

HELM FINANCIAL CORPORATION

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

October 30, 1998

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

RECORDATION NO

NOV 3 '98

1-38 PM

Dear Mr. Williams:

Enclosed are six (6) originals of the **Memorandum of Net Railcar Lease Agreement** dated as of October 1, 1997 between the following parties:

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

Lessee: TFM, S.A. DE C.V.
Av. Manuel L. Barragan 4850 Norte
Colonia Hidalgo
C.P. 64420 Monterrey, N.L., Mexico

The equipment involved in this transaction is as follows:

Equipment: One hundred (100) railcars as more fully described in Schedule A to the memorandum.

Please file this memorandum as a primary document and return **five (5)** stamped originals to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

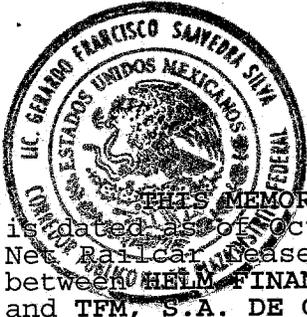
Sincerely,

Alison Drain

Alison Drain
Document Administrator

/ad
Enclosures (6)

RECEIVED
SURFACE TRANSPORTATION
BOARD



RECORDATION NO. 21768 FILED

**MEMORANDUM OF NET RAILCAR NOV 3 '98
LEASE AGREEMENT**

1-38 PM

THIS MEMORANDUM OF NET RAILCAR LEASE AGREEMENT (the "Memorandum") is dated as of October 1, 1997 and is intended to evidence that certain Net Railcar Lease Agreement dated as of October 1, 1997 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and TFM, S.A. DE C.V., a Mexican corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the U.S. Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the 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.

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

TFM, S.A. DE C.V.

By: [Signature]
Print Name: Richard C. Kirchner

By: [Signature]
Print Name: MARIO MOHAR PONCE

Its: President

Its: CFO

Place and
Date of Execution:

Place and
Date of Execution:

San Francisco, CA
October 15, 1998

OCT. 1 1997
Mexico City, Mexico

By: [Signature]
Print Name: MARIO ALBERTO GONZALEZ PADILLA

Its: CFO

Place and
Date of Execution:

OCT. 1 1997
Mexico City, Mexico

[Handwritten initials and signatures]

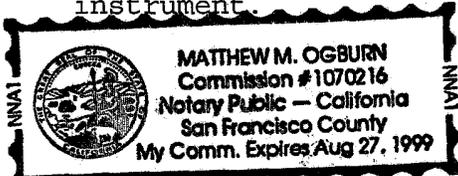


STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On October 15, 1998, before me, Matthew M. Ogburn,
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.



[Notarial Seal]

Witness my hand and official seal.

Matthew M. Ogburn
SIGNATURE OF THE NOTARY

STATE OF _____)
) S.S.
COUNTY OF _____)

See attached

On _____, 1998, before me, _____,
personally appeared _____ of
TFM, S.A. DE C.V.,

personally known to me -OR-

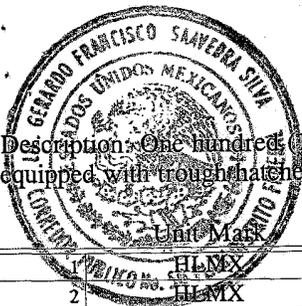
proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), 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]

[Handwritten signatures and initials]



SCHEDULE A
TO THE MEMORANDUM OF LEASE

Description: One hundred (100), 4,000 c.f.c., 100-ton, roller bearing covered hopper railcars equipped with trough hatches and gravity outlet gates.

