer, including, but not limited to, defects in the Locomotives and like claims, directly with the Locomotive manufacturer and not set up any such claim, defense, set-off or counterclaim against Lessor or its assigns. Lessee acknowledges that: Lessor is in no way connected to the Locomotive manufacturer; Lessor has no knowledge or information as to the condition or suitability for Lessee's purpose of the Locomotives; and Lessor's decision to enter into this Lease is made in reliance upon Lessee's covenant not to assert against Lessor any claims, defenses, set-offs or counterclaims it may now or hereafter have against the Locomotive manufacturer.

3. Warranties and Representations: LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXCEPT AS OTHERWISE STATED HEREIN, RESPECTING THE LOCOMOTIVES, WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE LOCOMOTIVES, PURSUANT TO THIS AGREEMENT TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE LOCOMOTIVES, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY LOCOMOTIVE. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages.

4. Place of Payment of Rent: Lessee shall direct payment of the rent to the following address:

Helm Financial Corporation
One Embarcadero Center
Suite 3500
San Francisco, CA 94111

5. Recordkeeping; Inspection: Lessee agrees to keep and maintain and make available to Lessor such records of Lessee's use, operation, fuel consumption, inspection, repairs and maintenance of each Locomotive while in its possession as shall be reasonably required by Lessor. Lessor, by such agent or agents as it may designate, shall have the right at all reasonable times with

reasonable notice to go upon the property of Lessee to inspect any Locomotive while in the possession of Lessee. Lessee to furnish Lessor copy of any and all lubricating oil sample analysis reports on a current basis.

6. Loss or Destruction: In the event that any Locomotive during the term hereof shall become lost, stolen, destroyed, irreparably damaged, permanently rendered unfit for use, or, in the reasonable opinion of the Lessee, worn out or damaged beyond the economic limit of repair, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government for a period which shall exceed the then remaining term hereof, or by any other government or governmental entity resulting in the loss of possession by the Lessee for a period of thirty (30) consecutive days (such occurrences being hereinafter called "Casualty Occurrences"), Lessee shall promptly (but in no event later than five (5) days after such occurrence) notify Lessor of such Casualty Occurrence. On the first day of the month next following the date of such Casualty Occurrence, Lessee shall pay to Lessor such portion of the Casualty Value as Lessor shall direct Lessee and shall pay to Lessor the remainder of the Casualty Value of such Locomotive, determined in accordance with the casualty schedule attached hereto as part of Exhibit A. Upon the making of such payment by Lessee, all of Lessor's right, title and interest in such Locomotive shall automatically pass to Lessee on an "AS IS, WHERE IS" basis, and this Lease shall terminate with respect to such Locomotive.

7. Insurance: (a) Subject to the limitations set forth in Section 6, all risk of loss of, damage to or destruction of the Locomotives shall at all times be on Lessee except for loss, damage or destruction resulting solely from a grossly negligent or willful act or omission of Lessor, its officers, employees, agents, representative, assignees, and/or successors.

(b) Lessee shall provide (i) insurance against loss, theft, and destruction or damage of the Locomotives, and (ii) comprehensive public Liability insurance against claims for personal injuries, death and property damage in no event less comprehensive in amount and against risk customarily insured against by Lessee in respect of similar equipment owned or leased by it. Lessee shall pay applicable premiums for insurance. Lessee shall have the right to insure the Locomotives for its own account, for the amount by which its fair market value exceeds the coverage required hereunder.

(c) All insurance policies required hereunder shall (i) be issued by insurance carriers of recognized responsibility, (ii) cover the interests of Lessee and Lessor and protect Lessee and Lessor in respect of risks arising out of the condition, maintenance, use, ownership and operation of the Locomotives, (iii) provide that the insurance carrier give at least thirty (30) days' prior notice to Lessor in the event of cancellation or material alteration in coverage, (iv) provide, as to such physical damage insurance, that the losses, if any, shall be payable to the Lessor under a standard long form loss payable clause, (v) provide that in respect of the interest of the Lessor in such policies, the insurance shall not be invalidated by an action or inaction of Lessee and shall insure Lessor's interest as it appeared regardless of any breach or violation by Lessee of any warranty, declaration or condition contained in such policies, and shall include coverage against liability which Lessor might incur by reason of the operation of the Locomotives, and (vi) not require co-insurance.

