

**HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP**

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

VIA AIR COURIER

August 29, 1997

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

RECORDATION NO. 18905-V FILED

SEP 5 '97 8-35 AM

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 December 1, 1996 ("**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: Five (5) SD40-3 locomotives, as more fully described in Exhibit A to the Partial Termination.

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,



Patrick Hapin
Document Administrator

/ph
Enclosures (3)

RECORDATION NO. 18905-5 FILED V

SEP 5 '97 8-35 AM

PARTIAL TERMINATION OF
SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of December 1, 1996, 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 five (5) SD40-3 locomotives bearing the Association of American Railroad reporting marks and numbers as listed on Exhibit A attached hereto (the "Unit(s)"). 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 Units 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 Units and request NationsBank to terminate its security interest in the Units.

2. **Termination of Security Interest.** NationsBank hereby consents to the sale of the Units by Helm-Atlantic Associates and NationsBank hereby terminates any and all security interests in the Units granted to it under the Security Agreement which security interest in the Units 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 Units 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 Units 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 as of the date first written above.

NATIONSBANK, N.A., as Agent

By: E. Turner Goffin

Print Name: E. Turner Goffin

Title: Senior Vice President

STATE OF VIRGINIA)
CITY) S.S.
COUNTY OF Richmond)

On this 20th 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 Sr. Vice President 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.

Tracy N. Perrins
Notary Public

My Commission Expires:
August 31, 1997

ph

EXHIBIT A

TO THE PARTIAL TERMINATION OF SECURITY INTEREST DATED AS OF DECEMBER 1, 1996
BY NATIONSBANK, N.A., FOR THE BENEFIT OF HELM-ATLANTIC ASSOCIATES LIMITED
PARTNERSHIP

Description of the Units:

Five (5), EMD Model SD40-3, six (6) axle, 3,000 horsepower locomotives equipped
with Woodward Governor Complete Control Microprocessors; formerly EMD Model
SD45-T2 rebuilt in 1984 and 1985 by Southern Pacific Railway Company.

Unit Numbers:

Current:	Previous:	Original:
DMIR 410	HATX 930	SP 6771
DMIR 411	HATX 931	SP 6777
DMIR 412	HATX 934	SP 6781
DMIR 413	HATX 935	SP 6783
DMIR 414	HATX 937	SP 6792