Date 11/30/84
Fee $ 70.00
Washington, D.C.

November 30, 1984

NEW NO
-A
7

RECORDATION NO. 14490 Filed 1425
NOV 30 1984 AM
INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Office of the Secretary
Washington, D.C. 20423

Attention: Honorable James H. Bayne

RECORDATION NO. 14490 Filed 1425
NOV 30 1984 AM
INTERSTATE COMMERCE COMMISSION

Re: Helm Financial Corporation/The Philadelphia National Bank/Edward A. Garvey

Gentlemen:

I have enclosed the primary document and secondary document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code and the regulations promulgated thereunder.

Enclosed is an original and two (2) certified copies of a Security Agreement (the "Security Agreement"), a primary document, dated as of November 30, 1984. The names and addresses of the parties to the Security Agreement are as follows:

Mortgagor: Helm Financial Corporation, as
Agent for Edward A. Garvey
One Embarcadero Center
San Francisco, CA 94111

Mortgagee: The Philadelphia National Bank
Broad & Chestnut Streets
P.O. Box 13867
Philadelphia, PA 19101

A description of the equipment covered by the Security Agreement is as follows:

Six (6) 70-ton 50-foot General Purpose Railroad Boxcars. Road Numbers: B&O 401141, 401142, 401143, 401145, 401146, 401147.

Please cross-index this document with the Memorandum of Lease of Railroad Equipment dated as of October 4, 1984 between Helm Financial Corporation and the Baltimore and Ohio Railroad Company filed on October 10, 1984 under Recordation No. 14441.

Counterparts - C.T. Kowler

In addition, please cross-index this document with the Partial Loan Termination Agreement, dated July 27, 1984, by and among FIRST NATIONAL BANK AND TRUST COMPANY, FIRST PEOPLES BANK OF NEW JERSEY, FIRST STATE BANK, HAZELTON NATIONAL BANK, and GIRARD LEASING CORPORATION, Recordation No. 9605-R, Unconditional Release dated August 1, 1984 by FIRST NATIONAL BANK AND TRUST COMPANY, FIRST PEOPLES BANK OF NEW JERSEY, FIRST STATE BANK and HAZELTON NATIONAL BANK, Recordation No. 9605-S, and Bill of Sale dated August 1, 1984 from GIRARD LEASING CORPORATION to HELM FINANCIAL CORPORATION, Recordation No. 9605-T, all of which were recorded on August 2, 1984 and which covered the Equipment as it was previously marked. *

Finally, please cross-index this document with the Memorandum of Security Agreement, dated as of August 10, 1984, for the benefit of WELLS FARGO BANK, N.A., by HELM FINANCIAL CORPORATION, ROBERT L. HOVERSON, RICHARD C. KIRCHNER, DAVID R. ECKLES, WILLIAM M. PETERSON, BRIAN D. STUCKER, EDWARD A. GARVEY, and BRAD WIND, Recordation No. 14440, recorded on October 5, 1984 and the Partial Termination of Security Agreement, dated as of November 27, 1984, by WELLS FARGO BANK, N.A., for the benefit of HELM FINANCIAL CORPORATION, ROBERT L. HOVERSON, RICHARD C. KIRCHNER, DAVID R. ECKLES, WILLIAM M. PETERSON, BRIAN D. STUCKER, EDWARD A. GARVEY, and BRADLEY S. WIND, Recordation No. 14440-C, filed simultaneously herewith, which also covers the equipment as it was previously marked.

Also enclosed is an original and two (2) executed counterparts of an Agency and Management Agreement (the "Agency Agreement"), a secondary document connected to the enclosed Security Agreement filed simultaneously herewith under Recordation No. 14480. The date of the Agency Agreement is November 1, 1984. The parties to the Agency Agreement are as follows:

Grantor: Edward A. Garvey
1115 Wiget Lane
Walnut Creek, CA 94598

Grantee: Helm Financial Corporation (the Agent)
One Embarcadero Center
San Francisco, CA 94111

The equipment covered by the Agency Agreement is that equipment covered by the enclosed Security Agreement.