(d) The proceeds of any physical damage insurance received by Lessor shall be paid to Lessee: (i) in the case of a Casualty Occurrence with respect to any Locomotive upon payment by Lessee of the Casualty Value of such Locomotive, or (ii) upon the loss, damage or destruction of any Locomotive which does not constitute a Casualty Occurrence, upon the receipt from Lessee of a certificate to the effect that such Locomotive has been repaired, restored or replaced, as the case may be (which certificate shall be accompanied by satisfactory evidence of such repair, restoration or replacement), provided that so long as any default by Lessee or event of default shall be continuing hereunder, Lessor shall be entitled to apply such proceeds against Lessee's obligations hereunder or under any other obligation of Lessee to Lessor.

(e) Prior to the commencement of this Lease and during the term of this Lease, Lessee shall furnish Lessor with certificates of insurance and such other evidence of compliance with this Section 7 as may reasonably be requested.

8. Indemnity: Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and save Lessor harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by: (a) Lessee's failure to promptly perform any of its obligations under this Lease, or (b) injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of any or all

of the Locomotives or their location or condition, or (c) inadequacy of the Locomotives, or any part thereof, for any purpose of an deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions; provided, however, that Lessor shall give Lessee written notice of any such claim or demand. This indemnity shall survive the expiration or termination of this Lease.

9. Compliance with Law; Repair and Maintenance: Lessee shall comply with FRA and all other applicable governmental laws, regulations and requirements and other binding regulations with respect to use, maintenance and operation of the Locomotives during the Lease period.

The Lessee shall use the Locomotives only in the manner for which designed and intended and so as to subject them only to ordinary wear and tear. Lessee will, at its sole expense, perform all repair and maintenance work, servicing, lubrication and inspection of the Locomotives in accordance with the more stringent of (i) Lessee's existing maintenance practices, or (ii) the original equipment manufacturer's recommendations, except that, Lessor agrees to accept responsibility for the failure of the (a) Turbocharger and (b) Crankshaft from the date the Locomotives are delivered to Lessee. Notwithstanding the forgoing, however, Lessee agrees to accept responsibility for items (a) and (b) at any time if said failure has been caused by Lessee's misuse or abuse or caused by derailment or any accident.

10. Return Provision: Upon expiration or termination of this lease, the Locomotives will be delivered in the same condition as when received by Lessee less reasonable wear and tear at Lessee's expense to an interchange location on the Lessee's railroad that is mutually agreed upon between Lessor and Lessee. In the event Lessee returns locomotive(s) prior to thirty (30) days from the Rent Commencement Date, Lessee is responsible for transportation charges on the locomotive(s) to Minneapolis-St. Paul, Minnesota.

11. Assignment: Lessee shall not assign or sublet its interest, or any part thereof, under this Lease, or permit the use of operation of any Locomotive subject to this Lease by any other person, firm or corporation, other than Lessee, without the prior written consent of Lessor, which may be withheld for any reason. Lessor expressly consents to incidental operation and use on railroads other than Lessee's under standard run-through and power pooling arrangements; provided that no Locomotive shall travel outside the continental United States and Lessee shall remain primarily responsible under this Lease.

Lessor may at any time assign all or any portion of the rents or other sums due or to become due without notice to Lessee, and in such event, Lessor's transferee as assignee shall have all the rights, powers, privileges and remedies of the Lessor hereunder. Lessee shall have no obligation to pay any assignee, and shall continue to pay Lessor, until such time as notice is given of such assignment in accordance with Section 12.

