

# HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

www.hlmx.com

December 7, 2004

RECORDATION NO. 25335 FILED

DEC 08 '04

3-53 PM

DEC 8 2004

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SURFACE TRANSPORTATION BOARD

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

Dear Mr. Williams:

Enclosed are two (2) Certification of True Copy evidencing Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between the following parties:

Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Linea Coahuila Durango S.A. de C.V. Porfirio Diza sn/n Col. Occidental 3650 Frontera, Coahuila Mexico
Equipment:	Ten (10) C30-7 Locomotives as provided in the Schedule attached hereto

Please record this Certification of True Copy of Schedule No. 2 as a primary document. The filing fee of \$32.00 is included in our enclosed check.

Summary: Certification of True Copy of Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation as Lessor and Linea Coahuila Durango S.A. de C.V. as Lessee for 10 C30-7 locomotives HLGX 5067-5580 (not inclusive) to be filed as a primary agreement.

Yours truly,



Sharon L. Van Fossan  
Supervisor Contract Administration

/svf  
Enclosures (2)

**SCHEDULE**

**THE UNITS**

**Equipment Description:** Ten (10), GE Model C30-7, 3,000 horsepower, standard cab configuration, six-axle, diesel electric locomotives equipped with dynamic brake.

<b><u>Current Reporting Mark and Number</u></b>	<b><u>New Reporting Mark and Number</u></b>	<b><u>Repair Facility</u></b>
HLGX 5067	LFGD ____	WATCO
HLGX 5113	LFGD ____	WATCO
HLGX 5116	LFGD ____	WATCO
HLGX 5118	LFGD ____	WATCO
HLGX 5119	LFGD ____	MWLS
HLGX 5120	LFGD ____	WATCO
HLGX 5126	LFGD ____	WATCO
HLGX 5575	LFGD ____	WATCO
HLGX 5579	LFGD ____	MWLS
HLGX 5580	LFGD ____	WATCO

Wato Companies, Inc. repair facility in Winfield, Kansas ("WATCO")

Midwest Locomotive Services, Inc. repair facility in Kansas City, Missouri ("MWLS")



SCHEDULE NO. 2

THIS SCHEDULE NO. 2 ("Schedule") to that certain Master Lease Agreement dated as of January 5, 2000 ("Master Lease") between HELM FINANCIAL CORPORATION ("Lessor") and LINEA COAHUILA DURANGO S.A. DE C.V. ("Lessee") is dated as of April 28, 2004.

Lessor and Lessee agree as follows:

1. **Capitalized Terms:** All capitalized terms defined in the Master Lease shall have the meanings defined therein when used in this Schedule except as follows:

(a) "Unit(s)" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated

(b) "Delivery Date" shall mean the date each Unit departs the "Repair Facility" as provided in Annex A attached hereto for shipment to Lessee at the Delivery Point (as defined in Section 3 hereof).

(c) "Effective Date" shall mean the first day of the month following the On Rent Date (as defined in Section 6 hereof) for the last Unit.

2. **Units Leased:** Lessor hereby leases to Lessee the Units described in Annex A attached hereto subject to the terms and conditions of the Master Lease and this Schedule.

3. **Delivery Point:** The delivery point for the Units shall be an interchange point located on the lines of the Union Pacific Railroad Company at Eagle Pass, Texas. Lessee shall be responsible for all transportation costs beyond the Delivery Point, including, without limitation, all Mexican customs fees, duties, tariffs and taxes.

