

HELM FINANCIAL CORPORATION

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

July 9, 1999

RECORDATION NO. **20822-K** FILED

JUL 19 '99

1-00PM

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

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Master Lease Agreement dated as of June 21, 1999 which is intended to evidence **Schedule No. 12** dated as of June 21, 1999 to the Master Lease Agreement dated as of July 15, 1996 between the following parties:

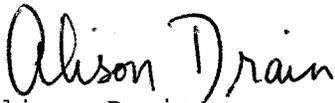
Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Norfolk Southern Railway Company 110 Franklin Road, SE Roanoke, VA 24042-0041

The equipment involved in this transaction is as follows:

Equipment: Sixty-two (62) locomotives as more fully described in Annex A attached hereto.

Please file this memorandum as a supplementary document to Recordation No. 20822 filed on August 18, 1997 and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,



Alison Drain
Document Administrator

/ad
Enclosures (2)

RECORDATION NO. 20822-K FILED

MEMORANDUM OF
MASTER LEASE AGREEMENT

JUL 19 '99 1-00PM

THIS MEMORANDUM OF MASTER LEASE AGREEMENT ("Memorandum") is made as of June 21, 1999 and is intended to evidence Schedule No. 12 dated as of June 21, 1999 ("Schedule 12") to that certain Master Lease Agreement dated as of July 15, 1996 ("Master Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and NORFOLK SOUTHERN RAILWAY COMPANY, 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. The Master Lease was filed with the Surface Transportation Board under Recordation Number 20822 on August 18, 1997. Lessor has the right to lease the rail equipment, more fully described in Annex A attached hereto ("Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Master Lease and Schedule 12.

The Master 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 Master 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 Master 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

NORFOLK SOUTHERN RAILWAY COMPANY

By: 

By: R. C. Steele, Jr.

Name: Richard C. Kirchner

Name: R. C. Steele, Jr.

Title: President

Title: Assistant Vice President

CM

ANNEX A

TO THE MEMORANDUM OF MASTER LEASE

THE UNITS

GROUP A UNITS

Equipment Description:

Thirty-nine (39), 3,000 horsepower, six-axle, SD40-2 locomotives with dynamic brakes.

Unit Numbers

BN 7167-7205

GROUP B UNITS

Twenty-three (23) locomotives.

<u>Unit Number</u>	<u>Type</u>
HLCX 6061-6066, 6068, 6069	SD40-3
HLCX 6090, 6500	SD40-3
HLCX 6202, 6204-6206, 6208	SD40-2
HLCX 6212, 6213, 6218, 6219	SD40-2
HLCX 6225-6227, 6401	SD40-2

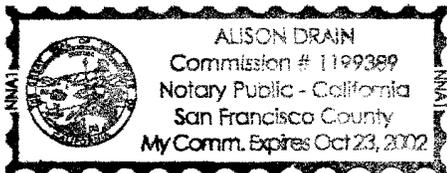
CM

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

On July 8th, 1999, before me, Alison Drain, 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.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

COMMONWEALTH OF VIRGINIA)
) S.S.
COUNTY OF ROANOKE)

On JULY 2nd, 1999, before me, E L BARNETT, personally
appeared R. C. Steele, Jr., Assistant Vice President of
NORFOLK SOUTHERN RAILWAY COMPANY,

✓ 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.

E L Barnett
SIGNATURE OF THE NOTARY

[Notarial Seal]

My Commission Expires 1-31-2003

AM