

OSTER
Researching Services

12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

10940

February 21, 1996

Mr. Vernon Williams
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Net Lease Agreement dated 11/1/95 between the following parties:

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

Lessee: Iowa Northern Railway Company
17177 North Laurel Park Drive
Livonia, MI 48152

The equipment included in this transaction is described on Schedule A to the Memorandum of Lease.

Please record this agreement as a primary document. The filing fee of \$21 is enclosed. Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosure

FEB 21 9 43 AM '96

Quarterly Report - Mary Ann Oster

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

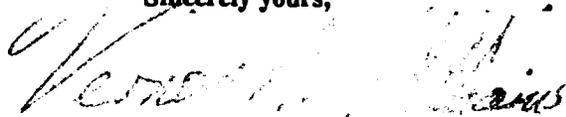
2/21/96

Mary Ann Oster
Research Consultant
Oster Researching Services
12897 Colonial Drive
Mt. Airy, MD. 21771

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/21/96 at 9:45AM, and assigned recordation number(s). 19940.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of November 1, 1995 and is intended to evidence that certain Net Lease Agreement dated as of November 1, 1995 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and IOWA NORTHERN RAILWAY COMPANY, an Iowa 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. 11303. Lessor has the right to lease the one hundred (100) covered hopper 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. Notwithstanding anything herein to the contrary Lessee may assign or sublease the Lease or the Units to any wholly-owned subsidiary of the Iron Road Railways, Inc. ("Iron"), provided that Iron shall guarantee the obligations under this Lease of such wholly-owned subsidiary.

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

IOWA NORTHERN RAILWAY COMPANY

By: *Richard C. Kirchner*

By: *B.F. Collins*

Print Name: Richard C. Kirchner

Print Name: *B.F. Collins*

Its: President

Its: *Vice President*

SCHEDULE A TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

One hundred (100), 4,000 cubic foot, 100-ton, covered hopper railcars equipped with 6 outlet gates and trough hatches

| <u>Unit Number</u> | <u>Unit Number</u> | <u>Unit Number</u> | <u>Unit Number</u> |
|--------------------|--------------------|--------------------|--------------------|
| 1. IANR 96013 | 26. IANR 96181 | 51. IANR 96327 | 76. IANR 96450 |
| 2. IANR 96016 | 27. IANR 96189 | 52. IANR 96328 | 77. IANR 96452 |
| 3. IANR 96027 | 28. IANR 96195 | 53. IANR 96330 | 78. IANR 96459 |
| 4. IANR 96046 | 29. IANR 96207 | 54. IANR 96332 | 79. IANR 96461 |
| 5. IANR 96051 | 30. IANR 96209 | 55. IANR 96333 | 80. IANR 96462 |
| 6. IANR 96054 | 31. IANR 96211 | 56. IANR 96351 | 81. IANR 96470 |
| 7. IANR 96064 | 32. IANR 96212 | 57. IANR 96366 | 82. IANR 96472 |
| 8. IANR 96067 | 33. IANR 96216 | 58. IANR 96370 | 83. IANR 96473 |
| 9. IANR 96085 | 34. IANR 96229 | 59. IANR 96373 | 84. IANR 96475 |
| 10. IANR 96100 | 35. IANR 96231 | 60. IANR 96375 | 85. IANR 96484 |
| 11. IANR 96109 | 36. IANR 96238 | 61. IANR 96379 | 86. IANR 96487 |
| 12. IANR 96118 | 37. IANR 96254 | 62. IANR 96384 | 87. IANR 96490 |
| 13. IANR 96120 | 38. IANR 96261 | 63. IANR 96389 | 88. IANR 96492 |
| 14. IANR 96123 | 39. IANR 96268 | 64. IANR 96392 | 89. IANR 96497 |
| 15. IANR 96129 | 40. IANR 96271 | 65. IANR 96394 | 90. IANR 96500 |
| 16. IANR 96131 | 41. IANR 96280 | 66. IANR 96395 | 91. IANR 96510 |
| 17. IANR 96132 | 42. IANR 96283 | 67. IANR 96398 | 92. IANR 96515 |
| 18. IANR 96139 | 43. IANR 96302 | 68. IANR 96401 | 93. IANR 96518 |
| 19. IANR 96142 | 44. IANR 96308 | 69. IANR 96406 | 94. IANR 96524 |
| 20. IANR 96156 | 45. IANR 96310 | 70. IANR 96407 | 95. IANR 96537 |
| 21. IANR 96161 | 46. IANR 96313 | 71. IANR 96414 | 96. IANR 96538 |
| 22. IANR 96166 | 47. IANR 96314 | 72. IANR 96426 | 97. IANR 96543 |
| 23. IANR 96169 | 48. IANR 96315 | 73. IANR 96427 | 98. IANR 96545 |
| 24. IANR 96170 | 49. IANR 96316 | 74. IANR 96432 | 99. IANR 96548 |
| 25. IANR 96179 | 50. IANR 96320 | 75. IANR 96447 | 100. IANR 96553 |

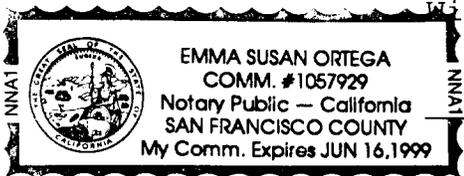
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On Feb. 14, 1995, 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 MICHIGAN)
) SS.
COUNTY OF WAYNE)

On FEBRUARY 13TH, 1995, before me, DIANNE M. PLUMLEY
personally appeared B.F. COLLINS, VICE PRESIDENT of IOWA NORTHERN 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.

Dianne M. Plumley
SIGNATURE OF THE NOTARY

[Notarial Seal]

DIANNE M. PLUMLEY, NOTARY PUBLIC
LAPEER COUNTY, MICHIGAN
MY COMMISSION EXPIRES 4-15-98
ACTING IN WAYNE COUNTY, MICHIGAN