

HELM

FINANCIAL CORPORATION

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

VIA AIR COURIER

November 6, 1995

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

Dear Ms. Lee:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of July 26, 1995 between the following parties:

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

Lessee: BC Rail, Ltd.
221 West Esplanade
North Vancouver, B.C. V7M 3J1

The equipment involved in this transaction is as follows:

Equipment: Eight (8) locomotives (See Exhibit A
attached for reporting mark & numbers)

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

Sincerely,

Natalie Hern
Administrative Assistant

/nh

Enclosures (2)

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MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT ("Memorandum of Lease") made as of July 26, 1995 is intended to evidence the Locomotive Lease Agreement dated as of July 26, 1995 (the "Lease") between Helm-Atlantic Associates Limited Partnership, a Delaware limited partnership (the "Lessor"), and BC RAIL LTD., a Canadian 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 eight (8) locomotives, more fully described in Exhibit A hereto (the "Units"). Lessee leased from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

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

LESSOR

LESSEE

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

BC RAIL LTD.

By: Helm Atlantic Corporation,
its General Partner

By: [Signature]

By: [Signature]

Title: President

Title: SUPERVISOR - MECHANICAL

Date: Sept 21, 1995

Date: SEP. 13, 1995

EXHIBIT A

To the Memorandum of Lease dated July 26, 1995 between Helm-Atlantic Associates Limited Partnership and BC Rail Ltd.

Equipment Description:

Eight (8), 3,200 - 3,600 horsepower, SD45-2 Locomotives equipped with extended range dynamic brakes and 4,000 gallon tanks; remanufactured by Southern Pacific Transportation Company in 1986.

Unit Number:

HATX 930-937

STATE OF CALIFORNIA:

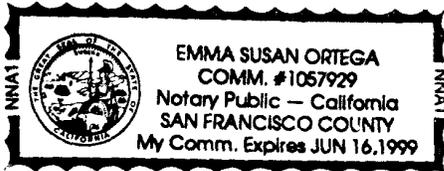
COUNTY OF SAN FRANCISCO

Emma S. Ortega

On September 21, 1995, before me, ~~Noël C. Bilodeau~~, personally appeared David R. Eckles, President of **HELM ATLANTIC CORPORATION**,

X 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

PROVINCE OF BRITISH COLUMBIA)

) §

CITY OF NORTH VANCOUVER)

On this 15th day of SEPTEMBER, 1995, before me personally appeared A.P. GROINUS, to me personally known, who, being by me duly sworn, says that he is SUPERVISOR - MECHANICAL of **BC RAIL 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.

D.R. [Signature]
Notary Public **COMMISSIONER** FOR TAKING AFFIDAVITS

My Commission Expires: JUNE 30 1996

[Notarial Seal] N/A