

09/07/93 11:31

M & S

LAW OFFICES
MILES & STOCKHILL
10 LIGHT STREET
BALTIMORE, MARYLAND

22 WEST JEFFERSON STREET
ROCKVILLE, MARYLAND 20850

501 RAY STREET
BOSTON, MARYLAND 21001

11350 RANDOM HILLS ROAD
FAIRFAX, VIRGINIA 22030

TELEPHONE 301-727
FAX 301-385-3700

100 WASHINGTON AVENUE
TOWSON, MARYLAND 21204

WEST PATRICK STREET
PARDERSBURG, MARYLAND 21769

111 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20006

18392 A

SEP 7 1993 10:40 PM

INTERSTATE COMMERCE COMMISSION

FAX

Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Washington, D.C. 20423

Attention: Mildred Lee, Recording Clerk
Room 2303

RE: Purchase and Sale
Railcar Co. and
Maryland

between
National Bank

Dear Ms. Lee:

In our telephone conversation this
that you had received from me via Fed
documents for the above-referenced matter

you
ass the

- 1) Assignment of Lessor's
Financial Corporation
Embarcadero Center, Suite
California 94111) in favor of
Bank of Maryland (whose address is
Street, 15th Floor Baltimore, Maryland)
- 2) Security Agreement by a
Corporation (whose address is
First National Bank of Maryland
listed above).

in Leases by Helm
address is One
San Francisco,
First National
25 South Charles
land 21202); and

Helm Financial
ed above) and The
whose address is

Please record each of these documents in the records of the
Interstate Commerce Commission. You also mentioned in our telephone
conversation that you received a check for the proper amount
for the recordation costs for these documents.

the records of the
in our telephone
the proper amount

18392

SEP 7 1993 10:40 PM

INTERSTATE COMMERCE COMMISSION

MILES & STOCKBRIDGE

Page 2
September 7, 1993
Interstate Commerce Commission

Once the documents have been received, please return the

John Stalfort, Esquire
Miles & Stockbridge
10 Light Street
Baltimore, Maryland 21201

If you have any questions, please contact me immediately at
410-385-3000. Thank you for your assistance in this matter.

Sincerely,
Tracey S. Little

Tracey S. Little
Legal Assistant

enclosures

LAW OFFICES
MILES & STOCKBRIDGE

1017 GAY STREET
BALTIMO

TELEPHONE 410-385-1111
FAX 410-385-1111

FACSIMILE COVER SHEET

TO: Ms. Lee

FROM: 410-5996

PHONE NO: 410-922-5111

BY: Ms. J. Little

DATE: 9/11/93

TIME: 11:20 am

FILE NO: 2543-01

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 3

MESSAGE

Ms. Lee -

Please let me know if you require any-
thing further. Thank you for informing me
of this problem.

CONFIDENTIALITY NOTICE

The information in this transmission is intended only for the individual or entity named above. It may be legally privileged and confidential. If you have received this information in error, notify us immediately by calling our operator at the number set out below. Send the original transmission to us by mail. Return postage is guaranteed. If the reader of this message is not the intended recipient, you are hereby notified that any disclosure, dissemination, distribution or copying of this communication or its contents is strictly prohibited.

If you do not receive all pages or have any problems with receiving this transmission, please call:

18392/A

SEP 7 1993 - 10 42 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "Agreement") is made as of this 1st day of September, 1993, by HELM FINANCIAL CORPORATION, a California corporation (the "Pledgor"), in favor of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (the "Lender"); witnesseth:

Recitals

The Pledgor has applied to the Lender for a loan in the principal amount of (the "Financial Accommodations"). The Financial Accommodations are to be evidenced by, and repaid with interest in accordance with provisions of, a Term Business Purpose Promissory Note of even date herewith from the Pledgor payable to the Lender in the principal amount of the Financial Accommodations (the "Note"). Repayment of the Note is secured by, inter alia, a Security Agreement Equipment of even date herewith (the "Security Agreement") from the Pledgor to the Lender. The Pledgor is the assignee of that certain Equipment Lease dated as of December 20, 1978 (the "Lease") between First Maryland Leasecorp and Missouri Pacific Railroad Company, as successor in interest to Missouri-Kansas-Texas Railroad Company (the "Lessee") pursuant to which the Pledgor has leased certain railroad cars to the Lessee (the "Railcars"). The Lender has required, as a condition to the making of the Financial Accommodations, the execution of this Agreement by the Pledgor.

NOW, THEREFORE, in order to secure (a) the prompt payment of all past, present, and future indebtedness, liabilities, and obligations of the Pledgor to the Lender of any nature whatsoever in connection with the Financial Accommodations (collectively, the "Pledgor's Liabilities"), and (b) the performance by the Pledgor of all of the terms, conditions, and provisions of this Agreement, the Note, the Security Agreement, and of any other note, security agreement, pledge agreement, guaranty agreement, mortgage, deed of trust, loan agreement, hypothecation agreement, subordination agreement, indemnity agreement, letter of credit application, assignment, or any other document previously, simultaneously, or hereafter executed and delivered by the Pledgor and/or any other person, singly or jointly with another person or persons, evidencing, securing, guarantying, or in connection with any of the Pledgor's Liabilities (collectively, the "Loan Documents"), the Pledgor hereby pledges, assigns, and grants to the Lender a security interest in and assigns to the Lender all now existing or hereafter created leases of all or any portion of the Railcars (collectively the "Leases"), together with all rents, royalties, issues, income, profits, revenues, other benefits, and security deposits arising from the Leases and the Railcars and all cash and non-cash proceeds thereof and the proceeds of all insurance

policies covering all or any part of such property (all of the foregoing is herein collectively referred to as the "Collateral").

