

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

RECORDATION NO. 22015 FILED

FEB 4 '99

9-00AM

February 1, 1999

Mr. Vernon Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are three (3) originals of the **Security Agreement** dated as of April 15, 1998 between the following parties:

"Secured Party": Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

"Debtor": Vulcan Materials Company
One Metroplex Drive
Birmingham, AL 35209

The equipment involved in this transaction is as follows:

Equipment: See attached Schedule A to the Agreement.

Please file this Agreement as a primary document and return two (2) stamped originals to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (3)

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

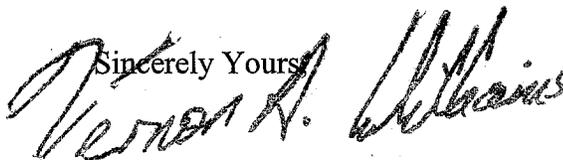
OFFICE OF THE SECRETARY

Alison Drain
Helm Financial Corporation
One Embarcadero Center, Ste. 3700
San Francisco, CA., 94111

Dear Sir/Madam:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 2/4/99 at 9:00AM, and
assigned recordation numbers (s): 19104-B, 22015, 22016 and 22017.

Sincerely Yours



Vernon A. Williams

Enclosure(s)

104.00

\$_____ 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



SECURITY AGREEMENT

FEB 4 '99

9-00AM

This Security Agreement ("**Security Agreement**") is entered into as of April 15, 1998 by and between **Helm Financial Corporation**, a California corporation ("**Secured Party**"), and **Vulcan Materials Company**, a New Jersey corporation ("**Debtor**").

1. **Recitals.** Secured Party and Debtor have entered into an Agreement of Purchase and Sale ("**Agreement**") of even date herewith wherein Debtor has agreed to pay to Secured Party in installments pursuant to the terms and conditions of the Agreement the sum of Four Hundred Seventy-Four Thousand Six Hundred Dollars (\$474,600.00). To secure Debtor's performance under the Agreement, Debtor hereby agrees to grant Secured Party a security interest in certain collateral as described in this Security Agreement.

2. **Creation of Security Interest.** As security for Debtor's performance of each provision of the Agreement to be performed by Debtor, Debtor hereby grants to Secured Party a continuing security interest in and to the those certain railcars described in Schedule A attached hereto and incorporated herein by this reference ("**Collateral**"). The security interest created by this Security Agreement also covers all replacements, substitutions, additions, and accessions to the Collateral, any proceeds of its sale or other disposition.

3. **Representations.** Debtor represents to Secured Party (and Secured Party relies on Debtor's representations) that Debtor will have full title to the Collateral and that no other person has or will purport to have any right, title, lien, encumbrance, adverse claim, or interest in the Collateral.

4. **Agreement of Debtor.**

a. **Financing Statement; Additional Documents.** Debtor shall execute any UCC Financing Statement or other document deemed by Secured Party as necessary or desirable to perfect the security interest created by this Security Agreement. In addition, at Secured Party's request, Debtor shall execute any further documents deemed by Secured Party as necessary or desirable to carry out the purposes of this Security Agreement, including, without limitation, UCC Continuation Statements. Debtor acknowledges that a copy of this Security Agreement will be recorded with the Surface Transportation Board of the U.S. Department of Transportation. If Debtor fails to execute any such additional documents following the request therefor by Secured Party,

debtor hereby names and irrevocably constitutes and appoints Secured Party, its successors and assigns, the true and lawful attorney or attorneys of Debtor, with full power of substitution, in the name of Secured Party or in the name of Debtor but on behalf of and for the benefit of Secured Party, its successors and assigns, to execute any such documents.

b. No Additional Security Interest. Debtor warrants that no financing statement or other security interest covering the Collateral is now or will be during the term of this Security Agreement on file in any public office except in favor of Secured Party, and that it will defend at its own expense the Collateral and Secured Party's security interest therein against any other claim or demand.

c. Books and Records. Debtor warrants that all books, records, and documents relating to the Collateral are and will be correct, genuine and in all respects what they purport to be.

d. Sale of Collateral Prohibited. Debtor shall not, without Secured Party's consent, exchange, sell, lease, assign, transfer, or dispose of any of the Collateral or Debtor's rights to any of the Collateral other than in the ordinary course of business; make any compromise, adjustment, amendment, modification, settlement, substitution, or termination of or in connection with the Collateral; or permit anything to be done that might impair, or fail to do anything necessary or advisable to preserve, the value of the Collateral and Secured Party's security interest in it.

e. Taxes. Debtor shall file when due all schedules, reports, returns, or other data required by local, state, or federal authorities with respect to taxes or other charges against the Collateral, shall pay when due all taxes claimed, accrued, or assessed against Debtor or the Collateral, and shall promptly satisfy and cause to be discharged and released of record any and all tax liens against Debtor or the Collateral.

5. Default Defined; Remedies of Secured Party. The following shall constitute a default by Debtor ("Default"):

a. Failure of Debtor to perform any of its obligations under the Agreement.

b. Breach or default of any of the provisions, warranties, or representations in this Security Agreement.

c. Commencement by or against Debtor of any proceeding under the Bankruptcy Act, or any amendment to it, the adjudging of Debtor as insolvent, the making of Debtor of an assignment for the

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benefit of creditors, or the levy of a writ of attachment or execution on any part of the Collateral if it is not released or satisfied within thirty (30) days, or the appointment of a receiver in any proceeding or action to which Debtor is a party, if the receiver has authority to take possession of the Collateral.

