

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

April 14, 1997

RECORDATION No. 20633

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

RECEIVED
SURFACE TRANSPORTATION
BOARD

APR 15 10 43 AM '97

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Net Lease Agreement dated as of December 12, 1996 between the following parties:

Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Lessee: Cobre Mining Company
625 Silver SW, Suite 100
Albuquerque, NM 87102

The equipment involved in this transaction is as follows:

Equipment: Forty-four (44) open top hopper railcars (See attached Schedule A to the Termination of Lease for reporting mark and numbers.)

Please file this agreement as a primary document. A check covering the filing fee is enclosed.

Sincerely,

P Hapin

Patrick Hapin
Document Administrator

/ph
Enclosures (2)

RECEIVED
SURFACE TRANSPORTATION
BOARD

MEMORANDUM OF
NET LEASE AGREEMENT

APR 15 10 43 AM '97

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of December 12, 1996 and is intended to evidence that certain Net Lease Agreement dated as of December 12, 1996 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and COBRE MINING COMPANY, a New Mexico corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the railcars, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

COBRE MINING COMPANY

By: 
Print Name: Richard C. Kirchner
Its: President

By: 
Print Name: Richard D. McNeely
Its: President

cm

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Forty-four (44), 100-ton, 1790 cubic foot capacity, two-compartment open top hopper railcars with 45-degree slope sheets. Built by Bethlehem Steel in 1978.

Units' Reporting Mark & Numbers:

COBX 11800, 11801, 11802, 11803, 11805, 11806, 11807, 11808, 11811, 11812,
11813, 11814, 11816, 11817, 11821, 11822, 11823, 11824, 11825, 11828,
11830, 11831, 11832, 11833, 11834, 11836, 11837, 11838, 11839, 11842,
11844, 11845, 11846, 11847, 11849, 11850, 11851, 11852, 11853, 11854,
11855, 11856, 11858, 11859.

cm

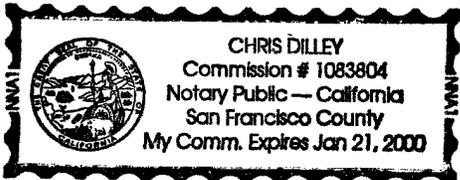
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On February 10, 1997, before me, Chris Dilley personally appeared Richard C. Kirchner, President of 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.



Chris Dilley
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF New Mexico)
) S.S.
COUNTY OF Bernalillo)

On February 6, 1997, before me, Miles L. Bachman personally appeared Richard D. McNeely, President of COBRE MINING COMPANY,

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.

Miles L. Bachman
SIGNATURE OF THE NOTARY

[Notarial Seal]

all