A. TO PROTECT THE SECURITY OF THIS AGREEMENT, PLEDGOR COVENANTS:

1. To observe and perform all of the obligations imposed upon the lessor in the Leases and not to do or permit to be done anything to impair the security thereof; that the Leases are or will be valid and enforceable and that the lessees are not in default under any of the terms thereof; that no rents reserved in the Leases have been anticipated or assigned; not to collect any of the rents, income, and profits arising or accruing from the Railcars in advance of the time when the same becomes due under the terms of the Leases; not to discount any future accruing rents; not to execute any other assignment of the Leases or assignment of rents of the Railcars; and not to alter, modify, or change the terms of the Leases or surrender, cancel, or terminate the same, except in the ordinary course of business, without the prior written consent of the Lender.

2. To assign and transfer to the Lender any and all further Leases upon all or any part of the Railcars and to execute and deliver, at the request of the Lender, all such further assurances and assignments as the Lender shall from time to time require.

B. IT IS MUTUALLY AGREED THAT:

1. All rents, income, and profits from the Railcars shall be paid directly to the Lender at 25 South Charles Street, 15th Floor, Baltimore, Maryland 21201, Attention: Paul M. Leand, Jr., Mail Code 101-460 without regard to whether any default has occurred under the Loan Documents. The Pledgor hereby authorizes and directs the lessees under any Leases, including the Lessee under the Lease, to pay all rents, income and profits from the Leases due to the Pledgor under the Leases directly to the Lender and to continue to do so until otherwise notified by the Lender.

2. The Lender shall have the right to apply such rents, income, and profits to the payment of the Pledgor's Liabilities in such order and manner as the Lender may elect in its discretion.

3. The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty, or liability under the Leases, or under or by reason of this Agreement, and the Pledgor shall and does hereby agree to indemnify the Lender for and to hold the Lender harmless of and from any and all liability, loss, or damage which the Lender may or might incur under the Leases or under or by reason of this Agreement, and of and from any and all claims and demands whatsoever which may be asserted against the Lender by reason of any alleged obligations or undertakings on the Lender's part to perform or discharge any of the terms, covenants, or agreements

contained in the Leases. Should the Lender incur any such liability, loss, or damage under the Leases or under or by reason of this Agreement or in the defense of any such claims or demands, the amount thereof including costs, expenses, and reasonable attorneys' fees shall be secured hereby, and the Pledgor shall reimburse the Lender therefor immediately upon demand, and upon the failure of the Pledgor so to do, the Lender may declare all sums secured hereby immediately due and payable.

4. Upon the payment in full of all indebtedness secured hereby, this Agreement shall become and be void and of no effect, but the affidavit, certificate, letter, or statement of any officer, supervisor, or attorney of the Lender showing any part of said indebtedness to remain unpaid shall be and constitute conclusive evidence (except in an action between Pledgor and the Lender or its assigns) of the validity, effectiveness, and continuing force of this Agreement, and any person may and is hereby authorized to rely thereon.

5. The Lender may take or release other security; may release any party primarily or secondarily liable for any indebtedness secured hereby; may grant extensions, renewals, or indulgences with respect to such indebtedness; and may apply any other security therefor held by it to the satisfaction of such indebtedness without prejudice to any of its rights hereunder.

6. The term "Leases" as used herein means the Leases hereby assigned and any extension or renewal thereof, and any lease subsequently executed by the Pledgor covering the Railcars or any part thereof.

7. Nothing herein contained and no act done or omitted by the Lender pursuant to the powers and rights granted to the Lender herein shall be deemed to be a waiver by the Lender of its rights and remedies under the Loan Documents, but this Agreement is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms thereof. The right of the Lender to collect the indebtedness and to enforce any other security therefor owned by it may be exercised by the Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

8. In the event the Note is transferred by the Lender to any other person or entity, the Pledgor covenants and agrees that all the provisions herein contained shall be applied to and inure to the benefit of the holder of the Note in the same manner and to the same extent as if it was the original assignee of the Leases herein named.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WITNESS the signature and seal of the Pledgor as of the day and year first above written.

ATTEST:

HELM FINANCIAL CORPORATION

John F. Davis

BY: [Signature] (SEAL)
Name: RICHARD C. KIRCHNER
Title: PRESIDENT

STATE OF CALIFORNIA, COUNTY OF San Francisco, TO WIT:

On this 1st day of September, 1993, before me, the undersigned, a Notary Public of said State, personally appeared Richard C. Kirchner, who acknowledged himself to be the President of Helm Financial Corporation, a California corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

WITNESS my hand and Notarial Seal.

[Signature]
Notary Public

(SEAL)

My Commission Expires: 6-9-95

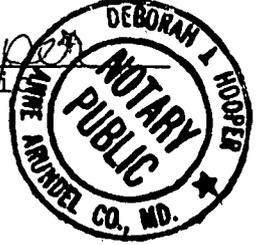
A:FLM00104.ASG/Helm/cmr



I HEREBY CERTIFY that the attached Assignment of Lessor's Interest in Leases is a true and complete copy of said Assignment of Lessor's Interest in Leases.

AS WITNESS my hand and Notarial Seal.

Deborah J. Hooper
Notary Public



My Commissions Expire: 7-27-94