

MANWELL & WES

ATTORNEYS AT LAW

CITICORP CENTER INTERSTATE COMMERCE COMMISSION

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DEC 29 1988 12:20 PM  
6117

December 28, 1988 RECORDATION NO. 1

Honorable Noretta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

S-364A020

No.

Date DEC 29 1988

Fee \$ 13.00

ICC Washington, D.C.

DEC 29 12 13 PM '88  
NOTICE OF FILING

Dear Ms. McGee:

On behalf of Helm Financial Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, six (6) executed counterparts of a primary document, not previously recorded, entitled Security Agreement, executed as of December 30, 1988.

The executing party to the enclosed Security Agreement is:

Helm Financial Corporation - Debtor  
One Embarcadero Center, Suite 3320  
San Francisco, CA 94111

The secured party under the Security Agreement is:

The First National Bank of Boston - Secured Party  
100 Federal Street  
Boston, Massachusetts 02106

The Security Agreement, among other things, covers the granting of a continuing security interest by the Debtor to the Secured Party in and to the units identified in Schedule B of the Security Agreement and all rights of the Debtor in the leasing thereof, to secure the payment of a loan.

The equipment covered is as listed in Schedule B to the Security Agreement, copy attached.

A short summary of the document to appear in the ICC Index is as follows:

"Covers gondolas and hoppers"

Enclosed is a check in the amount of thirteen dollars (\$13.00) in payment of the filing fee.

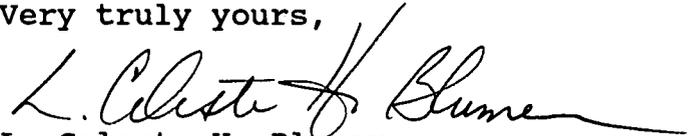
*Handwritten signature: David A. Harrison*

MANWELL & WES

Ms. Noreta R. McGee  
December 28, 1988  
Page Two

Once the filing has been made, please return the stamped counterparts of the Security Agreement not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this transmittal letter.

Very truly yours,

A handwritten signature in cursive script, reading "L. Celeste H. Blumer". The signature is written in dark ink and is positioned above the typed name.

L. Celeste H. Blumer  
Attorney for  
Helm Financial Corporation

Enclosures  
LCHB:its

**Interstate Commerce Commission**  
Washington, D.C. 20423

12/29/88

OFFICE OF THE SECRETARY

L. Celeste H. Blumer  
Manwell & Wes  
Citicorp Center  
One Sansome Street  
San Francisco, Calif. 94104

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 12/29/88 at 12:25pm, and assigned recordation number(s). 16117

Sincerely yours,

*Narita R. McGee*

Secretary

Enclosure(s)

DEC 29 1988 12-25 pm

SECURITY AGREEMENT

RECORDING NO. 6117

HELM FINANCIAL CORPORATION  
NAME

One Embarcadero Center, Suite 3320 San Francisco, California  
STREET AND NUMBER CITY STATE

(hereinafter called "Debtor"), hereby grants to THE FIRST NATIONAL BANK OF BOSTON (hereinafter called "Bank"), to secure the payment of \$2,742,482.40 as provided in the Debtor's note(s) of even date herewith and also to secure the payment and performance of all other obligations of Debtor to Bank, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all of the foregoing, including said notes, being hereinafter called the "Obligations"), a security interest in the following personal property of Debtor and any and all additions, substitutions, accretions and proceeds thereto or thereof (all of the same being hereinafter called the "Collateral"):

See Schedule A attached hereto and incorporated herein.

and the security interests referred to on Schedule C,

Debtor hereby warrants and covenants that -

1. ~~The Collateral will be kept at \_\_\_\_\_ until such time as written consent to a change of location is obtained from Bank.~~
2. Except for the security interest granted hereby, Debtor is the owner of the Collateral free from all encumbrances and will defend the same against the claims and demands of all persons. Debtor will not pledge, mortgage or create, or suffer to exist, a security interest in the Collateral in favor of any person other than Bank, and will not sell or transfer the Collateral or any interest therein without the prior written consent of Bank.
3. The Collateral shall remain personal property irrespective of the manner of its attachment to any real estate. If the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of Bank furnish to Bank a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is prior to Bank's interest. Debtor will notify Bank in writing of any intended sale, mortgage or conveyance of any real estate to which the Collateral is at any time attached, and will give written notice of the terms and conditions of this agreement to any prospective purchaser, mortgagee, grantee or other transferee of the real estate or any interest therein.
4. Debtor will immediately notify Bank in writing of any change in address from that shown in this agreement, shall at all reasonable times and from time to time allow Bank, by or through any of its officers, agents, attorneys or accountants, to examine, inspect or make extracts from Debtor's books and records, and shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Bank may require more completely to vest in and assure to Bank its rights hereunder or in any of the Collateral.