4. **Remark of Units.** Lessor hereby consents to Lessee changing the reporting mark on the Units from HLGX to LFCD. At its sole expense, Lessee shall: (a) remark each Unit, (b) reprogram the AEI tags on such Unit to conform with the new railroad mark, (c) register the Units in the Official Railway Equipment register and UMLER (inserting the reporting mark "HLMX" in the ownership field) pursuant to Sections 7(a) and 10 of the Master Lease and (d) apply a painted stencil on the inside of the cab of each Units that reads "This locomotive is owned by Helm Financial Corporation" ("Stencil"). Lessee agrees to maintain the Stencil on each Unit

[REDACTED]

5. **Fixed Term; Renewal Option:**

(a) **Fixed Term.** The fixed term of the Master Lease for all delivered and accepted Units covered under this Schedule shall commence on the Effective Date and shall continue in full force and effect for a period of [REDACTED]

(b) **Renewal Option.** Upon the expiration of the Fixed Term and if Lessee is not in default hereunder, Lessee may renew the Master Lease for the Units covered under this Schedule by providing to Lessor not less than ninety (90) days prior written notice thereof; provided, however, that the monthly rental rate for the Units shall be based upon the then fair market rental value for the Units and that the terms and conditions for any such renewal shall be mutually agreed to by Lessor and Lessee.

**Rent:** Upon the date each accepted Unit is delivered to Lessee at the Delivery Point ("On Rent Date"), Lessee shall pay to Lessor rent for each Unit in the amount of [REDACTED] Unit per day ("Rent"). Lessee shall deduct from the Rent and pay to the Mexican government five percent [REDACTED] as payment of Mexican income tax withholding pursuant to Section 4 of the Master Lease. Rent shall be pro-rated on a daily basis if the On Rent Date or the return date for any Unit is other than on the first day of any month.

6. [Handwritten signature]

[Handwritten signature]

7. **Settlement Value:** For any Unit subject to a Casualty Occurrence under the provisions of Section 9(b) of the Master Lease, Lessee shall pay to Lessor a Settlement Value payment in the amount set forth in the Casualty Schedule attached hereto as Annex B.
8. **Party Responsible for Required Modifications and Maintenance:** Lessee, as provided in Section 9(b) below.
9. **Special Terms for the Units Covered Under this Schedule:**

- (a) Sections 6 of the Master Lease shall not apply with respect to the Units covered under this Schedule.
- (b) Section 13 of the Master Lease is hereby replaced by the following:

**"13. Maintenance; Alteration; Accessions; Lessor's Part Warranty.**

(a) **Maintenance.** Lessee shall pay for all repairs, maintenance work, servicing, lubrication and inspections ("**Maintenance**") as are necessary to keep each Unit in good operating condition, working order, and repair in conformity with all applicable Laws and Rules. Lessee or its agent will perform the Maintenance of each Unit in accordance with the more stringent of either (i) Lessee's existing maintenance practices, or (ii) the original equipment manufacturer's recommendations.

(b) **Alteration; Accessions.** Lessee shall not materially alter, or allow any third party to materially alter, the physical structure of any Unit without the prior written consent of Lessor. All additions, alterations, improvements or replacements to any Unit made by Lessee shall constitute accessions to such Unit and belong to Lessor unless otherwise agreed by the parties in writing.

(c) **Lessor's Component Warranty.** Effective for each Unit upon the date such Unit is delivered to the Delivery Point and continuing for period of ninety (90) days thereafter ("**Warranty Period**"), Lessor will pay the costs of any component(s) set forth in Schedule C hereto ("**Warranty Item(s)**") which suffers a catastrophic failure during the Warranty Period. For purposes hereof, the term "catastrophic failure" shall mean any failed Warranty Item which cannot be repaired in place. Notwithstanding anything herein to the contrary, Lessee will pay the costs to repair or replace any Warranty Item (i) if such Warranty Item can be repaired in place, (ii) if the failure of such Warranty Item results from Lessee's misuse or abuse, any derailment or accident, or from Lessee's failure to comply with the original manufacturer's operating instructions, or (iii) if the failure of such Warranty Item results from repairs or alterations which are not authorized by Lessor, where such authorization is required. In the event of a catastrophic failure of a Warranty Item for which this warranty applies, Lessor may in its sole discretion terminate the Unit from this Lease. Lessor shall have the right, but not the obligation, to replace the terminated Unit, and such replacement Unit will be subject to this Lease as if originally a part thereof, subject to Lessee's right of inspection. **LESSOR'S LIABILITY FOR THE FAILURE OF ANY WARRANTY ITEM IS EXPRESSLY LIMITED TO THE COST TO REPLACE SUCH WARRANTY ITEM. IN NO EVENT SHALL LESSOR BE LIABLE UNDER ANY CIRCUMSTANCES TO LESSEE OR ANY THIRD PARTY FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES IN ANY AMOUNT, INCLUDING, BUT NOT LIMITED TO, LABOR, TRANSPORTATION CHARGES (EXCEPT AS EXPRESSLY PROVIDED IN SCHEDULE C), LOSS OF USE OR DOWNTIME OF ANY UNIT OR LOST PROFITS."**