On the occurrence of any such Default, Secured Party shall have all rights provided to a secured party by law and all rights provided to Secured Party under this Security Agreement. To the extent provided by law, Secured Party may: (i) take possession of and protect the Collateral, (ii) if Secured Party is not then in possession of the Collateral, require Debtor or another person in possession of the Collateral to make it available to Secured Party at a reasonably convenient place, to be designated by Secured Party, (iii) notify other interested persons of Debtor's Default under this Security Agreement, (iv) retain the Collateral in satisfaction of Debtor's obligations, or (v) dispose of the Collateral and apply the proceeds in total or partial satisfaction of Debtor's obligations to Secured Party and for all of Secured Party's costs and expenses (including, without limitation, reasonable attorney's fees) incurred in proceeding under this Security Agreement.

At any time a Default occurs, Secured Party may (but shall have no obligation) cure the Default for the account of Debtor, at Debtor's cost. If Secured Party at any time, by reason of a Default, is compelled to pay or elects to pay a sum of money, or to do any act that will incur the obligation to pay a sum of money, or is compelled to incur any cost, including, without limitation, reasonable attorney's fees in instituting, prosecuting, or defending any action or proceeding to enforce Secured Party's rights under this Security Agreement, the money paid by Secured Party shall be repaid to Secured Party by Debtor immediately on demand, together with interest at the rate of eighteen percent (18%) per annum, or, if such rate exceeds the maximum rate permitted by law, the maximum rate permitted by law.

6. Notices and Other Communications. All notices, consents, requests, instructions, approvals, financial statements, proxy statements, reports and other communications provided for herein shall be promptly given, if in writing and delivered personally, by telecopy or sent by registered mail, postage prepaid.

7. Notice. Any notice or other communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally (by hand or overnight delivery service) or sent by prepaid, certified or registered mail, return receipt requested, addressed to the other party at the following address:

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If to Secured Party:

Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111
FAX: (415) 398-4816
ATTN: President

If to Debtor:

Vulcan Materials Company
One Metroplex Drive
Birmingham, AL 35209
FAX: (205) 877-3311
ATTN: Mr. John R. Bargerhuff
Director Transportation Operations

or to such other address as any party may, from time to time, designate in a written notice given in a like manner.

Any notice or other communication shall be deemed received on the earlier of the date of actual receipt or two (2) days after the date of dispatch. Any party may change its address set forth above by giving notice in accordance with the foregoing provisions.

8. **Attorney's Fees.** If any party commences an action against the other party arising out of or in connection with this Security Agreement or the rights and duties of the respective parties hereunder, the prevailing party shall be entitled to recover its reasonable attorneys fees and costs incurred in that action, as determined by the court, in addition to any other relief to which it or they may be entitled.

9. **Nonwaiver; Cumulative Remedies.** The failure at any time to require strict performance by Debtor of any of the provisions contained in this Security Agreement shall not waive, affect, or diminish Secured Party's right to demand strict compliance with and performance of each and every provision hereof at any other time. Any waiver of a Default shall not waive or affect any other Default, whether before or after the waiver, and whether of the same or of a different type. None of the provisions of this Security Agreement shall be deemed to have been waived by any act or knowledge of Secured Party, or its authorized representatives, unless the waiver is contained in a written instrument, signed by Secured Party, specifying the waiver. All rights, powers, or remedies afforded to Secured Party under this Security Agreement, the Agreement or by law or in equity, shall be cumulative, not alternative; the exercise of one right, power or remedy shall not bar other rights, powers, or remedies allowed under this Security Agreement, the Agreement or otherwise by law or in equity.

10. **Release of Security Interest.** Secured Party agrees that it shall release the security interest granted hereunder when Debtor has fully performed all the obligations of Debtor under the Agreement.

11. **Successors.** This Security Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns.

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12. **Severability.** If any part of this Security Agreement is determined to be illegal or unenforceable, all other parts shall be given effect separately and shall not be affected.

13. **Counterparts.** This Security Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

14. **Choice of Law; Entire Agreement.** This Security Agreement shall be governed by and construed in accordance with the laws of the state of California without reference to its choice of law provisions. This Security Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, superseding any oral or other written agreement, express or implied.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

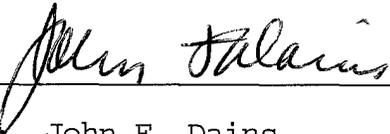
"DEBTOR"

"SECURED PARTY"

VULCAN MATERIALS COMPANY

HELM FINANCIAL CORPORATION

By: 
Name: JAMES W. SMACK
Title: DIVISION PRESIDENT

By: 
Name: John F. Dains
Title: Chief Financial Officer

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SCHEDULE A TO
SECURITY AGREEMENT

Equipment Description: Fourteen (14), 2240 c.f.c., two-compartment open top hoppers equipped with Miner Type D locking systems. Rebuilt per AAR Rule 88 in 1998.

Unit Numbers:

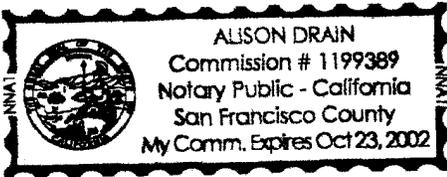
1. VULX 9826
2. VULX 9827
3. VULX 9828
4. VULX 9829
5. VULX 9830
6. VULX 9831
7. VULX 9832
8. VULX 9833
9. VULX 9834
10. VULX 9835
11. VULX 9836
12. VULX 9837
13. VULX 9838
14. VULX 9839

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

On January 19, 1998, before me, Alison Drain,
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.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

NORTH CAROLINA
STATE OF ~~ALABAMA~~)
) S.S.
COUNTY OF YADKIN)

On DEC. 21, 1998, before me, TERESA PEELE, personally
appeared JAMES W. SMACK, the DIVISION PRESIDENT of
VULCAN MATERIALS COMPANY,

✓ 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.

Teresa Peelle
SIGNATURE OF THE NOTARY

[Notarial Seal]

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