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RECORDATION NO. 23168-D FILED

DEC 29 '00 11:47 AM

SURFACE TRANSPORTATION BOARD

LOUIS E. GITOMER
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December 29, 2000

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed four originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Termination of Security Agreement, a secondary document, dated December 27, 2000. The primary document to which this is connected is recorded under Recordation No. 23168. We request that one copy of this document be recorded under Recordation No. 23168-D.

The name and address of the party to the Partial Termination of Security Agreement is:

Secured Party:

Fleet National Bank
100 Federal Street
Boston, MA 02110

A description of the equipment covered by the Partial Termination of Security Agreement consists of 50 open hopper cars numbered HLMX 5096, 5115, 5117, 5122, 5125, 5127, 5136, 5147, 5148, 5151, 5153, 5154, 5158, 5161, 5163, 5167, 5174, 5179, 5182, 5183, 5184, 5185, 5187, 5189, 5191, 5194, 5197, 5198, 5205, 5206, 5208, 5211, 5212, 5215, 5216, 5217, 5219, 5223, 5229, 5231, 5232, 5235, 5239, 5243, 5244, 5246, 5248, 5249, 5250, and 5254; and 12 covered hopper cars numbered HLMX 4104, 4106, 4117, 4121, 4122, 4126, 4157, 4158, 4165, 4166; and MP 706670 and 706766.

BALL JANIK LLP

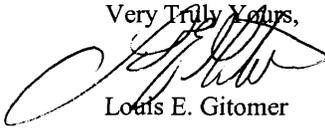
Honorable Vernon A. Williams
December 29, 2000
Page 2

A fee of \$26.00 is enclosed. Please return three originals to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Termination of Security Agreement by Fleet National Bank, 100 Federal Street, Boston, MA 02110, covering 50 open hopper cars numbered HLMX 5096, 5115, 5117, 5122, 5125, 5127, 5136, 5147, 5148, 5151, 5153, 5154, 5158, 5161, 5163, 5167, 5174, 5179, 5182, 5183, 5184, 5185, 5187, 5189, 5191, 5194, 5197, 5198, 5205, 5206, 5208, 5211, 5212, 5215, 5216, 5217, 5219, 5223, 5229, 5231, 5232, 5235, 5239, 5243, 5244, 5246, 5248, 5249, 5250, and 5254; and 12 covered hopper cars numbered HLMX 4104, 4106, 4117, 4121, 4122, 4126, 4157, 4158, 4165, 4166; and MP 706670 and 706766.

Very Truly Yours,



Louis E. Gitomer

Enclosures

DEC 29 '00 11:47 AM

PARTIAL TERMINATION OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of December 27, 2000, by FLEET NATIONAL BANK, a national banking association ("Fleet") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of HELM HOLDING CORPORATION, a California corporation, HELM FINANCIAL CORPORATION, a California corporation and HELM LOCOMOTIVE LEASING CORPORATION, a California corporation (collectively, "Helm").

1. Recitals. Helm owns the rail equipment bearing the Association of American Railroad reporting marks and numbers as described in Exhibit A attached hereto (the "Unit(s)"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "Collateral"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "Security Agreement") as filed with the Surface Transportation Board of the Department of Transportation ("STB") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "Credit Agreement").

Helm 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 Fleet. Helm requests Fleet's consent to such sale of the Units and requests Fleet to terminate its lien and security interest in the Units.

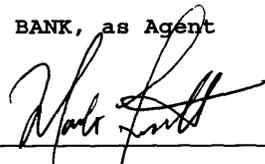
2. Consent & Partial Termination. Fleet hereby consents to the sale of the Units by Helm. Fleet hereby forever terminates any and all liens and security interests in the Units granted to it under the Security Agreement. Such liens and security interests in the Units shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Units shall be null and void.

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

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By: _____



Print Name: Mark Fawcett
Director

Its: _____

STATE OF MASSACHUSETTS)
) S.S.
COUNTY OF SUFFOLK)

On December 28, 2000, before me, Coryn Suffredini,
personally appeared Mark Fawcett, Director of
FLEET NATIONAL BANK

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.

Coryn Suffredini
SIGNATURE OF THE NOTARY
Commission expires: 11/27/03

[Notarial Seal]

EXHIBIT A**I. Description of the Units: 50, open top hopper railcars.**

| | | | | | |
|----|------|------|----|------|------|
| 1 | HLMX | 5125 | 26 | HLMX | 5194 |
| 2 | HLMX | 5096 | 27 | HLMX | 5197 |
| 3 | HLMX | 5115 | 28 | HLMX | 5198 |
| 4 | HLMX | 5117 | 29 | HLMX | 5205 |
| 5 | HLMX | 5122 | 30 | HLMX | 5206 |
| 6 | HLMX | 5127 | 31 | HLMX | 5208 |
| 7 | HLMX | 5136 | 32 | HLMX | 5211 |
| 8 | HLMX | 5147 | 33 | HLMX | 5212 |
| 9 | HLMX | 5148 | 34 | HLMX | 5215 |
| 10 | HLMX | 5151 | 35 | HLMX | 5216 |
| 11 | HLMX | 5153 | 36 | HLMX | 5217 |
| 12 | HLMX | 5154 | 37 | HLMX | 5219 |
| 13 | HLMX | 5158 | 38 | HLMX | 5223 |
| 14 | HLMX | 5161 | 39 | HLMX | 5229 |
| 15 | HLMX | 5163 | 40 | HLMX | 5231 |
| 16 | HLMX | 5167 | 41 | HLMX | 5232 |
| 17 | HLMX | 5174 | 42 | HLMX | 5235 |
| 18 | HLMX | 5179 | 43 | HLMX | 5239 |
| 19 | HLMX | 5182 | 44 | HLMX | 5243 |
| 20 | HLMX | 5183 | 45 | HLMX | 5244 |
| 21 | HLMX | 5184 | 46 | HLMX | 5246 |
| 22 | HLMX | 5185 | 47 | HLMX | 5248 |
| 23 | HLMX | 5187 | 48 | HLMX | 5249 |
| 24 | HLMX | 5189 | 49 | HLMX | 5250 |
| 25 | HLMX | 5191 | 50 | HLMX | 5254 |

II. Description of Units: 12, 100-ton roller bearing, 2980 c.f.c., two-pocket covered hopper railcars equipped with 30" round hatches and gravity outlet gates; built by ACF Industries in 1979.

| | | |
|----|------|--------|
| 1 | HLMX | 4104 |
| 2 | HLMX | 4106 |
| 3 | HLMX | 4117 |
| 4 | HLMX | 4121 |
| 5 | HLMX | 4122 |
| 6 | HLMX | 4126 |
| 7 | HLMX | 4157 |
| 8 | HLMX | 4158 |
| 9 | HLMX | 4165 |
| 10 | HLMX | 4166 |
| 11 | MP | 706670 |
| 12 | MP | 706766 |