* In addition please cross-index this document with the Release dated as of August 27, 1982 executed by Girard Bank, Recordation Number 10679-F; and the Bill of Sale dated August 27, 1982 executed by Lease Financing Corporation in favor of Girard Bank, Recordation Number 13780, both of which were recorded on August 27, 1982 and covered the Equipment as it was previously marked.

A check in the amount of $50.00 is enclosed to cover the cost of filing the Security Agreement ($10), the Agency and Management Agreement ($10) and cross-indexing ($30). Please return the original Security Agreement and the Agency and Management Agreement and any extra copies not needed by the Commission for recordation to:

Manwell & Wes
425 California Street, Suite 1301
San Francisco, California 94014

Attention: Edward J. Wes, Jr., Esq.

Very truly yours,

Charles T. Kappler

43/04mn

14490
RECORDATION NO. Filed 1425
NOV 30 1984 9 12 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of the 30th day of November 1984, between HELM FINANCIAL CORPORATION as agent (the "Agent") for Edward A. Garvey, the individual owner (the "Debtor") residing at 1115 Wiget Lane, Walnut Creek, California 94598 under an Agency and Management Agreement dated as of November 15, 1984, (the "Agency Agreement") and THE PHILADELPHIA NATIONAL BANK, a national banking association with its principal place of business at Broad & Chestnut Streets, P.O. Box 13867, Philadelphia, Pennsylvania 19101 (the "Secured Party").

To secure the due and punctual payment of the principal and interest payable under the Debtor's Promissory Note, dated as of November 30, 1984 (the "Note"), payable to the order of Secured Party, in the principal amount of $78,601.24, and any and all other promissory Notes hereafter at any time issued in replacement or extension thereof by Debtor, and to secure Debtor's obligations hereunder, Debtor hereby assigns, transfers, mortgages and pledges to the Secured Party and grants to the Secured Party a security interest in the following described collateral and in all proceeds thereof (the "Collateral"):

1. All of the Debtor's right, title and interest in that certain Lease of Railroad Equipment, dated as of July 24, 1984, (the "Lease") in which THE BALTIMORE AND OHIO RAILROAD COMPANY is lessee (the "Lessee") and the Agent is lessor (the "Lessor"), and all rentals and other moneys payable thereunder, including all proceeds of insurance, condemnation and requisition proceedings and sales or other dispositions of the property subject thereto and all the Debtor's rights, power and remedies therein and thereunder (but none of its duties or obligations thereunder, if any), including, without limitation, all the Debtor's rights to give and receive any notice, consent, waiver, demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease;

2. All the equipment listed on Schedule I attached hereto (the "Equipment"), which Equipment is leased to the Lessee pursuant to the Lease, and all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof,

and all contract rights, chattel paper, accounts, rentals, fees, income and proceeds arising from and in connection with the use of the Equipment.

3. All of the benefits of whatever nature which the Debtor enjoys under the Agency Agreement (but none of the Debtor's duties or obligations thereunder, if any). There shall be no termination of the Agency Agreement without thirty (30) days' prior written notice from the Agent to the Secured Party.

In furtherance of the foregoing, Agent on behalf of the Debtor has executed an Assignment of Lease (the "Lease Assignment"), dated as of the date hereof and annexed hereto as Exhibit A. The Debtor hereby irrevocably constitutes and appoints Secured Party as the Debtor's attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or any Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral, to file any claims or institute any proceedings for the foregoing which Secured Party deems necessary, and to compromise any such demand, claim or action; provided, however, that Secured Party hereby agrees with Debtor that Secured Party shall not as long as no Event of Default (as hereinafter defined) or other event which with the giving of notice or the lapse of time or both could become an Event of Default under the Lease or this Agreement shall have occurred and be continuing, without the written consent of the Debtor, seek to enforce any of the rights, powers or remedies of Secured Party under the Lease.

So long as any amount remains outstanding under the Note, without Secured Party's prior written consent, the Debtor and/or its Agent shall not grant any consent or waiver under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder (except as permitted by the next paragraph hereof), or agree to any release of any obligation of the Lessee thereunder or to any amendment, modification or termination thereof. The Debtor and its Agent hereby consent to and waive notice of the granting by Secured Party as assignee of indulgences to Lessee or extensions of time for payment of any obligations of Lessee under the Lease, Secured Party's taking or releasing of any security for the obligations of the Lessee under the Lease, Secured Party's acceptance of partial payments on the Lease or settlement, compromising or compounding of any

obligations of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as Secured Party may reasonably deem advisable.

