

**HELM-ATLANTIC ASSOCIATES**  
LIMITED PARTNERSHIP

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

RECORDATION NO. 2096 FILED

October 23, 1997

OCT 28 '97

10-28AM

Mr. Vernon Williams  
Secretary  
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 the Net Lease Agreement made as of April 2, 1997 ("Memorandum") between the following parties:

Lessor: Helm-Atlantic Associates  
Limited Partnership  
c/o Helm Atlantic Corporation  
One Embarcadero Center, Suite 3700  
San Francisco, CA 94111

Lessee: RailLink Canada Ltd.  
100 Ferguson Street  
North Bay, ON P1B 1W8

The equipment involved in this transaction is as follows:

Equipment: Two (2) locomotives 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  
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT (the "Memorandum") is made as of September 5, 1997 and is intended to evidence that certain Locomotive Lease Agreement dated as of September 5, 1997 (the "Lease") between HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Lessor"), and RAILINK CANADA LTD., a Canadian 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 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-ATLANTIC ASSOCIATES  
LIMITED PARTNERSHIP

RAILINK CANADA LTD.

By: Helm Atlantic Corporation,  
its General Partner

By: [Signature]

By: [Signature]

Print Name: David R. Eckles

Print Name: Jim Eaton

Its: President

Its: Manager, Mechanical Services

M

**SCHEDULE A**  
**TO THE MEMORANDUM OF LEASE**

**THE UNITS**

**Equipment Description:**

Two (2), EMD GP38, four axle, diesel electric 2000 horsepower locomotives.

**Old Reporting  
Marks and Numbers**

HATX 113  
HATX 117

**New Reporting  
Marks and Numbers**

TOR 2006  
TOR 2003

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

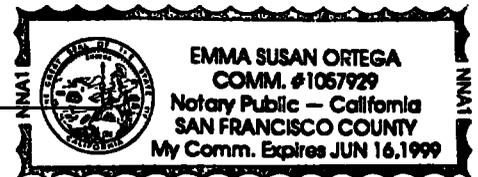
On Oct. 1st, 1997, before me, Emma S Ortega-Notary Public, personally appeared David R. Eckles, President of HELM ATLANTIC CORPORATION,

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]

PROVINCE OF ONTARIO )  
 ) S.S.  
DISTRICT OF MISSISSAUGA )

On this 16th day of September, 1997, before me personally appeared Jim Eaton who being by me duly sworn, says that he/she is Manager, Mechanical Services of RAILINK CANADA LTD., that the foregoing instrument was signed on behalf of said company on such day by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instruction was the free act and deed of said company.

[Signature]  
SIGNATURE OF COMMISSIONER OF OATHS

[Seal]

My Commission expires: N/A

M