STATE OF CALIFORNIA

County of San Francisco ss.

On this 28<sup>th</sup> day of December, 1988, before me personally appeared Richard C. Kirchner, to me personally known, who being by me duly sworn, says that (s)he is the 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]



Elena F. Gary  
Notary Public  
My commission expires: July 24, 1992

Schedule A to Security  
Agreement of Helm  
Financial Corporation

a continuing security interest in and lien on the following properties, assets and rights of Debtor wherever located, now owned or hereafter acquired or arising, and any and all substitutions, accessions, proceeds and products thereof and thereto, including the following properties, assets and rights (all of the same being hereinafter referred to as the "Collateral"):

- only  
pertains to  
Sub B  
concerned -*
- (a) the railroad cars, locomotives and other rolling stock in which Debtor now or at any time has an interest (the "Railroad Equipment") and which are described on Schedule B:
  - (b) all of the right, title and interest of Debtor in, to and under each lease or other agreement by which the Railroad Equipment is or shall be leased to others, whether now or hereafter in effect (the "Leases"), including without limitation all right, title and interest of Debtor in and to all rents, issues, profits and revenues and other income arising from each such Lease and other moneys due and to become due to Debtor under each such Lease, all proceeds of and all claims for damages arising out of the breach of each such Lease, the right of Debtor to terminate each such Lease and to compel performance of the terms and provisions thereof, and all chattel paper, contracts, instruments and other documents evidencing each such Lease or any moneys due or to become due thereunder or related thereto;
  - (c) all of the right, title and interest of Debtor in, to and under any intercompany management agreement or other management agreement with respect to Railroad Equipment whether now or hereafter in effect (the "Management Agreements"), including without limitation all right, title and interest of Debtor in and to all fees, issues, profits and revenues and other income arising from each such Management Agreement and other moneys due and to become due to Debtor under each such Management Agreement, all proceeds of and all claims

for damages arising out of the breach of each such Management Agreement, the right of Debtor to terminate each such Management Agreement and to compel performance of the terms and provisions thereof, and all contracts, instruments and other documents evidencing each such Management Agreement or any moneys due or to become due thereunder or related thereto; and

- (d) all accounts, contract rights, and rights to the payment of money, including tax refund claims and policies and contracts of insurance, relating to or arising from the ownership or operation of the Railroad Equipment, any Lease or the Management Agreement.

Schedule B

DESCRIPTION OF EQUIPMENT

	<u>Quantity</u>	<u>Type</u>	<u>Unit Numbers</u>
I.	189	125 Ton, 5,160 Cubic Foot, Aluminum Body, Steel Underframe, High Side, Rotary Dump Gondola Railcars	DEEX (See List Below)
		Even Numbers (95 Railcars - Fixed End Couplers)	
	1004 - 1012	2040 - 2042	
	1016 - 1030	2046 - 2066	
	1034 - 1038	2072 - 2078	
	1044	3002 - 3020	
	1048 - 1050	3024 - 3028	
	1054 - 1074	3032 - 3046	
	1078 - 1080	3052	
	2002 - 2006	3056 - 3058	
	2010 - 2024	3062 - 3068	
	2028 - 2036	3072 - 3074	
		Odd Numbers (94 Railcars - Rotary End Couplers)	
	1001 - 1013	1077 - 1079	2065 - 2071
	1017	2001 - 2005	2077 - 2083
	1021 - 1035	2009 - 2015	3001 - 3009
	1039 - 1041	2019	3019 - 3051
	1045 - 1051	2023 - 2029	3055 - 3057
	1053 - 1061	2035 - 2051	3061 - 3067
	1067	2055 - 2061	3073 - 3075
	1073		
	<u>Quantity</u>	<u>Type</u>	<u>Unit Numbers</u>
II.	42	100 ton capacity, open top hopper railcars, built in 1979.	CO 16301-16342 (inclusive)

**SCHEDULE C**

None.