In the event that the Lessee shall be in breach of any of its covenants or agreements contained in the Lease and the Secured Party, after not less than 20 days written notice thereof from Debtor, does not seek to collect that portion of any payment which would otherwise be payable to the Debtor pursuant to Paragraph G hereof or to enforce any such covenant and agreement, Debtor shall have the right, for only so long as no Event of Default under the Lease or this Agreement shall have occurred and be continuing, to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of such covenants or agreements and to recover damages for the breach thereof; provided, however, that without the prior written consent of the Secured Party, the Debtor may not declare an Event of Default under or terminate the Lease; provided, further, that the exercise of Debtor's rights to enforce performance or to recover damages from the Lessee shall always be subject to the rights of the Secured Party under the Lease Assignment and this Agreement.

A. REPRESENTATIONS, WARRANTIES AND AGREEMENTS - Debtor represents, warrants and agrees that:

1. the original principal amount of the Note is $78,601.24. The Lease provides for the payment, on or before the installment payment dates of the Note, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Note. The counterpart of the Lease designated as chattel paper under the Uniform Commercial Code, Counterpart No. 1, has been delivered to Secured Party;

2. the Debtor has good and marketable title to the units of Equipment listed on Schedule 1 hereto, free and clear of all liens, claims and encumbrances, subject only to the interests therein of the Lessee under the Lease, persons claiming under or through the Lessee which Lessee is obligated to discharge under the Lease and the Secured Party hereunder;

3. the Debtor has filed all tax returns, federal, state, municipal or otherwise, required of the Debtor and is not in default in respect of the due and punctual payment of any taxes payable by Debtor; and no liens for nonpayment of taxes by Debtor exist upon any property, including the Equipment, or other assets of Debtor;

4. the Debtor has all requisite power and authority to enter into and perform the Lease, this Agreement, the Lease Assignment, and the Note, all of which have been duly executed and delivered by Debtor or its Agent, and constitute the legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with their terms; the Debtor has not executed any other assignment of the Lease except a certain Security Agreement in favor of Wells Fargo Bank, N.A., which Agreement is subordinate to the rights of Secured Party hereunder, and such Agreement shall be discharged and terminated as to the Equipment in connection with the financing thereof by Secured Party; and the Debtor's right to receive any payments under the Lease and the Debtor's right, title and interest in and to the Equipment, the Lease and the other Collateral are, and will continue to be, free and clear of any and all liens, agreements or encumbrances except certain rights in favor of Wells Fargo Bank, N.A. under the aforementioned Security Agreement, which rights shall be terminated in connection with the financing of the Equipment by Secured Party, this Agreement and the rights of the Lessee under the Lease and of persons claiming under or through the Lessee which Lessee is obligated to discharge under the Lease; the Debtor has received no advance rental or other payments under the Lease and the Debtor will not accept any payments under the Lease for the Debtor's own account except as permitted in this Agreement; the Debtor has performed all obligations on the Debtor's part to be performed under the Lease on or prior to the date hereof and will perform any such obligations during the term of the Lease; and to the knowledge of the Debtor, there has not occurred on the date hereof any Event of Default or other event which after notice of lapse of time or both would become an Event of Default under the Lease or this Agreement;

5. the making and performance by the Debtor of this Agreement, the Note, the Lease, and the borrowing and execution and delivery of the Note will not violate any provision of law, or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor may be bound;

6. there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against or affecting the Debtor in any court or by or before any government department, agency or instrumentality in which any adverse decision might materially affect the ability of the Debtor to perform the Debtor's obligations under the Note, this Agreement, the Lease and the Lease Assignment;

7. without Secured Party's prior written consent so long as the Note remains unpaid, Debtor or its Agent will not (i) grant any consent under the Lease, (ii) give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or (iii) agree to any release of any obligation of the Lessee thereunder or to any modification or any termination thereof; and

