

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

October 21, 1997

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

RECORDATION NO. 20964 FILED

OCT 28 '97

10-28 AM

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Net Lease Agreement dated as of August 13, 1996 ("**Memorandum**") between the following parties:

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

Lessee: Pittsburg & Shawmut Railroad, Inc.
3 Parkway
P.O. Box 247
Leicester, NY 14481

The equipment involved in this transaction is as follows:

Equipment: Group 1
Eighty-five (85) hoppers as more fully described in Schedule A to the Memorandum.

Group 2
Two-hundred fifteen (215) hoppers as more fully described in Schedule A to the Memorandum.

Please file this agreement as a primary document. A check covering the filing fee of twenty-four dollars (\$24.00) is enclosed.

Sincerely,



Eric W. Stoll
Document Administrator

/es
Enclosures (2)

OCT 28 '97 10-28 AM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of August 13, 1996 and is intended to evidence that certain Net Lease Agreement dated as of August 13, 1996 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and PITTSBURG & SHAWMUT RAILROAD, 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 three hundred (300) 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.

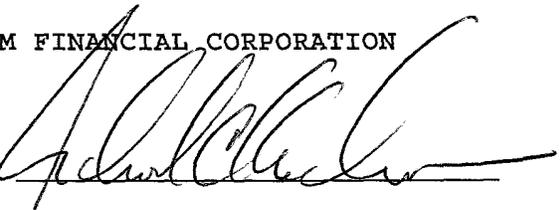
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

PITTSBURG & SHAWMUT RAILROAD, INC.

By: 

By: 

Print Name: Richard C. Kirchner

Print Name: DAVID J. COLLINS
SR. VICE PRESIDENT

Its: President

Its: _____

CM

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Group I

Unit Numbers Series: PS 200-206, 208-215, 218-220, 223-235, 237-246, 248-251, 254, 257-272, 274-283, 285-291, 293-295, 297-299,

Equipment Description: Eighty-five (85) Hoppers

AAR Mechanical Designation: HT

AAR Car Type Code: H350

Builder: Bethlehem Steel Corporation Freight Car Division

Date Built: 1976

Nominal Capacity, Tons: 100

Cubic Feet Capacity: 3420

Air Brake System: ABD

Trucks: Barber

Couplers: E60CHT, or equivalent

The subject Group I Units are listed in The Official Railway Equipment Register, Volume III, No. 1, issued July 15, 1995 and effective July 25, 1995, on page no. 584, line no. 1.

Group II

Unit Numbers Series: PS 701-703, 705-742, 744, 746-756, 759, 761, 763-764, 766-780, 782-838, 840-881, 883-895, 897-902, 904-912, 914-918, 920-930

Equipment Description: two hundred fifteen (215) Hoppers

AAR Mechanical Designation: HT

AAR Car Type Code: H350

AAR Equipment Diagram: Plate B

Builder: Various

Date Built: 1974-1978

Nominal Capacity, Tons: 100

Cubic Feet Capacity: 3340-3526

Air Brake System: ABD or ABDW

Trucks: Barber

Couplers: E60CHT, or equivalent

The subject Group II Units are listed in The Official Railway Equipment Register, Volume III, No. 1, issued July 15, 1995 and effective July 25, 1995, on page nos. 584 & 585, line nos. 4-31.

CM

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

On September 3, 1997, before me, Emma S. Ortega - Notary Public 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.

Emma Susan Ortega
SIGNATURE OF THE NOTARY

[Notarial Seal]

NEW YORK
STATE OF ~~PENNSYLVANIA~~)
LIVINGSTON) S.S.
COUNTY OF ~~WARREN~~)

On AUGUST 22, 1997, before me, GAIL E. LAURSEN personally appeared DAVID J. COLLINS, SR VICE PRESIDENT of PITTSBURG & SHAWMUT RAILROAD, 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.

Gail E. Laurсен
SIGNATURE OF THE NOTARY

GAIL E. LAURSEN
Notary Public, State of New York
Qualified in Livingston County
My Commission Expires April 30, 1998

[Notarial Seal]

EM