10. **Free Storage:** [REDACTED]

expiration and shall transport the same to the Return Point (as defined in Section 19(a) of the Master Lease), as directed by Lessor. The movement and storage of such Unit shall be at the expense and risk of Lessee if Lessor has given movement and storage instructions within the Free Storage Period; provided, however, that if

Lessor requests Lessee to store any Unit for a period beyond the Free Storage Period, such additional storage shall be at the expense of Lessor. During any storage period Lessee will permit Lessor or Lessor's agent, to inspect the same at such times as Lessor shall reasonably request.

11.

[REDACTED]

12. **Further Assurances:** Lessee shall use its best efforts to cooperate with Lessor in order for Lessor to request and obtain the registration of this Schedule and any amendment hereto and thereto, before the Mexican Railroad Registry ("**Registro Ferroviario Mexicano**"), as well as Lessor's registration before the SCT as a leasing entity, if so required. At Lessor's sole expense, Lessee shall use its best efforts to execute, acknowledge and deliver such further documents, and take any and all other action reasonably requested by Lessor from time to time as is necessary for the purpose of effectuating the intent and purposes of this Schedule, as required by law or to protect the interests of Lessor in the Units and this Schedule.

*[Handwritten signature]*

*[Handwritten signature]*

IN WITNESS WHEREOF, the parties hereto have caused this Schedule No. 2 to the Master Lease to be executed by their duly authorized representatives as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

LINEA COAHUILA DURANGO S.A. DE C.V.

By: 

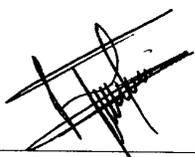
By: 

Name: John F. Dains

Name: LAZARO RODRIGUEZ

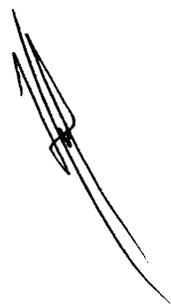
Title: President

Title: DIRECTOR GENERAL

By: 

Name: RAUL A. LIRAS L.

Title: C.F.O.



ANNEX A

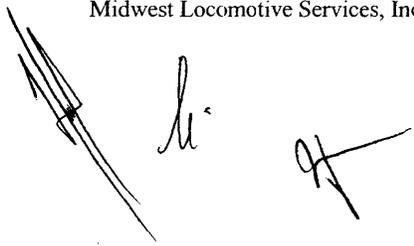
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THE UNITS

Equipment Description: Ten (10), GE Model C30-7, 3,000 horsepower, standard cab configuration, six-axle, diesel electric locomotives equipped with dynamic brake.

<u>Current Reporting Mark and Number</u>	<u>New Reporting Mark and Number</u>	<u>Repair Facility</u>
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Watco Companies, Inc. repair facility in Winfield, Kansas ("WATCO")  
Midwest Locomotive Services, Inc. repair facility in Kansas City, Missouri ("MWLS")



**ANNEX B**

**To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.**

**CASUALTY SCHEDULE**

**See EXCEL Spreadsheet**

ANNEX C

To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

WARRANTY ITEMS

The following Warranty Items will be under warranty for material costs only during the Warranty Period:

1. Turbocharger (unless failure is caused by foreign object damage or an overheat/overspeed situation)
2. Main Engine Crankshaft
3. Cracked Engine Crankcase
4. Engine Front Gear Train
5. Engine Rear Gear Train
6. Main Alternator

Cost of transporting replacement material to Lessee is for the account of the Lessor. Cost of transporting failed Warranty Item(s) back to Lessor is for the account of the Lessee. Lessor shall have no liability with respect to the cost and expense of moving or transporting any Unit which has suffered a Warranty Item failure. This warranty is expressly limited to the cost to replace any failed Warranty Item and does not include any associated labor costs.



