

HELM
FINANCIAL CORPORATION

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

VIA AIR COURIER

March 28, 1995

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, DC 20423

REGISTRATION NO. 19332
MAR 28 1995 3:51 PM

Dear Ms. Lee:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of January 27, 1995 between the following parties:

Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3500
San Francisco, CA 94111

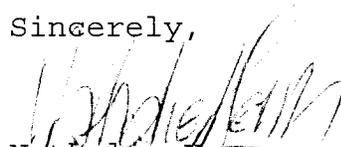
Lessee: Iowa Interstate Railroad, Ltd.
800 Webster Street
Iowa City, IA 52240

The equipment involved in this transaction is as follows:

Equipment: Sixteen (16) locomotives (See SCHEDULE A attached for reporting mark & numbers)

Please file this agreement as a primary document. The filing fee of \$21.00 is enclosed.

Sincerely,


Nathalie Bern
Administrative Assistant

/nh

Enclosures (2)

19332
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MEMORANDUM OF
LEASE OF RAILROAD EQUIPMENT

THIS MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT ("Memorandum of Lease") dated as of January 27, 1995 is intended to evidence the Lease of Railroad Equipment dated as of January 27, 1995 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation (the "Lessor"), and IOWA INTERSTATE RAILROAD, LTD., an ~~Illinois~~ Delaware corporation (the "Lessee"), for the purpose of satisfying the requirements of recordation with the Interstate Commerce Commission under Section 49 of U.S.C. 11303. Lessor has the right to lease the locomotives described in Schedule A hereto (the "Units"). Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

Delaware

IN WITNESS WHEREOF, each party, pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

LESSOR
HELM FINANCIAL CORPORATION

LESSEE
IOWA INTERSTATE RAILROAD, LTD.

By: *[Signature]*
Title: President
Date: February 28, 1995

By: *[Signature]*
Title: Executive Vice-President
Date: 2/25/95

[Handwritten mark]

SCHEDULE A

To the Memorandum of Lease

Dated January 27, 1995

Equipment Description:

Sixteen (16) Locomotives

Unit Number:

250, 325, 402, 403, 405, 413, 431, 466, 468, 481, 601, 602, 625, 626,
627 and 628

STATE OF CALIFORNIA

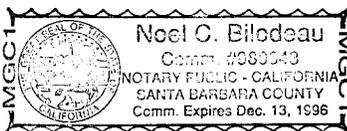
COUNTY OF SAN FRANCISCO

On February 28, 1995, before me, ^{Noel C. Bildeau}~~LaRonda A. Gaines~~, 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.



Noel C. Bildeau
SIGNATURE OF THE NOTARY

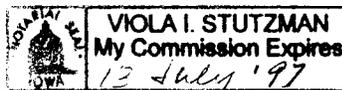
STATE OF IOWA)
COUNTY OF JOHNSON) S

On this 28th day of FEBRUARY, 1995, before me personally appeared ROBERT C. FINLEY, to me personally known, who, being by me duly sworn says that he is EXECUTIVE VICE PRESIDENT of IOWA INTERSTATE RAILROAD, LTD., that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Viola I. Stutzman
Notary Public

My Commission Expires: 13 July '97

[Notarial Seal]



[Handwritten initials]