8. Debtor is not subject to the jurisdiction of the Interstate Commerce Commission.

B. DOCUMENTATION - The Debtor will execute and deliver to Secured Party such documents identifying the Equipment as Secured Party may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record all such documents, including financing statements, and take all such other action as Secured Party may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first perfected security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Secured Party the Debtor's attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver such instruments and take all such other action as Secured Party may reasonably request to effectuate the purposes of this Agreement and to secure the rights and remedies conferred upon Secured Party hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1. the failure by Debtor to pay any amount of principal of or interest on the Note when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for ten (10) days after Secured Party shall have given the Debtor written notice thereof;

2. the failure by Debtor to pay any other amount when due hereunder or perform any other obligation required by this Agreement, the Note or the Lease Assignment, and such failure shall continue for twenty (20) days after Secured Party shall have given the Debtor written notice thereof;

3. the occurrence of an Event of Default under the Lease (as defined therein); provided, however, that if an Event of Default as defined in Paragraph 12(c) of the Lease shall occur by reason of Lessee's default in the observance on performance of any of the covenants, conditions and agreements on the part of Lessee contained in Paragraphs 7 or 10 of the Lease, Secured Party shall give thirty (30) days written notice of such default to Debtor and Debtor shall have the right, but not the obligation, to cure such default within such thirty-day period; provided, further, that Debtor shall not be entitled to exercise its rights to cure an Event of Default under the foregoing proviso on more than three occasions during the term of the Lease;

4. the adjudication of Debtor as bankrupt or insolvent, or the entry of an order appointing a receiver or trustee for the Debtor or any of the Debtor's property or approving a petition seeking reorganization, arrangement, composition, adjustment of the debts, receivorship, liquidation or dissolution of such Debtor or any similar proceeding under the Bankruptcy Code or any similar law of the United States or any state or other competent jurisdiction, or the filing by Debtor of a petition or answer seeking or consenting to any of the foregoing, or the filing of a petition against the Debtor seeking any of the foregoing which is not dismissed within sixty (60) days, or the making by any Debtor of a general assignment for the benefit of creditors; or

5. the occurrence of a breach of any of the Representations, Warranties and Agreements under Paragraph A hereof and such breach is not cured within twenty (20) days after Secured Party shall have given the Debtor written notice thereof.

D. REMEDIES - At any time after the occurrence of an Event of Default and while the same remains uncured, Secured Party may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the defaulting Debtor's Note and interest accrued thereon to be immediately due and payable, and, in addition, Secured Party shall have and may exercise all the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, including the right to take possession of any Equipment or other Collateral not then in Secured Party's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which Secured Party, subject to the provisions of applicable law, may be the purchaser.

Any notice of any such sale required by law shall be deemed reasonably and sufficiently given to the Debtor if given at least fifteen (15) days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds realized by the Secured Party upon the exercise of any of its remedies shall be applied to the obligations secured by this Agreement in accordance with the provisions of Paragraph H and Debtor will be entitled to any surpluses thereafter. No delay or omission on Secured Party's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of Secured Party's rights hereunder. No single, partial or full exercise of any rights by Secured Party will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law.

E. PREPAYMENT OF NOTE UPON CASUALTY OCCURRENCE - If any amount shall become due and payable to the Debtor or the Secured Party as Assignee pursuant to Paragraph 8 of the Lease because of a Casualty Occurrence (as defined in the Lease) with respect to any units of Equipment ("Casualty Value"), then, thereupon, an amount, computed as hereinafter set forth, will be due and payable on account of the principal of and interest accrued on the Note on the date the Casualty Value is due and payable under the Lease. The Secured Party will accept all sums paid to it pursuant to Paragraph 8 of the Lease with respect to Casualty Occurrences of Equipment and, unless an Event of Default or event which with the lapse of time or the giving of notice or both would become an Event of Default under this Agreement or under the Lease, shall have occurred and be continuing (in which event all such