**EXHIBIT A**

To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

**BILL OF SALE**

THIS BILL OF SALE ("Bill of Sale") is made this \_\_\_ day of \_\_\_\_\_, by HELM FINANCIAL CORPORATION, a California corporation ("Seller"), in favor of LINEA COAHUILA DURANGO S.A. DE C.V., a Mexican corporation ("Buyer").

**RECITALS**

1. **Sale of Units.** Subject to the terms, conditions and covenants set forth in Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Buyer and Seller, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Seller does hereby sell, convey, assign and transfer to Buyer all of its right, title and interest in and to the locomotives described in Schedule A attached hereto ("Units").

2. **DISCLAIMER OF WARRANTY.** SELLER SELLS AND BUYER PURCHASES THE UNITS AS-IS AND WHERE-IS, AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE UNITS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND SELLER HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING SOLD THE UNITS PURSUANT TO THIS BILL OF SALE 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 WORKMANSHIP IN THE UNITS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND SELLER SHALL NOT BE LIABLE, IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, ON A CCOUNT OF ANY MANUFACTURER'S DEFECT OR OTHER DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY UNITS; HOWEVER, SELLER DOES WARRANT THAT IT HAS GOOD TITLE TO THE UNITS AND THAT THEIR TRANSFER IS RIGHTFUL AND WITHOUT LIEN, SECURITY INTEREST OR ENCUMBRANCE ARISING BY THROUGH OR UNDER SELLER.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its officer thereunto duly authorized on the day and year first above written.

**HELM FINANCIAL CORPORATION**

By: \_\_\_\_\_  
Name: John F. Dains  
Title: President

Handwritten signatures and initials in black ink, including a large signature on the left and a smaller one on the right.

**EXHIBIT A - Continued**

**SCHEDULE A**

**TO BILL OF SALE DATED \_\_\_\_\_**

**Equipment Description:** Ten (10), GE Model C30-7, 3,000 horsepower, standard cab configuration, six-axle, diesel electric locomotives equipped with dynamic brake.

**Reporting Mark  
and Number**

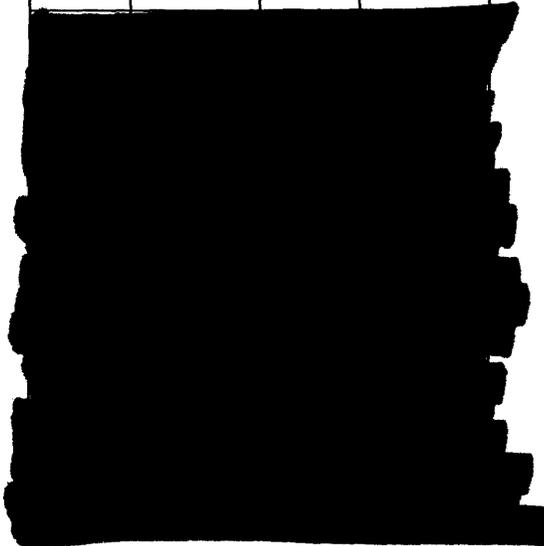
LFCD (numbers to be provided)

ANNEX B

To Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

CASUALTY SCHEDULE

Lease Term Period (Month)	Per Unit Settlement Value	Lease Term Period (Month)	Per Unit Settlement Value
------------------------------------	---------------------------------	------------------------------------	---------------------------------



*hi* *q*

# HELM FINANCIAL CORPORATION

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SURFACE TRANSPORTATION BOARD

