

**HELM-ATLANTIC ASSOCIATES  
LIMITED PARTNERSHIP**

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

VIA AIR COURIER

RECORDATION NO. 18905-T FILED

August 14, 1997

AUG 18 '97 11-18 AM

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

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
AUG 18 11 18 AM '97

Dear Mr. Williams:

On behalf of Helm-Atlantic Associates Limited Partnership, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Three (3) fully executed originals of the Partial Termination of Security Agreement dated July 17, 1997 ("**Partial Termination**") by NationsBank of Virginia, N.A., a national banking association, for the benefit of Helm-Atlantic Associates Limited Partnership.

In connection with the recording of the Partial Termination, please note the following information:

Name and Address of Helm: Helm-Atlantic Associates Limited Partnership  
c/o Helm Atlantic Corporation  
One Embarcadero Center, Suite 3700  
San Francisco, CA 94111

Name and Address of Agent: NationsBank of Virginia, N.A.  
1111 East Main Street  
4th Floor Pavilion  
Richmond, VA 23277-0001

Equipment: One (1) GP38 locomotive bearing the reporting mark and number HATX 107.

Previous STB Filing: Security Agreement filed under Recordation No. 18905.

Please file the Partial Termination under the next available recordation number and return two (2) endorsed originals to my attention. A check covering the filing fee of twenty-four dollars (\$24.00) is enclosed.

Sincerely,

*PHapin*  
Patrick Hapin  
Document Administrator

/ph  
Enclosures (3)

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PARTIAL TERMINATION OF SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is made as of July 17, 1997, by NATIONSBANK, N.A., a national banking association, as agent ("NationsBank"), for the benefit of HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Helm-Atlantic Associates").

1. Recitals. Helm-Atlantic Associates owns the one (1) GP38 locomotive bearing the Association of American Railroad reporting mark and number HATX 107 (the "Unit"). Helm-Atlantic Associates has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "Collateral"), to NationsBank upon the terms and conditions provided in that certain Security Agreement dated as of July 20, 1994 between Helm-Atlantic Associates and NationsBank (the "Security Agreement") and filed at the Surface Transportation Board of the Department of Transportation ("STB"), formerly known as the Interstate Commerce Commission, under Recordation No. 18905.

Helm-Atlantic Associates intends to sell the Unit to a third party and desires that such sale shall be free and clear of any lien or security interest of NationsBank. Pursuant to the terms granted under the Security Agreement, Helm-Atlantic Associates requests NationsBank's consent to such sale of the Unit and requests NationsBank to terminate its security interest in the Unit.

2. Termination of Security Interest. NationsBank hereby consents to the sale of the Unit by Helm-Atlantic Associates and NationsBank hereby terminates any and all security interests in the Unit granted to it under the Security Agreement which security interest in the Unit shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of NationsBank's right, title and interest in and to the Unit shall be null and void.

This Partial Termination shall have no effect on NationsBank's security interest in and lien on any other collateral other than the Unit and said security interest in and lien on such other collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, NationsBank has executed this Partial Termination of Security Agreement on the day and year first written above.

NATIONSBANK, N.A., as Agent

By: E. Turner Coffin  
Print Name: E. Turner Coffin  
Its: Senior Vice President

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STATE OF VIRGINIA )  
City of Richmond ) s.s.  
COUNTY OF Richmond )

On this 4 day of August, 1997, before me, personally appeared E. Turner Coggin to me personally know, who being by me duly sworn, says that he/she is a Senior V.P. of **NATIONSBANK, N.A.**, that said instrument was signed on behalf of said association by authority of its Board of Directors; and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Mary L. Eck  
Notary Public

My Commission Expires:

3-31-98