amounts shall be held by Secured Party to satisfy the obligations of the Debtor as provided in Paragraph H), shall apply those portions of such sums hereinafter stated for the account of the Debtor and, immediately following application of rentals to the payment of principal and interest accrued on such date, to the prepayment of principal of the Note. The portion of such sums to be so applied to prepayment of the principal of the Note in respect of any Casualty Occurrence shall be that portion thereof as shall be equal to (i) the original principal amount of the Note which applied to the Equipment having suffered such Casualty Occurrence less (ii) the aggregate amount of payments of principal theretofore made on the Note (including payments out of accrued rentals made on such date but excluding all prepayments in respect of Casualty Occurrences) in respect of an original principal amount which applied to the Equipment having suffered such Casualty Occurrence, considering for this purpose that each payment of principal on the Note was applicable to reduction of the original principal amount of the Note applicable to each unit of Equipment on a pro rata basis. The remainder of such sums shall be paid to the Debtor. In the event of any partial prepayment of the principal of the Note pursuant to the preceding sentences of this Paragraph E, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid principal balance outstanding immediately prior to such prepayment, and the Debtor shall promptly prepare and distribute to the holder of such Note revised schedules of payments reflecting such reduction.

F. COLLECTION EXPENSES - In addition to all other amounts payable hereunder and under the Note, the Debtor will pay all Secured Party's reasonable expenses, including attorneys' fees, incurred from time to time in enforcing its rights and remedies hereunder, under the Note or under the Lease. If Secured Party brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights (or other recovery or relief), Secured Party may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses, including attorneys' fees, in connection therewith, and the same shall be included in such judgment (or other form of award).

G. COLLECTION OF RENTALS - Secured Party will, on behalf of Debtor, collect and receive from the Lessee all rentals and other money payable pursuant to the Lease, and the Secured

Party, except as otherwise provided in this Agreement, may take all such action as may be necessary or desirable to demand, enforce, collect, receive and receipt for all such payments and otherwise enforce compliance by Lessee with all terms and provisions of the Lease. To the extent indefeasibly received, the Secured Party will apply such payments first, in the manner specified in Paragraph H hereof, and second, so long as no Event of Default or event which with the lapse of time or the giving of notice or both provided for in the Lease or hereunder could constitute an Event of Default thereunder or hereunder shall have occurred and be continuing, any balance shall be paid to the Debtor. All payments received by Secured Party at such time as an Event of Default shall have occurred and be continuing which otherwise, in whole or in part, would be remitted to Debtor as aforesaid shall be retained by Secured Party and applied to satisfy Debtor's obligations under the Note and this Agreement. All payments received by Secured Party at such time as there shall have occurred an event which with the lapse of time or the giving of notice or both provided for in the Lease or hereunder could constitute an Event of Default thereunder or hereunder which otherwise, in whole or in part, would be remitted to Debtor as aforesaid shall be retained by Secured Party until such event shall either become an Event of Default (in which case such monies shall be applied as aforesaid), or be cured or otherwise not be capable of maturing into an Event of Default (in which case such monies shall be remitted to Debtor as aforesaid). The Debtor agrees that any payments received by the Debtor from the Lessee which are payable to the Secured Party pursuant to this Agreement shall be held in trust for the Secured Party and shall be immediately paid to the Secured Party.

H. APPLICATION OF PAYMENTS - All payments indefeasibly received by the Secured Party which are to be applied in satisfaction of the Debtor's obligations under the Note and this Agreement shall be applied, first, to the payment of costs and expenses due to the Secured Party pursuant to Paragraph F, if any, second, to the payment of accrued interest on the Note, and, third, to the payment of principal and all other amounts payable thereunder. Payments indefeasibly received by Secured Party in excess of the amounts necessary to satisfy Debtor's obligations as aforesaid shall be remitted to Debtor.

I. EXCHANGE OF NOTES - Upon surrender of any Note at the office of the Debtor, the Debtor, at the request of the Secured Party, will execute and deliver new notes in exchange, in denominations requested by such Secured Party, in an aggregate principal amount equal to the unpaid principal

amount of the surrendered Note. Such new notes shall be payable to such party as such Secured Party may request, shall be substantially in the form of the Note, with appropriate changes, and shall be dated and bear interest from the date to which interest has been paid on the surrendered Note. When issued, such notes shall be deemed to be included in the term "Note" as used herein.

J. MULTIPLE NOTES - If more than one Note is outstanding at the time any application of payments is made pursuant to Paragraphs E and H hereof, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively.

K. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Note shall be in writing and shall be deemed to have been given when delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to Debtor at its address stated above, and to the Secured Party at its address stated below, or to such other address as any such party may hereafter specify by written notice to the other.