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Mr. Vernon Williams  
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1925 K Street, N.W.  
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Lessee:	Linea Coahuila Durango S.A. de C.V. Porfirio Diza sn/n Col. Occidental 3650 Frontera, Coahuila Mexico
Equipment:	Ten (10) C30-7 Locomotives as provided in the Schedule attached hereto

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Yours truly,



Sharon L. Van Fossan  
Supervisor Contract Administration

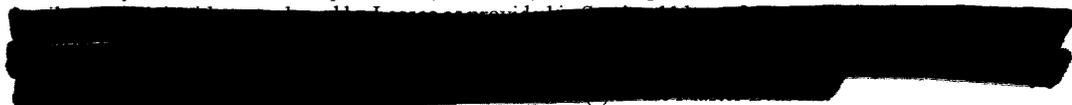
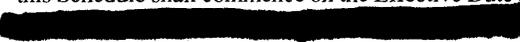
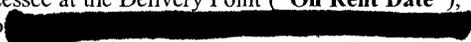
/svf  
Enclosures (2)



SCHEDULE NO. 2

THIS SCHEDULE NO. 2 ("Schedule") to that certain Master Lease Agreement dated as of January 5, 2000 ("Master Lease") between HELM FINANCIAL CORPORATION ("Lessor") and LINEA COAHUILA DURANGO S.A. DE C.V. ("Lessee") is dated as of April 28, 2004.

Lessor and Lessee agree as follows:

1. **Capitalized Terms:** All capitalized terms defined in the Master Lease shall have the meanings defined therein when used in this Schedule except as follows:
  - (a) "Unit(s)" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated
  - (b) "Delivery Date" shall mean the date each Unit departs the "Repair Facility" as provided in Annex A attached hereto for shipment to Lessee at the Delivery Point (as defined in Section 3 hereof).
  - (c) "Effective Date" shall mean the first day of the month following the On Rent Date (as defined in Section 6 hereof) for the last Unit.
2. **Units Leased:** Lessor hereby leases to Lessee the Units described in Annex A attached hereto subject to the terms and conditions of the Master Lease and this Schedule.
3. **Delivery Point:** The delivery point for the Units shall be an interchange point located on the lines of the Union Pacific Railroad Company at Eagle Pass, Texas. Lessee shall be responsible for all transportation costs beyond the Delivery Point, including, without limitation, all Mexican customs fees, duties, tariffs and taxes.
4. **Remark of Units.** Lessor hereby consents to Lessee changing the reporting mark on the Units from HLGX to LFCD. At its sole expense, Lessee shall: (a) remark each Unit, (b) reprogram the AEI tags on such Unit to conform with the new railroad mark, (c) register the Units in the Official Railway Equipment register and UMLER (inserting the reporting mark "HLMX" in the ownership field) pursuant to Sections 7(a) and 10 of the Master Lease and (d) apply a painted stencil on the inside of the cab of each Units that reads "This locomotive is owned by Helm Financial Corporation" ("Stencil"). Lessee agrees to maintain the Stencil on each Unit  

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  - (a) **Fixed Term.** The fixed term of the Master Lease for all delivered and accepted Units covered under this Schedule shall commence on the Effective Date and shall continue in full force and effect for a period of  

  - (b) **Renewal Option.** Upon the expiration of the Fixed Term and if Lessee is not in default hereunder, Lessee may renew the Master Lease for the Units covered under this Schedule by providing to Lessor not less than ninety (90) days prior written notice thereof; provided, however, that the monthly rental rate for the Units shall be based upon the then fair market rental value for the Units and that the terms and conditions for any such renewal shall be mutually agreed to by Lessor and Lessee.
6. **Rent:** Upon the date each accepted Unit is delivered to Lessee at the Delivery Point ("On Rent Date"), Lessee shall pay to Lessor rent for each Unit in the amount of  Unit per day ("Rent"). Lessee shall deduct from the Rent and pay to the Mexican government five percent  as payment of Mexican income tax withholding pursuant to Section 4 of the Master Lease. Rent shall be pro-rated on a daily basis if the On Rent Date or the return date for any Unit is other than on the first day of any month.

