

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

November 1, 1996

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

20352
NOV 10 1996 5 10 PM

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of November 9, 1995 between the following parties:

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

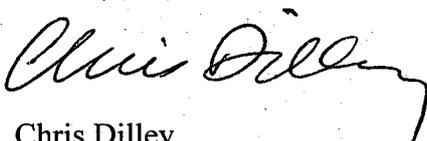
Lessee: Railtex Service Company
4040 Broadway, Suite 200
San Antonio, TX 78209

The equipment involved in this transaction is as follows:

Equipment: Ninety-nine (99) TOFC/COFC flatcars (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

MEMORANDUM OF
PER DIEM LEASE AGREEMENT

THIS MEMORANDUM OF PER DIEM LEASE AGREEMENT (the "Memorandum") is made as of November 9, 1995 and is intended to evidence that certain Per Diem Lease Agreement dated as of November 9, 1995 (the "Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and RAILTEX SERVICE 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 ninety-nine (99) flatcars, 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.

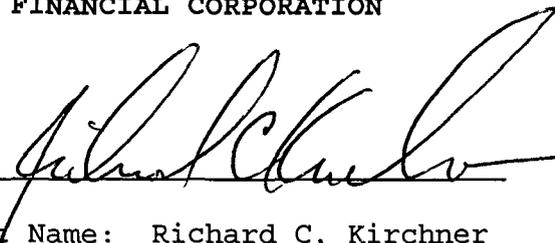
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

RAILTEX SERVICE COMPANY, INC.

By: 

By: 

Print Name: Richard C. Kirchner

Print Name: EDWIN E. ELLIS

Its: President

Its: G.M. FLEET

SCHEDULE A

To the Memorandum of Per Diem Lease Agreement dated as of November 9, 1995 between Helm Financial Corporation and Railtex Service Company, Inc.

THE UNITS

Equipment Description:

Ninety-nine (99), 70-ton, 89'4" TOFC/COFC flatcars equipped with two collapsible pedestal hitches designed for 20', 40' or 45' trailers or containers. Units will not accommodate two (2) 45' containers. Built by Thrall in 1978.

Unit Numbers: MNA 900480-900519

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

On September 25, 1996, before me, Chris Dilley personally
appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

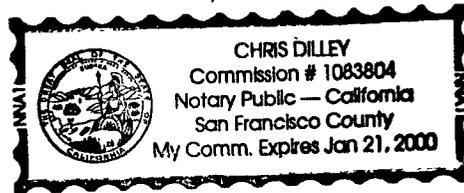
X personally known to me -OR-

— 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)
) SS.
COUNTY OF Bexar)

On August 30, 1996, before me, Angela D. Nichols personally
appeared Edwin E. Ellis, G.M. - Fleet of RAILTEX SERVICE
COMPANY, INC.,

✓ 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.

Angela D. Nichols
SIGNATURE OF THE NOTARY

[Notarial Seal]