	Unit Mark	Unit Number		Unit Mark	Unit Number
1	HLMX	96073	51	HLMX	97628
2	HLMX	96106	52	HLMX	97681
3	HLMX	96191	53	HLMX	97701
4	HLMX	96272	54	HLMX	97703
5	HLMX	96362	55	HLMX	97707
6	HLMX	96365	56	HLMX	97708
7	HLMX	96440	57	HLMX	97720
8	HLMX	96463	58	HLMX	97721
9	HLMX	96464	59	HLMX	97722
10	HLMX	96478	60	HLMX	97724
11	HLMX	96488	61	HLMX	97725
12	HLMX	96534	62	HLMX	97726
13	HLMX	96606	63	HLMX	97733
14	HLMX	96619	64	HLMX	97743
15	HLMX	96652	65	HLMX	97749
16	HLMX	96663	66	HLMX	97762
17	HLMX	96673	67	HLMX	97781
18	HLMX	96703	68	HLMX	97782
19	HLMX	96705	69	HLMX	97784
20	HLMX	96736	70	HLMX	97786
21	HLMX	96737	71	HLMX	97794
22	HLMX	96792	72	HLMX	97795
23	HLMX	96826	73	HLMX	97802
24	HLMX	96893	74	HLMX	97804
25	HLMX	96920	75	HLMX	97808
26	HLMX	96922	76	HLMX	97819
27	HLMX	96934	77	HLMX	97822
28	HLMX	96945	78	HLMX	97843
29	HLMX	96987	79	HLMX	97847
30	HLMX	97002	80	HLMX	97852
31	HLMX	97005	81	HLMX	97859
32	HLMX	97030	82	HLMX	97860
33	HLMX	97088	83	HLMX	97861
34	HLMX	97105	84	HLMX	97864
35	HLMX	97135	85	HLMX	97866
36	HLMX	97144	86	HLMX	97877
37	HLMX	97201	87	HLMX	97888
38	HLMX	97224	88	HLMX	97894
39	HLMX	97234	89	HLMX	97904
40	HLMX	97235	90	HLMX	97915
41	HLMX	97236	91	HLMX	97927
42	HLMX	97242	92	HLMX	97934
43	HLMX	97316	93	HLMX	97940
44	HLMX	97373	94	HLMX	97950
45	HLMX	97481	95	HLMX	97951
46	HLMX	97492	96	HLMX	97957
47	HLMX	97506	97	HLMX	97966
48	HLMX	97520	98	HLMX	97969
49	HLMX	97572	99	HLMX	97973
50	HLMX	97627	100	HLMX	97986

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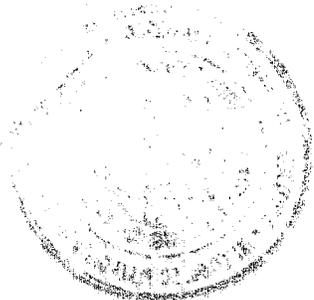
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[Handwritten signature]

A
CM

{TRANSLATION FROM SPANISH}

I, Gerardo Francisco Saavedra Silva, Public Attestor No. Fifty of the Federal District, Mexican United States, CERTIFY: that on this date Messrs. Mario Alberto González Padilla and Mario Mohar Ponce before me acknowledged that the signatures appearing above their names on the foregoing instrument are their own since they were set with their hand, having stated that those are the signatures they customarily use in all legal acts they perform, which signatures they ratified since they reflect their principal will, and evidenced to me their capacity as representatives of TFM, Sociedad Anónima de Capital Variable, with notarial instrument thirty three thousand four hundred sixty nine, granted on June twenty fourth, one thousand nine hundred ninety seven, before notary public No. ninety seven of the Federal District, according to which they have, jointly, powers to manage and direct the business and assets of the company, as well as to enter into the agreements, sign the documents, subscribe the negotiable instruments and grant the guaranties required by said management, in the terms of the second paragraph of Article two thousand five hundred fifty four of the Civil Code for the Federal District and Article nine of the General Law of Negotiable Instruments and Credit Operations, with the limitation that the sum of any business transaction does not exceed two million five hundred thousand dollars of the United States of America. Likewise, I certify that I made certain of the identity of Messrs. Mario Alberto González Padilla and Mario Mohar Ponce who, in my judgment, have legal capacity not having found in them evidence in the contrary. I recorded all the aforesaid in instrument two hundred thirty one, of this date, prepared for such purposes. México, Federal District, October five, one thousand nine hundred ninety eight. I attest.





STATE OF _____)
COUNTY OF _____) S.S.

See below

On _____, 1998, before me, _____,
personally appeared _____ of
TFM, S.A. DE C.V.,

_____ 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]

FILE

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Handwritten initials and signature: A, 34, A, CM

Handwritten signature: S, #

