

1-175A001

HELM
FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510
16797-D
RECORDED BY FILED KCS

VIA AIR COURIER

JUN 24 1991 - 10 10 AM

INTERSTATE COMMERCE COMMISSION

June 19, 1991

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

Dear Ms. Lee:

Enclosed is an Addendum 2 dated June 12, 1991 to The Locomotive Lease Agreement dated March 12, 1990.

Please file this supplement as ICC Recordation 16797-E. The filing fee of \$15 is enclosed. Thank you.

Sincerely,

Karen Rahnasto

Karen Rahnasto
Fleet Operations Administrator

JUN 24 10 03 AM '91

Enclosures

KR:po

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RECORDATION NO. 16797-D

JUN 24 1991 - 10:10 AM

Addendum 2
Dated June 12, 1991
to
The Locomotive Lease Agreement
Dated March 12, 1990

INTERSTATE COMMERCE COMMISSION

The following is an Addendum to the Locomotive Lease Agreement ("Lease") dated March 12, 1990, and amended by that certain Lease Amendment 1 dated October 1, 1990 between Helm Financial Corporation, as ("Lessor") and Dakota, Minnesota and Eastern Railroad as ("Lessee").

Whereas, the Lessor hereby represents that it has the right to Lease the locomotives more fully described in Annex A attached hereto (hereinafter the "Locomotives").

Whereas, the Lessee desires to lease from the Lessor all the Locomotives under the terms and conditions of the Lease, except as hereinafter provided.

1. Delivery. Lessee shall be responsible for all transportation charges (including switch charges) to Lessee's line.

2. Rentals. The Lessee agrees to pay the Lessor rental for each Locomotive on a daily basis as provided in Annex A. Rental shall become effective, payable in arrears, with respect to two Locomotives on the interchange of such Locomotive to the Lessee in June. Rent shall be due on six locomotives for the months of July and August, two locomotives for the month of September and six locomotives for the month of October. Rental shall accrue at the rates provided in Annex A attached hereto and shall be payable monthly in advance beginning July 1, 1991.

3. Term. This Lease Addendum shall remain in full force and affect with respect to each Locomotive from the date of delivery through and including October 31, 1991.

4. Maintenance. 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 catastrophic failure of the (a) prime mover (b) turbo charger and (c) main generator/alternator from the date the Locomotives are placed in service. Notwithstanding the forgoing, however, Lessee agrees to accept responsibility for items (a), (b) and (c) at any time if said failure has been caused by Lessee's misuse or abuse or caused by derailment or any accident.

5. Casualty Value. See Annex A

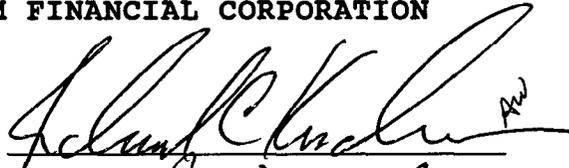
6. Extension Option. If (i) no Event Default as defined in the Lease shall have occurred and be continuing and (ii) the Lease or this Addendum shall not have been earlier terminated the Lessee shall be entitled, at its option upon not less than fifteen (15) days prior written notice to the expiration of the then current Term of such Locomotive to extend the term of this Addendum for additional thirty (30) day periods.

7. Purchase Option. Not applicable.

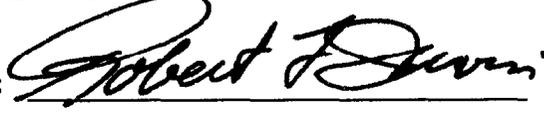
8. Return. Lessee shall return the Locomotives in the same condition as received, normal wear and tear excepted. Lessee is responsible for transportation charges for the return of the Locomotives to Chicago, Illinois, or a city of Lessor's choice of corresponding mileage to Chicago, Illinois.

In Witness Whereof, the Lessor and the Lessee each pursuant to due authority have caused these presents to be signed in their respective names.

HELM FINANCIAL CORPORATION

BY: 
Title: President

DAKOTA, MINNESOTA AND EASTERN
RAILROAD CORPORATION

BY: 
Title: Vice President Transportation

STATE OF CALIFORNIA)
) S
COUNTY OF SAN FRANCISCO)

On this 18th day of June, 1991, 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 by authority of its Board of Directors 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]



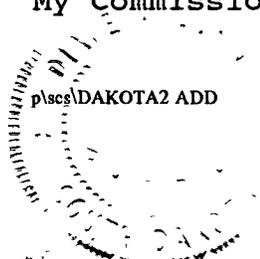
STATE OF SOUTH DAKOTA)
) S
COUNTY OF BROOKINGS)

On this 14th day of June, 1991, before me personally appears Robert F. Irwin, to me personally known, who being by me duly sworn says that he is a Vice President Transportation of DAKOTA, MINNESOTA & EASTERN RR 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.

Diane A. Buehre
Notary Public

DIANE A. BUEHRE, Notary Public
My Commission Expires August 27, 1998

My Commission Expires: _____



[Notarial Seal]

ANNEX A

Locomotive(s) Description: EMD SD40-2

Locomotive
Numbers

Daily Rental Rate
Per Locomotive

Casualty Value
Per Locomotive

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6365
6366
6367
6368
6369
6370

