

**HELM-ATLANTIC ASSOCIATES**  
LIMITED PARTNERSHIP

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

**VIA AIR COURIER**

January 31, 1997

RECORDATION NO. 20538 FILED 1025  
FEB 5 1997 - 9 45 AM

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 Locomotive Lease Agreement dated as of February 8, 1996 between the following parties:

Lessor:	Helm-Atlantic Associates Limited Partnership One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Iowa Interstate Railroad, Inc. 2920 Industrial Park Road Iowa City, IA 52240

The equipment involved in this transaction is as follows:

Equipment: One (1) GP38 locomotive (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

RECORDATION NO. 20538 FILED 1425  
FEB 27 1997 - 9 45 AM

MEMORANDUM OF  
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT (the "Memorandum") is made as of February 8, 1996 and is intended to evidence that certain Locomotive Lease Agreement dated as of February 8, 1996 (the "Lease") between HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Lessor"), and IOWA INTERSTATE RAILROAD, INC., a Delaware 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 locomotive, more fully described in Schedule A hereto (the "Unit"). Lessee leased from Lessor the Unit at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Unit 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.

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-ATLANTIC ASSOCIATES  
LIMITED PARTNERSHIP

IOWA INTERSTATE RAILROAD, INC.

By: Helm Atlantic Corporation,  
its General Partner

By: David R. Eckles

Print Name: David R. Eckles

Its: President

By: Robert C. Finley

Print Name: Robert C. Finley  
Executive Vice-President

Its: \_\_\_\_\_

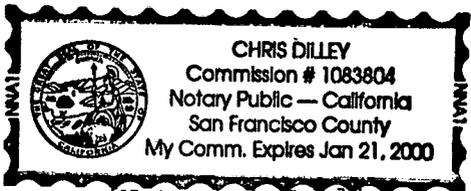
STATE OF CALIFORNIA )  
 ) S.S.  
COUNTY OF SAN FRANCISCO )

On December 17, 1996, before me, Chris Dilley  
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.



Chris Dilley  
SIGNATURE OF THE NOTARY

STATE OF Iowa )  
 ) S.S.  
COUNTY OF Johnson )

On Tues., Dec. 10, 1996, before me, Paula A. Ingalls personally appeared Robert C. Finley, Exec. Vice Pres. of IOWA INTERSTATE RAILROAD, INC.

— 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.

Paula A. Ingalls  
SIGNATURE OF THE NOTARY

[Notarial Seal]

SCHEDULE A

TO THE MEMORANDUM OF LEASE

THE UNIT

Equipment Description:

One (1) GP38 Locomotive

Old Reporting  
Mark and Number

HATX 110

New Reporting  
Mark and Number

IAIS 604