12. Notice: Unless otherwise specifically provided, any notices to be given under this Lease or any other communications between the parties shall be given by certified mail, postage prepaid, in the following manner:

- (a) Notices from Lessor to Lessee shall be sent to:

Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue
Brookings, South Dakota 57006
Attention: Vice-President and Chief Financial Officer

Or to such other addresses as Lessee may from time to time indicate by written notice to Lessor.

- (b) Notices from Lessee to Lessor shall be sent to:

Helm Financial Corporation
One Embarcadero Center
Suite 3500
San Francisco, CA 94111
Attention: Director of Operations

Or to such other addresses as Lessor may from time to time indicate by written notice to Lessee.

13. Quiet Enjoyment: So long as Lessee makes its aforesaid rental payments and otherwise complies with the terms and provisions hereof, Lessee shall be entitled to the use and possession of the Locomotives according to the terms hereof without interference by the Lessor or by any party lawfully claiming by or through the Lessor.

14. Authority: The undersigned signatories herewith represent and warrant that they are fully authorized to execute this Lease and bind the respective parties to the terms and provisions hereof.

15. Late Charges: Delinquent installments of rent shall bear interest at the _____ if not prohibited by law, otherwise at the highest lawful contract rate. Rent installments are delinquent fifteen (15) days following due date.

16. ICC Recording: If requested by Lessor, Lessee will promptly cause this Lease to be duly filed, registered or recorded in conformity with Section 11303 of the Interstate Commerce Act or other places within or without the United States as Lessor may reasonably request for the protection of its title and will furnish Lessor proof thereof. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record whatever required) any and all further instruments required by law or reasonably requested by Lessor to the satisfaction of Lessor's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to Lessor proof of such filing.

17. Taxes: Lessee, or Lessor at Lessee's expense, shall report, pay and discharge when due all license and registration fees, assessments, sales, but only as it relates to a sale to Lessee, use and property taxes, gross receipts taxes arising out of receipts from use or operation of Locomotives, including without limitation amounts payable under Sections 2, 6 and 11, hereof and other taxes (excluding any tax measured by Lessor's net income), together with any penalties or interest thereon, imposed by any state, federal or local government upon the Locomotives and whether or not the same shall be assessed against or in the name of Lessor or Lessee.

18. Performance Obligations of Lessee by Lessor: In the event that the Lessee shall fail duly and promptly to perform any of its obligations under the provisions of this Lease, the Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by the Lessor in such performances, together with interest at the rate _____ month thereon until paid by the Lessee to the Lessor, shall be payable to the Lessee upon demand as additional rent thereunder.

19. Further Assurance: Lessee shall execute and deliver to Lessor, upon Lessor's request such instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's right hereunder.

20. Lessee's Covenants: Lessee will: (a) defend at Lessee's own cost any action, proceeding or claim affecting the Locomotives; (b) do everything necessary or expedient to preserve or perfect the Lessor's interest in the Locomotives; (c) not misuse, fail to keep in good repair (ordinary wear and tear excepted), secrete, or without the prior written consent of Lessor, and notwithstanding Lessor's claim to proceeds, sell, rent, lend, encumber or transfer any of the Locomotives or any interest therein or in this Lease, except as provided in Subsection (e) of this section; (d) agree that Lessor may enter upon Lessee's premises or wherever the Locomotives may be located at any reasonable time and upon reasonable notice to inspect the Locomotives; (e) not use any Locomotive for service involving operation or maintenance outside the United States of America; (f) not alter any Locomotive; (g) not place or change any markings on any Locomotive; (h) maintain the current markings on the Locomotives.

21. Default: An event of default shall occur if: (a) Lessee fails to pay when due any installment of rent and such failure continues for a period of ten (10) days; (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure continued uncured for fifteen (15) days after written notice thereof to Lessee by Lessor; (c) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to

or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation; (d) within sixty (60) days after the commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within one hundred twenty (120) days after the appointment without Lessee's consent or acquiescence of any trustee, receiver, or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated; or (e) Lessee attempts to remove, sell, transfer, encumber, part with possession or sublet the Locomotives or any item thereof, other than as permitted under this Lease.

