

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

August 16, 1996

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

20230
AUG 19 1996 - 1 PM

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Mr. Williams:

Enclosed are three (3) originals of the Memorandum of Lease of Railroad Equipment dated as of July 12, 1996 between the following parties:

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

Lessee: W.T. Byler Company, Inc.
15203 Lillja Road
Houston, TX 77060-5299

The equipment involved in this transaction is as follows:

Equipment: Three (3) open top hopper railcars (See Schedule A attached for reporting mark & numbers.)

Please file this agreement as a primary document. The filing fee of \$21.00 is enclosed.

Sincerely,



Chris Dilley
Administrative Assistant

/cpd
Enclosure

20230
AUG 1 1996 1 PM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of July 12, 1996 and is intended to evidence that certain Net Lease Agreement dated as of July 12, 1996 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and W.T. BYLER COMPANY, INC., 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. 11303. Lessor has the right to lease the three (3) open top hopper 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

HELM FINANCIAL CORPORATION

By: 

Print Name: Richard C. Kirchner

Its: President

LESSEE

W.T. BYLER COMPANY, INC.

By: 

Print Name: Ivan Click

Its: Vice Pres.

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Three (3), 100-ton, 3,209 cubic foot capacity, 4-compartment open top hopper railcars.

Units' Reporting Mark & Numbers:

HELX 580294

HELX 580491

HELX 586897

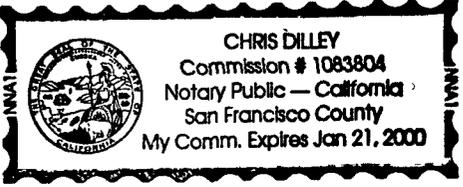
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On July 29, 1996, before me, Chris Dilley 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.



Chris Dilley
SIGNATURE OF THE NOTARY

[Notarial Seal]

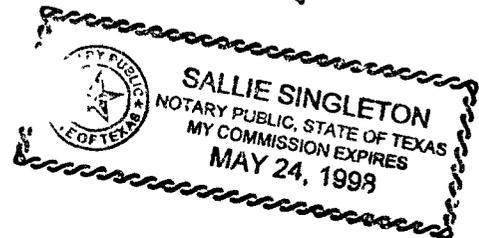
STATE OF Texas)
) S.S.
COUNTY OF Dallas)

On July 23, 1996, before me, Sallie Singleton personally appeared Sam Clark 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.

Sallie Singleton
SIGNATURE OF THE NOTARY

[Notarial Seal]



v.PAM