

# HELM FINANCIAL CORPORATION

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

VIA AIR COURIER

December 2, 1996

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

RECORDATION NO. 20391  
FILED 1996  
DEC 9 1996 10:20 AM

DEC 9 10 20 AM '96

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Net Lease Agreement dated as of September 20, 1996 between the following parties:

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

Lessee: Parnum Paving, Inc.  
4201 North State Street  
Ukiah, CA 95482

The equipment involved in this transaction is as follows:

Equipment: Eighteen (18) open top hopper railcars (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

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20425-0001

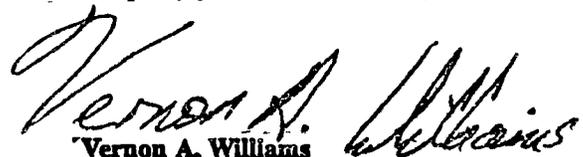
12/9/96

Chris Dilley  
Administrative Assistant  
Helm Financial Corporation  
One Embarcadero Center  
San Francisco, CA., 94111

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/9/96 at 10:25AM, and assigned recordation number(s). 20391, 20392 and 18250-A.

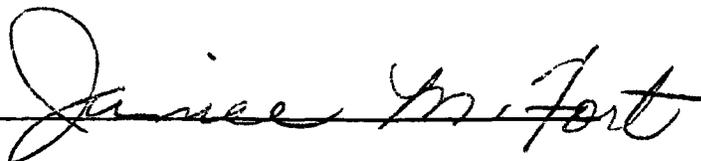
Sincerely yours,

  
Vernon A. Williams  
Secretary

Enclosure(s)

\$ 66.00 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 and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. 20391  
FILED 1426  
DEC 9 - 1996 10:25 AM

MEMORANDUM OF  
NET LEASE AGREEMENT

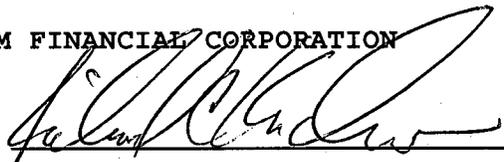
THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of September 20, 1996 and is intended to evidence that certain Net Lease Agreement dated as of September 20, 1996 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and PARNUM PAVING, INC., a California 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 ~~Twenty (20)~~ <sup>Eighteen (18)</sup> 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

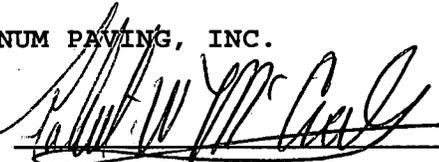
HELM FINANCIAL CORPORATION

By:   
Print Name: Richard C. Kirchner

Its: President

LESSEE

PARNUM PAVING, INC.

By:   
Print Name: Robert W. McGraley

Its: President

SCHEDULE A  
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Eighteen (18), 3,626 cubic foot, 100-ton capacity, three pocket, open top hopper railcars with 42/30 degree slope sheets; built by Greenville in 1971.

Unit Numbers:

HELX 10013  
HELX 10015  
HELX 10021  
HELX 10025  
HELX 10031  
HELX 10049  
HELX 10051  
HELX 10087  
HELX 10092  
HELX 10094  
HELX 10108  
HELX 10109  
HELX 10135  
HELX 10141  
HELX 10150  
HELX 10167  
HELX 10187  
HELX 10192

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

On October 30, 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 CALIFORNIA )  
 ) S.S.  
COUNTY OF Mendocino )

On October 18, 1996, before me, Sandra L. Dow, Notary Public personally  
appeared Robert W. McCraley, President 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 Lee Dow  
SIGNATURE OF THE NOTARY

[Notarial Seal]