

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

RECORDATION NO 20963 FILED

October 21, 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 Net Lease Agreement dated as of July 7, 1997 ("**Memorandum**") between the following parties:

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

Lessee: Salm Construction Company
7915 South 261st Street
Kent, WA 98032

The equipment involved in this transaction is as follows:

Equipment: See 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)

MEMORANDUM OF
NET LEASE AGREEMENT

OCT 28 '97 10-28AM

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of July 7, 1997 and is intended to evidence that certain Net Lease Agreement dated as of July 7, 1997 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and SALM CONSTRUCTION COMPANY, a Washington 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.

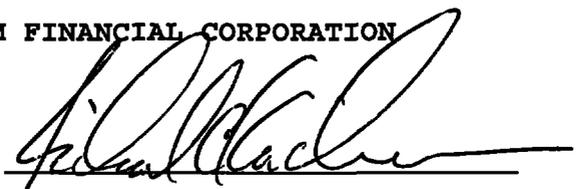
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

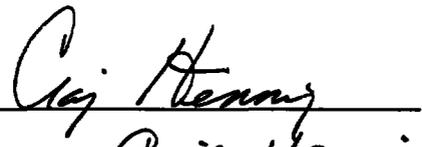
LESSOR

LESSEE

HELM FINANCIAL CORPORATION

SALM CONSTRUCTION COMPANY

By: 
Print Name: RICHARD C. KIRCHNER
Its: PRESIDENT

By: 
Print Name: CRAIG HENNINGS
Its: PRES

CH *CM*

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Four (4), 2150 cubic foot, 286,000 lb. gross weight on rail capacity open top hoppers equipped with manually operated Miner ballast gates. Rebuilt per AAR Rule 88 in 1997.

Units' Reporting Mark & Numbers:

HLMX 100015
HLMX 100016
HLMX 100017
HLMX 100018

Handwritten initials:
AB
CM

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

On August 27, 1997, before me, Patrick M. Hapin - 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.

Patrick M. Hapin
SIGNATURE OF THE NOTARY

[Notarial Seal]



STATE OF Washington)
) S.S.
COUNTY OF King)

On August 20, 1997, before me, Kimberly E. Charles personally appeared Craig Henning, President of SALM CONSTRUCTION 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.

Kimberly E. Charles
SIGNATURE OF THE NOTARY



EA
CMM