L. OTHER AGREEMENTS - All references in this Agreement to obligations of Debtor pursuant to this Agreement or payments required to be made pursuant to this Agreement shall for all purposes include, regardless of whether expressly stated, the obligations of the Debtor for payments required by the Debtor pursuant to the Lease Assignment.

M. APPLICABLE LAW - This Agreement and the Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Pennsylvania.

N. SEVERABILITY - Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

O. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto, including any holder, as such, of any Note, by acceptance of an assignment hereof or of any Note.

Each of the Secured Party's successors or assigns (including any holder, as such, of any Note) will be deemed to have agreed to be bound by the provisions hereof, and of the Note and Secured Party's undertakings hereunder and thereunder.

P. TRANSFER OF DEBTOR'S INTEREST - The Debtor shall not assign, convey or otherwise transfer any of its right, title or interest in, to or under any of the Collateral without the prior written consent of the Secured Party in its discretion and subject to such terms and conditions as the Secured Party may then specify.

Q. TERMINATION OF SECURITY INTEREST, ETC. - Upon payment in full of the principal of and interest on the Note and all other sums payable to the Secured Party under the Note and this Agreement, the Secured Party shall execute and deliver to the Debtor, at the expense of the Debtor, such documents as the Debtor shall reasonably request to evidence the termination of this Agreement and the Lease Assignment and all interests of the Secured Party in the Collateral.

IN WITNESS WHEREOF, this Security Agreement has been duly executed and delivered as of the date first above written.

[Corporate Seal]

Attest:

By: _____

Title: Secretary

HELM FINANCIAL CORPORATION

By: _____

Title: President

THE PHILADELPHIA NATIONAL BANK

[Corporate Seal]

Attest:

By: Steven A. Henderson

Title: Vice President

By: Harry E. Ellis

Title: HARRY E. ELLIS Vice President

Address for notices:
The Philadelphia National Bank
Broad & Chestnut Streets
Transportation and Equipment
Finance Department
P.O. Box 13867
Philadelphia, Pennsylvania 19101

I, Edward A. Garvey, as individual owner of certain Equipment which is the subject of the foregoing Security Agreement do hereby acknowledge, consent and agree to the terms and provisions contained in this Security Agreement.

Witness:

Robert L Howerton

Edward A Garvey

I, Katherine H. Garvey, the spouse of Edward A. Garvey, having been advised by counsel, do hereby acknowledge, consent and agree to the terms and provisions contained in the foregoing Security Agreement.

Witness:

Edward A. Garvey Katherine H. Garvey

STATE OF CALIFORNIA :
SS.
COUNTY OF San Francisco :

On this the 29 day of November, 1984, before me the undersigned, a Notary Public in and for said County and State, personally appeared Katherine H. Garvey, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that she executed the same.

FOR NOTARY SEAL OR STAMP

OFFICIAL SEAL
MAILE S. MOBBERLEY
NOTARY PUBLIC-CALIFORNIA
City and County of SAN FRANCISCO
My Commission Expires Feb. 13, 1988

Maile S. Mobberley
Signature of Notary

COMMONWEALTH OF PENNSYLVANIA :

SS:

COUNTY OF PHILADELPHIA :

On this 27th day of November, 1984, before me personally appeared Harry C. Ellis, to me personally known, who, being by me duly sworn, says that he is a Vice President of THE PHILADELPHIA NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Deborah K. Roehm
Notary Public

DEBORAH K. ROEHM
Notary Public, Phila., Phila. Co.
My Commission Expires June 16, 1986

My Commission Expires:

STATE OF CALIFORNIA :
SS.
COUNTY OF SAN FRANCISCO :

On this 28 day of November, 1984, before me personally appeared ROBERT L. HOVERSON to me personally known, who being by me duly sworn, says that he is PRESIDENT of HELM FINANCIAL CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Maile S. Mobberley
Notary Public

My Commission Expires: 2/13/88

OFFICIAL SEAL
MAILE S. MOBBERLEY
NOTARY PUBLIC-CALIFORNIA
City and County of SAN FRANCISCO
My Commission Expires Feb. 13, 1988

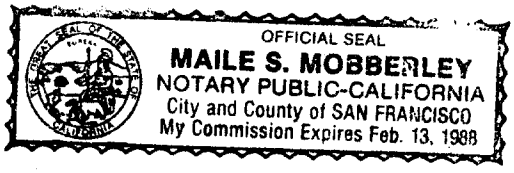
STATE OF CALIFORNIA :

SS.

