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19851-C, D. + E

JUN 12 12 08 PM '96

SURFACE TRANSPORTATION BOARD

June 12, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies each of the following three documents: (1) Amendment to Master Equipment Lease Agreement, (2) Equipment Lease Schedule for Master Equipment Agreement (the "Equipment Lease Schedule Number 2") and (3) a Bill of Sale, each dated as of June 12, 1996, all being secondary documents, as defined in the Board's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed documents are:

Amendment to Master Equipment Lease Agreement
and
Equipment Lease Schedule Number 2

Lessor: Heller Financial Leasing, Inc.
500 West Monroe Street
Chicago, Illinois 60661

Lessee: Duluth, Missabe and Iron Range Railway Company
135 Jamison Lane
Monroeville, Pennsylvania 15146

Countersigned - [Signature]

Mr. Vernon A. Williams
June 12, 1996
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Bill of Sale

Seller: Helm Financial Corporation
One Embarcadero Center, Suite 3500
San Francisco, California 94111

Buyer: Heller Financial Leasing, Inc.
500 West Monroe Street
Chicago, Illinois 60661

A description of the railroad equipment covered by the enclosed documents is:

two (2) 3000 horsepower EMD Model SD 40-3, six axle, locomotives
bearing DMIR reporting marks and road numbers 405 and ~~406~~ 408.

Also enclosed is a check in the amount of \$63.00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

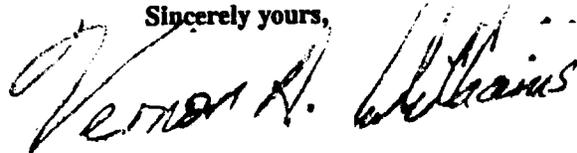
6/12/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2978

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/12/96 at 12:30PM, and assigned recordation number(s). 19851-C, 19851-D and 19851-E.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 63.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



19851-C

AMENDMENT TO MASTER EQUIPMENT LEASE AGREEMENT

This Amendment ("Amendment") to Master Equipment Lease Agreement is made and effective as of June 12, 1996 by and between Heller Financial Leasing, Inc. ("Lessor"), a Delaware corporation, and the Duluth, Missabe and Iron Range Railway Company ("Lessee"), a Delaware corporation.

RECITALS

A. Lessor and Lessee entered into a certain Master Equipment Lease Agreement dated as of December 28, 1995 ("Master Equipment Lease Agreement").

B. Lessor and Lessee desire to amend the terms and conditions of the Master Equipment Lease Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and covenants, and the agreements hereinafter set forth, and intending to be legally bound, the parties hereto agree as follows:

1. Words and Phrases. Capitalized and other words and phrases used in this Amendment and not otherwise defined herein shall have the meanings specified for such words and phrases in the Master Equipment Lease Agreement.

2. Assignment of Warranties and Limitation of Responsibility.

(a) Paragraph 12 of the Master Equipment Lease Agreement is hereby redesignated as subparagraph 12(a).

(b) The following is hereby included in the Master Equipment Lease Agreement as subparagraph 12(b):

(b) So long as no event of default has occurred and is continuing hereunder, or under any Lease or any Schedule or Rider thereto by and between Lessor and Lessee, the Lessor will permit the Lessee to pursue whatever claims and rights the Lessor may have as owner of the Equipment against Helm Financial Corporation, and/or any manufacturer(s), vendor(s), or supplier(s), in connection with the Equipment, under and subject to a certain Agreement of Purchase and Sale by and between Helm Financial Corporation and Lessor dated October 5, 1995, as amended, and a certain Agreement of Purchase and Sale by and between Helm Financial Corporation and Lessor dated June 5, 1996, ("Purchase Agreements"), as amended. The Lessee will give the Lessor timely advance notice of any action which is required to be taken by or on behalf of the Lessor in order to protect or enforce the Lessor's or the Lessee's rights in respect to the Equipment. All such action shall be at Lessee's sole cost and expense and Lessee further agrees in this regard to indemnify and hold Lessor harmless from any and all costs, expenses, or other claims that may arise or be asserted against Lessor including but not limited to attorney fees, arising

as a result of such action. Lessee will not sue or make any demands in Lessor's name. If necessary, Lessor will assign back certain rights in the Purchase Agreements to Lessee.

3. Section 14 of the Master Equipment Lease Agreement is amended by adding to Section 14(a) the following as additional events of default:

(10) a default by Guarantor under any Guaranty given to Lessor pursuant to the Master Lease Agreement dated as of December 28, 1995 ("Lease") or any Schedule thereto.

4. Section 18 of the Master Equipment Lease Agreement is amended to provide for the addition of Section (n) below:

Each Schedule executed pursuant to the Lease, while an independent Lease, is hereby cross-collateralized and cross-defaulted with each other.

5. In the event that any terms and provisions of this Amendment are inconsistent with any of the terms and conditions of the Master Equipment Lease Agreement, the terms and conditions of this Amendment shall govern.

6. Except as amended hereby, the Master Equipment Lease Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first written above.

"Lessor"

HELLER FINANCIAL LEASING, INC.

By: *Annand M. [Signature]*
Title: *Vice President*

"Lessee"

**DULUTH, MISSABE AND IRON RANGE
RAILWAY COMPANY**

By: *JT [Signature]*
Title: *Vice President - Operations*

STATE OF GEORGIA)
)ss
COUNTY OF COBB)

I, CATHY PORTADYE, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Dominick J. Masciantonio, the Vice President of Heller Financial Leasing, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such Vice President, he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of June, 1996.

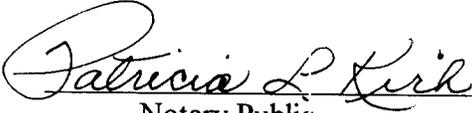
Cathy Portadye
Notary Public

Commission Expires: 4-20-99

STATE OF Pennsylvania)
)ss
COUNTY OF Allegheny)

I, PATRICIA L. KIRK the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT F. J. Habic, the Vice President of Operations of Duluth, Missabe and Iron Range Railway Company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such Vice President of Operations, he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of JUNE,
1996.


Notary Public