7. **Settlement Value:** For any Unit subject to a Casualty Occurrence under the provisions of Section 9(b) of the Master Lease, Lessee shall pay to Lessor a Settlement Value payment in the amount set forth in the Casualty Schedule attached hereto as Annex B.
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9. **Special Terms for the Units Covered Under this Schedule:**

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- (b) Section 13 of the Master Lease is hereby replaced by the following:

**"13. Maintenance; Alteration; Accessions; Lessor's Part Warranty.**

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10. **Free Storage:** [REDACTED]
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11.

[REDACTED]

12. **Further Assurances:** Lessee shall use its best efforts to cooperate with Lessor in order for Lessor to request and obtain the registration of this Schedule and any amendment hereto and thereto, before the Mexican Railroad Registry ("**Registro Ferroviario Mexicano**"), as well as Lessor's registration before the SCT as a leasing entity, if so required. At Lessor's sole expense, Lessee shall use its best efforts to execute, acknowledge and deliver such further documents, and take any and all other action reasonably requested by Lessor from time to time as is necessary for the purpose of effectuating the intent and purposes of this Schedule, as required by law or to protect the interests of Lessor in the Units and this Schedule.

*[Handwritten signature]*

*[Handwritten signature]*

IN WITNESS WHEREOF, the parties hereto have caused this Schedule No. 2 to the Master Lease to be executed by their duly authorized representatives as of the day and year first above written.

LESSOR

HELM FINANCIAL CORPORATION

By: 

Name: John F. Dains

Title: President

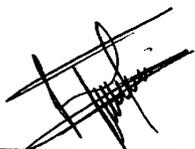
LESSEE

LINEA COAHUILA DURANGO S.A. DE C.V.

By: 

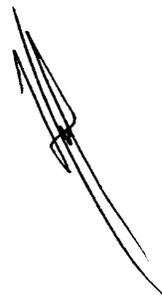
Name: LAZARO RODRIGUEZ

Title: DIRECTOR GENERAL

By: 

Name: RAUL A. UIAS L.

Title: C.F.O.



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

On November 10<sup>th</sup>, 2004, before me, J.L. Pat Taft, personally appeared John F. Dains,  
President of HELM FINANCIAL CORPORATION,

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.

  
SIGNATURE OF THE NOTARY

[Notarial Seal]

ANNEX A

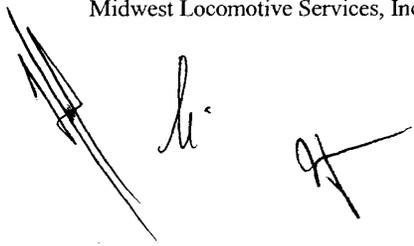
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HLGX 5067	LFCD ____	WATCO
HLGX 5113	LFCD ____	WATCO
HLGX 5116	LFCD ____	WATCO
HLGX 5118	LFCD ____	WATCO
HLGX 5119	LFCD ____	MWLS
HLGX 5120	LFCD ____	WATCO
HLGX 5126	LFCD ____	WATCO
HLGX 5575	LFCD ____	WATCO
HLGX 5579	LFCD ____	MWLS
HLGX 5580	LFCD ____	WATCO

Watco Companies, Inc. repair facility in Winfield, Kansas ("WATCO")  
Midwest Locomotive Services, Inc. repair facility in Kansas City, Missouri ("MWLS")



**ANNEX B**

**To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.**

**CASUALTY SCHEDULE**

**See EXCEL Spreadsheet**

ANNEX C

To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

WARRANTY ITEMS

The following Warranty Items will be under warranty for material costs only during the Warranty Period:

1. Turbocharger (unless failure is caused by foreign object damage or an overheat/overspeed situation)
2. Main Engine Crankshaft
3. Cracked Engine Crankcase
4. Engine Front Gear Train
5. Engine Rear Gear Train
6. Main Alternator

Cost of transporting replacement material to Lessee is for the account of the Lessor. Cost of transporting failed Warranty Item(s) back to Lessor is for the account of the Lessee. Lessor shall have no liability with respect to the cost and expense of moving or transporting any Unit which has suffered a Warranty Item failure. This warranty is expressly limited to the cost to replace any failed Warranty Item and does not include any associated labor costs.



