

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

November 9, 1998

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

RECORDATION NO. 21794-B FILED
NOV 20 '98 10-22 AM

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Locomotive Lease Agreement** dated as of July 9, 1998 which is intended to evidence **Schedule No. 3** dated as of September 29, 1997 and **Schedule No. 6** dated as of July 1, 1997 to the Master Locomotive Lease Agreement dated as of March 19, 1997 between the following parties:

Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Delaware & Hudson Railway Company, Inc. Room 235 Windsor Station Station Centre Ville Montreal, Quebec H3C 3E4

The equipment involved in this transaction is as follows:

Equipment:	Four (4) locomotives as more fully described in <u>Attachment A</u> to the memorandum.
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Please file this memorandum as a supplementary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (2)

NOV 20 '98 10-22AM

MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT ("Memorandum of Lease") dated as of July 9, 1998 is intended to evidence Schedule No. 3 dated as of September 29, 1997 ("Schedule 3") and Schedule No. 6 dated July 1, 1997 ("Schedule 6") to the Master Locomotive Lease Agreement, dated as of March 19, 1997 ("Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and DELAWARE AND HUDSON RAILWAY COMPANY, INC., a Delaware 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 locomotives more fully described in Attachment A hereto (the "Units"). Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease, Schedule 3 and Schedule 6.

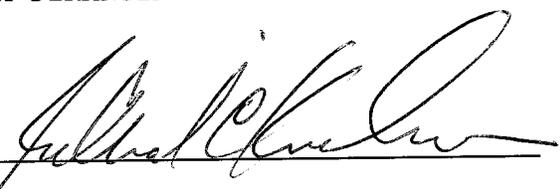
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Lease to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

DELAWARE AND HUDSON RAILWAY
COMPANY, INC.

By: 

By: 

Print Name: Richard C. Kirchner

Print Name: P. D. Gilmore

Title: President

Title: President

ATTACHMENT A

To the Memorandum of Lease dated July 9, 1998

SCHEDULE 3

Equipment Description:

Two (2), EMD, four axle, diesel electric, 3000 horsepower, locomotives.

<u>Unit Number</u>	<u>Model</u>
HATX 515	GP40-2
HATX 806	GP40-3

SCHEDULE 6

Equipment Description:

Two (2), EMD, GP40-3, four axle, diesel electric, 3000 horsepower, CLC microprocessor equipped locomotive.

Unit Numbers

HLCX 4409
HLCX 4410

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

On September 28, 1998, before me, Emma S. Ortega, personally appeared Richard C. Kirchner, 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: Emma Susan Ortega

(Notarial Seal)

PROVINCE OF Delaware)
) S.S.
CITY OF Wilmington)

On this 25th day of September, 1998, before me Jean-Claude Padi, personally appeared Richard C. Kirchner, President of **DELAWARE AND HUDSON RAILWAY COMPANY, INC.,**

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: Jean-Claude Padi

(Seal)

14