HELM
LOCOMOTIVE LEASING

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

RECORDATION NO. 26373 FILED 1425
NOV 1 9 1996 -10 55 AM

VIA AIR COURIER

November 14, 1996

Mr. Vernon Williams
Recordations Unit
Surface Transportation Board
Department of Transportation
12th and Constitution Avenue, N.W.
Washington, DC 20423

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of October 7, 1996 between the following parties:

Sublessor: MK Rail Corporation
4600 Apple Street
P.O. Box 5368
Boise, ID 83705

Lessee: Helm Locomotive Leasing Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

The equipment involved in this transaction is as follows:

Equipment: Seventeen (17) SD40M-2 locomotives (See Schedule A attached for reporting mark & numbers.)

Please file this agreement as a primary document. The filing fee of $22.00 is enclosed.

Sincerely,

Chris Dilley
Administrative Assistant

/cpd
Enclosure

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MEMORANDUM OF
LOCOMOTIVE SUBLEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE SUBLEASE AGREEMENT (**"Memorandum"**) is made as of October 7, 1996 and is intended to evidence that certain Locomotive Sublease Agreement dated as of October 7, 1996 (**"Sublease"**) between **MK RAIL CORPORATION**, a Delaware corporation (**"Sublessor"**), and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation (**"Sublessee"**), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the United States Department of Transportation under Section 49 of U.S.C. 11301. Sublessor has the right to sublease the seventeen (17) SD40M-2 locomotives, more fully described in Schedule A hereto (**"Units"**). Sublessee subleased from Sublessor the Units at the Rent and upon the terms and conditions provided in the Sublease.

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.

SUBLESSOR	SUBLESSEE
MK RAIL CORPORATION	HELM LOCOMOTIVE LEASING CORPORATION
By: Joseph S Crawford	By:
Print Name: Joseph S Crawford Jr	Print Name: Richard C. Kirchner
Its: President Loco Group	Its: President

SCHEDULE A TO THE
MEMORANDUM OF LOCOMOTIVE
SUBLEASE AGREEMENT

THE UNITS

Equipment Description:

Seventeen (17) remanufactured General Motors Model SD40M-2 locomotives

Unit Numbers:

9001, 9003, 9004, 9005, 9006, 9008, 9009, 9010, 9012, 9013, 9014, 9015, 9016, 9017, 9018, 9019, 9020

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

On October 7, 1996, before me, Chris Dilley personally appeared Richard C. Kirchner, President of **HELM LOCOMOTIVE LEASING 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.

CHRIS DILLEY
Commission # 1083804
Notary Public — California
San Francisco County
My Comm. Expires Jan 21, 2000

SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF Pennsylvania)
) S.S.
COUNTY OF Allegheny)

On October 11, 1996, before me, Joseph S. Crawford, Jr. personally appeared President, Locomotive Group of MK Rail 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.

SIGNATURE OF THE NOTARY

[Notarial Seal]

Notarial Seal
Barbara J Hitson, Notary Public
Braddock Boro, Allegheny County
My Commission Expires Oct. 26, 1996
Member, Pennsylvania Association of Notaries