Upon the occurrence of an event of default, Lessor, at its option, may: (a) declare all sums due and to become due hereunder immediately due and payable; (b) proceed by appropriate court action or actions or other proceedings either at law or equity to enforce performance by the Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (c) demand that Lessee deliver the Locomotives forthwith to Lessor at Lessee's expense at such place as Lessor may designate; and (d) Lessor and/or its agents may, without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Locomotives may be, or by Lessor is believed to be, and repossess all or any item thereof, disconnecting and separating all thereof from any other property and using all force permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Locomotives and all claims for injuries suffered through or loss caused by such repossession. Upon Lessee's default and at any time thereafter, Lessor shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the Locomotives for which Lessee hereby agrees to remain fully liable. Lessor will give Lessee reasonable notice of the time and place of any public sale of the Locomotives or of the time and place of any private sale or other intended disposition of the Locomotives is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Lessee shown herein at least ten (10) days before the time of the sale or disposition. If any statute governing any proceeding hereunder specifies the amount of Lessor's deficiency or other damages for breach of this Lease by the Lessee, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions

of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to prove for any amounts allowed thereby. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of any or all of the equipment or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees. Lessee understands that Lessor's rights are cumulative and not alternative.

In addition to any remedies provided in this Lease, Lessor shall have all the rights provided to a Lessor under Section 1168 of Title 11 of the United States Code and any successor provisions thereto.

22. Choice of Law: This Lease shall be governed in all respects by the law of the State of California without regard to conflicts of laws rules.

23. Tax Indemnity: In order to avoid recapture or loss of tax benefits claimed by Lessor with respect to the equipment, including any deduction allowable under Section 168 and related Sections of the Internal Revenue Code of 1986, as amended, (or predecessor statute) (the "Code"), Lessee (i) shall use the equipment predominantly within the continental United States within the meaning of the Code, (ii) shall cause third parties having control over their use to use the equipment predominantly within the continental United States, in accordance with the Code and (iii) shall not take any action or permit to exist any condition that will cause or allow (x) the equipment to be considered tax-exempt use property within the meaning of the Code or (y) any use of the equipment by a government, tax exempt, or foreign entity within the meaning of the Code.

If Lessor or any person or entity having an interest in the Locomotives shall lose by disallowance, recapture or otherwise, any portion of said tax benefits, as the result of any act committed or permitted by Lessee or Lessee's failure to take any action, Lessee agrees to pay Lessor or such person or entity a sum which, after deduction of all taxes required to be paid by Lessor or such person or entity in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall be equal to the amount of the tax benefits so lost by Lessor or such person or entity which sum shall be payable on written demand made at any time after payment of the tax attributable to the portion of the tax benefits lost; provided, however, that Lessee shall be under no obligation to indemnify Lessor for the amount of any tax benefits lost with respect to any equipment for which Lessee has paid to Lessor the replacement value thereof.

24. Liens: It is understood that some or all of the units furnished Lessee under this Lease and Lessor's and/or principal's rights under this Lease may at the time of delivery to Lessee or at some future time during the term of this Agreement, be subject to the terms of any lien or encumbrance (the "Lien"), including a CSA, an ETA, a Mortgage, Deed of Trust, Equipment Trust, Pledge or similar security arrangement. Lessee agrees that any or all of the units may be stenciled or marked to set forth the ownership of any such units in the name of the holder of any Lien (the "Lien Holder"), including a mortgagee, trustee, pledgee, assignee or security holder and that this Lease and Lessee's rights hereunder are and shall at all time be subject and subordinate to any and all rights of any Lien Holder. Lessee agrees that upon the written request of Lessor or any Lien Holder at any time or from time to time, Lessee will enter into a written agreement with any Lien Holder: (i) that the Lien(s) will have priority and be entitled to all rights therein as though the Lien were made before the Lease and on the making of this Lease, Lessee had knowledge of the Lien; (ii) confirming the security created by the Lien and rights given to the Lien Holder; and (iii) postponing and deferring this Lease and its rights hereunder and to the equipment and agreeing that they will be subject and subordinate to the Lien(s) and the rights of the Lien Holder.