**EXHIBIT A**

To Schedule No. 2 dated April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

**BILL OF SALE**

**THIS BILL OF SALE ("Bill of Sale")** is made this \_\_\_ day of \_\_\_\_\_, by **HELM FINANCIAL CORPORATION**, a California corporation ("Seller"), in favor of **LINEA COAHUILA DURANGO S.A. DE C.V.**, a Mexican corporation ("Buyer").

**RECITALS**

1. **Sale of Units.** Subject to the terms, conditions and covenants set forth in Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Buyer and Seller, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Seller does hereby sell, convey, assign and transfer to Buyer all of its right, title and interest in and to the locomotives described in Schedule A attached hereto ("Units").

2. **DISCLAIMER OF WARRANTY.** SELLER SELLS AND BUYER PURCHASES THE UNITS AS-IS AND WHERE-IS, AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE UNITS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND SELLER HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING SOLD THE UNITS PURSUANT TO THIS BILL OF SALE 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 WORKMANSHIP IN THE UNITS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND SELLER SHALL NOT BE LIABLE, IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, ON A CCOUNT OF ANY MANUFACTURER'S DEFECT OR OTHER DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY UNITS; HOWEVER, SELLER DOES WARRANT THAT IT HAS GOOD TITLE TO THE UNITS AND THAT THEIR TRANSFER IS RIGHTFUL AND WITHOUT LIEN, SECURITY INTEREST OR ENCUMBRANCE ARISING BY THROUGH OR UNDER SELLER.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its officer thereunto duly authorized on the day and year first above written.

**HELM FINANCIAL CORPORATION**

By: \_\_\_\_\_  
Name: John F. Dains  
Title: President

Handwritten signatures and initials in black ink, including a large signature on the left and a smaller one on the right.

**EXHIBIT A - Continued**

**SCHEDULE A**

**TO BILL OF SALE DATED \_\_\_\_\_**

**Equipment Description:** Ten (10), GE Model C30-7, 3,000 horsepower, standard cab configuration, six-axle, diesel electric locomotives equipped with dynamic brake.

**Reporting Mark  
and Number**

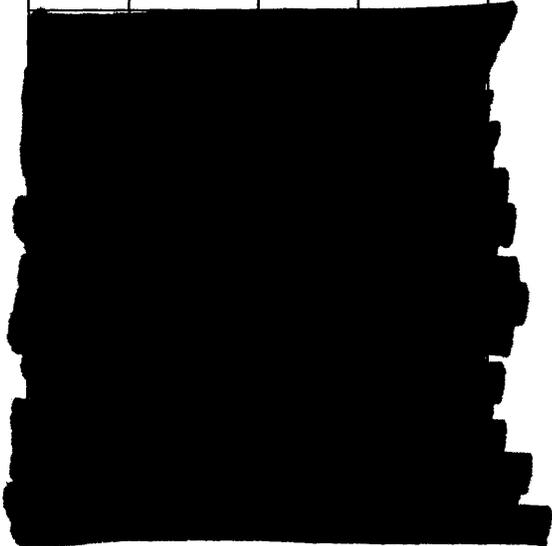
LFCD (numbers to be provided)

ANNEX B

To Schedule No. 2 dated as of April 28, 2004 to the Master Lease Agreement dated as of January 5, 2000 between Helm Financial Corporation and Linea Coahuila Durango S.A. de C.V.

CASUALTY SCHEDULE

Lease Term Period (Month)	Per Unit Settlement Value	Lease Term Period (Month)	Per Unit Settlement Value
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