

# HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

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VIA AIR COURIER

August 31, 1998

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

RECORDATION NO. 21615 FILED

SEP 1 '98 10-53 AM

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Locomotive Lease Agreement** dated as of March 23, 1998 between the following parties:

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

Lessee: Gateway Western Railway  
15 Executive Drive  
Fairview Heights, IL 62208

The equipment involved in this transaction is as follows:

Equipment: Four (4) locomotives as more fully described  
in Schedule A to the Memorandum.

Please file this memorandum as a primary 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)

MEMORANDUM OF  
LOCOMOTIVE LEASE AGREEMENT SEP 1 '98 10-53 AM

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT (the "Memorandum") is made as of March 23, 1998 and is intended to evidence that certain Locomotive Lease Agreement dated as of March 23, 1998 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and GATEWAY WESTERN RAILWAY COMPANY, an Illinois 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. 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

GATEWAY WESTERN RAILWAY COMPANY

By: *Richard C. Kirchner*

By: *D.H. Gill*

Print Name: Richard C. Kirchner

Print Name: D.H. Gill

Its: President

Its: President + GM

*Approved As To Form*  
*R.P. Buzby*

*a*

SCHEDULE A

THE UNITS

1. Group A

Equipment Description: Two (2), SW1500 diesel-electric locomotives, 1500 horsepower, four axle, Flexicoil trucks, 12-64SE prime mover, 26L type brakes; built by EMD.

Unit Numbers: HLCX 1515, HLCX 1518

2. Group B

Equipment Description: Two (2), GP40-2 diesel-electric locomotives, 3000 horsepower, four axle, non-dynamic brakes; built by EMD.

Unit Numbers:

HATX 500  
HATX 502

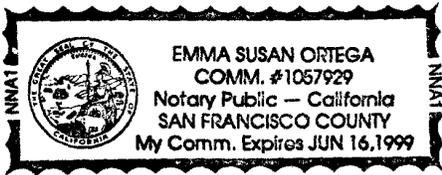
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STATE OF CALIFORNIA )  
 ) S.S.  
COUNTY OF SAN FRANCISCO )

On August 13, 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.

Emma Susan Ortega  
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF Missouri )  
 ) S.S.  
COUNTY OF JACKSON )

On August 21, 1998, before me, YVONNE M. POWERS, personally appeared DONALD H. GILL, PRESIDENT of GATEWAY WESTERN 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.

Yvonne Powers  
SIGNATURE OF THE NOTARY

[Notarial Seal]