This Lease and/or any of Lessor's rights hereunder, including rentals, may have been assigned and may in the future be assigned to any Lien Holder or others. Lessee hereby consents to and accepts any such Assignment. Lessee acknowledges notice of any such Assignment and of any Lien which is filed under Section 11303 of the Interstate Commerce Act of the United States of America. However, Lessee is to pay all rentals hereunder to Lessor and have all its dealings hereunder with Lessor until notified to the contrary by any person proving to Lessee's reasonable satisfaction that he is the assignee of this Lease and/or the relevant rights of Lessor hereunder and it entitled to intervene. Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of this Lease and/or any rights of Lessor hereunder.

25. Miscellaneous: If any part hereof is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction, such provision shall be inapplicable and deemed omitted to the extent of such prohibition or invalidity, but shall not invalidate the remaining provisions hereof. Lessee waives all rights under all exemption laws. Lessee

acknowledges the receipt of a true copy of this Locomotive Lease Agreement. This Lease is irrevocable for the full term hereof and for the aggregate rental herein reserved. This Lease represents the entire agreement between the parties with respect to the subject matter hereof and supercedes all prior or contemporaneous statements and agreements whether written or oral.

HELM FINANCIAL CORPORATION,
LESSOR

Attest: John Williams

By [Signature] ^{SS}
Title President

DAKOTA, MINNESOTA AND
EASTERN RAILROAD
CORPORATION
LESSEE

Attest: [Signature]

By [Signature] 3/9/90
Title V-P, Treasurer CFO

EXHIBIT A

Locomotive Description: General Motors (Electro Motive Division) SD40-2, 3,000 horsepower, diesel electric locomotives numbered as follows:

<u>LOCOMOTIVE NUMBER(S)</u>	<u>CASUALTY VALUE</u>
MILW 6359	_____
MILW 6360	per Locomotive
MILW 6361	
MILW 6362	
MILW 6363	
MILW 6364	

Three numbers to be provided

TERM: Lease remains in full force and effect for six (6) months from the date the last locomotive is interchanged to the Lessee.

RENT: _____ tive per day payable monthly in advance. Rent for any Locomotive for any partial month shall be pro-rated on a daily basis. Payment of rent shall be made to Lessor at the address specified in Section 4.

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On this 15th day of March, 1990, before me personally appeared Richard C. Kirchner, to me personally known, who, being by me duly sworn, says that he is President of HELM FINANCIAL CORPORATION, that said instrument was signed and sealed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Karen Staudenmaier

Notary Public

My Commission Expires: July 26, 1993

[Notarial Seal]



STATE OF SOUTH DAKOTA)
COUNTY OF Brookings)

On this 9th day of March, 1990, before me personally appeared G.W. Robertson, to me personally known, who, being by me duly sworn says that he is V-P Treasurer CFO of Dakota, Minnesota & Eastern Railroad Corp., that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda M. Thelmann

Notary Public

My Commission Expires: October 16, 1994

[Notarial Seal]

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

The undersigned, a duly authorized representative of Dakota, Minnesota and Eastern Railroad Corporation (the "Lessee"), does hereby certify that he has caused to be inspected and, on the date set out below, has accepted on behalf of the Lessee the following described Units or equipment, which Units are in good order, condition and repair and conform in all respects to the terms, provisions, requirements and standards of the certain Locomotive Lease Agreement dated as of February 9, 1990 between Helm Financial Corporation and Lessee.

<u>Equipment Description</u>	<u>Quantity</u>	<u>Locomotive Number</u>	<u>Date Accepted</u>
General Motors (Electro Motive Division) SD40-2, 3000 horsepower, diesel electric locomotive	9	MILW 6359 6360 6361 6362 6363 6364	

Three numbers
to be provided

Authorized Representative