

HELM FINANCIAL CORPORATION

JAN 19 '99 9-15 AM

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

January 5, 1999

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Railcar Lease Agreement** dated as of December 26, 1996 ("Memorandum") between the following parties:

- Lessor: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

- Lessee: BC Rail Partnership
c/o BC Rail, Ltd.
221 West Esplanade
North Vancouver, BC V6B 4X6

The equipment involved in this transaction is as follows:

- Equipment: One hundred (100) boxcars as more fully described in Schedule A to the Memorandum.

Please file this Memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (2)

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

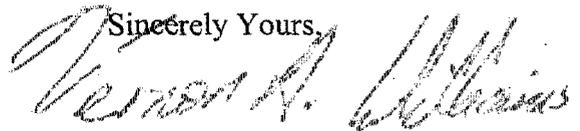
OFFICE OF THE SECRETARY

Alison Drain
Helm Financial Corporation
One Embarcadero Center, Ste. 3700
San Francisco, CA., 94111

Dear Sir/Madam:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/19/99 at 9:15 AM, and
assigned recordation numbers (s): 21975, 21976, 17753-A, 19063-A and 19692-A.

Sincerely Yours,

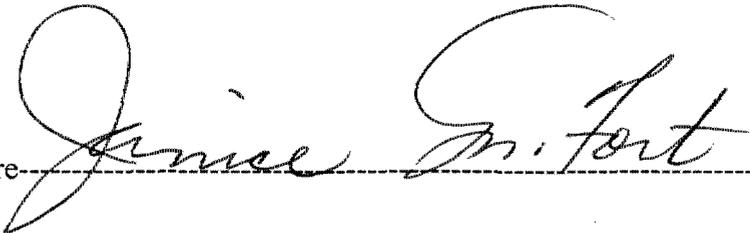


Vernon A. Williams

Enclosure(s) (5)
130.00

\$_____ 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature _____



JAN 19 '99

9-15 AM

**MEMORANDUM OF
RAILCAR LEASE AGREEMENT**

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT (the "Memorandum") is made as of December 26, 1996 and is intended to evidence that certain Railcar Lease Agreement dated as of December 26, 1996 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and BC RAIL PARTNERSHIP, a British Columbia partnership ("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. 11301. Lessor has the right to lease the one hundred (100) boxcars, 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.

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

BC RAIL PARTNERSHIP

By: 

By: 

Print Name: Richard C. Kirchner

Print Name: _____

Its: President

Its: _____

Wayne C. Banks
Vice-President
Sales and Customer
Service Delivery

CM

SCHEDULE A

To the Memorandum of Railcar Lease Agreement dated as of December 26, 1996 between Helm Financial Corporation and BC Rail Partnership.

THE UNITS

Equipment Description: One hundred (100), 50'6" XL boxcars with single 10' sliding doors and 196,000 lb. loading capacity. Rebuilt per Rule 88 in 1996-1997.

Group A Units: BCIT 850100 - 850174 (rebuilt at Metro East Industries, Inc., East St. Louis, IL.)

Group B Units: BCIT 850175 - 850199 (rebuilt at Ebenezer Railcar Services, West Seneca, NY.)

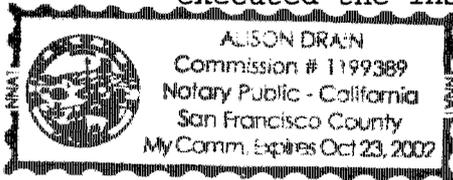
cm

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

On January 4, 1998, before me, Alison Drain personally appeared Richard C. Kirchner, President of HELM FINANCIAL 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.

Alison Drain

SIGNATURE OF THE NOTARY

[Notarial Seal]

PROVINCE OF BRITISH COLUMBIA) S.S.
DISTRICT OF _____)

On DECEMBER 22, 1998, before me, CAROL A. LEE personally appeared WAYNE C. BANKS, VICE-PRESIDENT of BC RAIL PARTNERSHIP,

✓ 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.

Carol A. Lee

~~SIGNATURE OF THE NOTARY~~
A Commissioner for taking Affidavits
for British Columbia

[Notarial Seal]