

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

July 7, 1999

RECORDATION NO.

FILED

JUL 19 '99

1-00PM

Mr. Vernon Williams
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 Locomotive Lease Agreement** dated as of July 1, 1999 between the following parties:

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

Lessee: The Texas Mexican Railroad Company
1200 Washington Street
Laredo, TX 78042

The equipment involved in this transaction is as follows:

Equipment: Four (4) locomotives as more fully described
in Schedule A attached hereto.

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.

Yours truly,

Alison Drain

Alison Drain
Document Administrator

/ad

Enclosures (2)

22253

MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

JUL 19 '99

1-00PM

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT (the "Memorandum") is made as of July 1, 1999 and is intended to evidence that certain Locomotive Lease Agreement dated as of July 1, 1999 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and THE TEXAS MEXICAN RAILROAD COMPANY, a Texas 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. 11301. Lessor has the right to lease the locomotives, 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.

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

HELM FINANCIAL CORPORATION

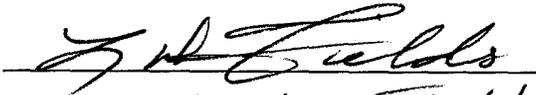
By: 

Print Name: Richard C. Kirchner

Its: President

LESSEE

THE TEXAS MEXICAN RAILROAD COMPANY

By: Print Name: L. D. FieldsIts: President & CEO

CM

SCHEDULE A

TO THE MEMORANDUM OF LEASE

Equipment Description: Four (4) locomotives.

<u>Unit Number:</u>	<u>Unit Type:</u>
852	GP7
853	GP9
854	GP18
868	GP35

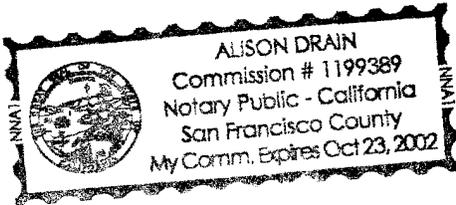
cm

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

On July 2nd, 1999, 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

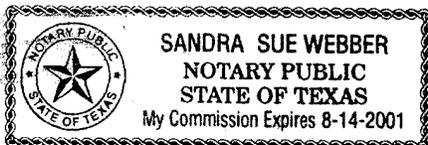
[Notarial Seal]

STATE OF TEXAS)
) S.S.
COUNTY OF WEBB)

On July 1, 1999, 1999, before me, SANDRA SUE WEBBER, personally appeared L.D. FIELDS, President + CEO of THE TEXAS MEXICAN RAILROAD 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.

Sandra Sue Webber
SIGNATURE OF THE NOTARY

[Notarial Seal]

CM