COUNTY OF SAN FRANCISCO :

On this the 28 day of November, 1984, before me the undersigned, a Notary Public in and for said County and State, personally appeared EDWARD A CARVEY, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that he executed the same.

FOR NOTARY SEAL OR STAMP



Maile S. Mobberley
Signature of Notary

Comm. Expires: 2/13/88

SCHEDULE 1

Builder:	Transco Railway Products, Inc.
Quantity:	Six (6)
Description	Fifty-foot Seventy-ton General Purpose XL Boxcars
Road Numbers:	B&O 401141, 401142, 401143, 401145, 401146, 401147

Markings: TITLE SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT.

EXHIBIT A

ASSIGNMENT OF LEASE

For VALUE RECEIVED, Helm Financial Corporation, a California corporation, as agent for certain individual owners under an Agency and Management Agreement dated as of the ____ day of November, 1984, ("Assignor"), hereby assigns and transfers to THE PHILADELPHIA NATIONAL BANK, a national banking association ("Assignee"), its successors and assigns, all of Assignor's right, title and interest in and to that certain Lease of Railroad Equipment, dated as of July 24, 1984, (the "Lease"), and all rental schedules and supplements thereto of which The Baltimore and Ohio Railroad Company, Treasury Department - 303, 100 North Charles Street, Baltimore, Maryland 21201 is lessee and Assignor is lessor, together with all rentals and other moneys coming due thereunder and all proceeds from insurance, condemnation and requisition proceedings and sale or other dispositions of any of the property subject thereto payable to or receivable by the Assignor under or in connection therewith, and all rights, powers and remedies (but none of the duties or obligations, if any) of Assignor under the Lease, including, exclusively on the part of the Assignee, all rights of the Assignor to give and receive any notice, consent, waiver, demand or approval under or in respect of the Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of any property subject thereto, to execute and deliver any bill of sale for any such property, and to do all other things which Assignor is entitled to do under the Lease.

Assignor authorizes Assignee to do every act and thing in the name of the Assignor, Assignee or otherwise which Assignee may deem advisable to enforce the terms of the Lease, and the Assignor hereby irrevocably appoints Assignee the true and lawful attorney for the Assignor with full power of substitution and revocation, together with full power and authority in the name of the Assignor, Assignee or otherwise, to demand, enforce, collect, receive, receipt and give releases for any moneys due or to become due under or arising out of the Lease or any policy of insurance or indemnity relating to the property subject thereto or the Lease (including any returns of premium), to endorse all checks and other instruments payable to Assignor, and to do and take all such other actions as are referred to in the preceding paragraph relating to the Lease or such property, to file any claims or institute any proceedings for the foregoing which Assignee deems necessary, and to compromise any such demand, claim or action.

Notwithstanding the foregoing, it is expressly agreed that (i) Assignor shall remain liable as lessor under the Lease to perform all of the obligations assumed by it thereunder, (ii) the obligations of Assignor under the Lease may be performed by

Assignee or any subsequent assignee without releasing Assignor therefrom, (iii) the Assignee or any subsequent assignee shall have no liability or obligation under the Lease by reason of this Assignment and shall not, by reason of this Assignment, be obligated to perform any of the obligations of Assignor under the Lease or to file any claim or take any other action to collect or enforce any payment assigned hereunder.

This Assignment is made pursuant to and for the purposes of certain Security Agreements, dated as of the 30th day of November, 1984, given by Assignor to Assignee to secure the payment of the individual owner's Notes and the other obligations referred to therein and shall remain in full force and effect until such Notes and obligations have been paid and discharged in full.

IN WITNESS WHEREOF, this Lease Assignment has been duly executed and delivered as of the ___ day of November 1984.

[Corporate Seal]

Attest:

By_____
Title:

HELM FINANCIAL CORPORATION

By_____
Title:

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On this day of November, 1984, before me personally appeared to me personally known, who, being by me duly sworn, says that he is _____ of HELM FINANCIAL CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

SEAL

My Commission Expires: