

**OSTER
Researching Services**

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RECORDATION NO. 23168-T FILED

July 10, 2001

JUL 10 '01 10-15 AM

SURFACE TRANSPORTATION BOARD

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

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Partial Termination of Security Agreement dated 6/26/01 between the following parties:

Secured Party: Fleet National Bank
100 Federal Street
Boston, MA 02210

Debtors: Helm Holding Corporation
Helm Financial Corporation
Helm Locomotive Leasing Corporation
One Embarcadero Center
San Francisco, CA 94111

Equipment: 7, Flatcars
NS 114605-114607, 114609-114612.

Please record this document as a supplemental agreement to the Security Agreement dated 10/18/00 assigned STB Recordation #23168. The filing fee of \$28 is enclosed.

Summary: Partial Termination of Security Agreement dated 6/26/01 between Fleet National Bank as Secured Party and the following Debtors: Helm Holding Corporation, Helm Financial Corporation, and Helm Locomotive Corporation including 7 flatcars marked NS 114605-114607, 114609-114612.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

**PARTIAL TERMINATION OF
SECURITY AGREEMENT**

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of June 26, 2001, 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: ROBERT S. ALLEN

Its: GROUP MANAGER

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JUL 10 '01 10:15 AM

SURFACE TRANSPORTATION BOARD

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

On 6/27/01, 2001, before me, Cary W. Sofford, Jr.,
personally appeared Robert S. Allen, Group Manager of
FLEET NATIONAL BANK

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.

Cary W. Sofford, Jr.

SIGNATURE OF THE NOTARY

Commission expires 11/2/03

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of June 26, 2001

The "Units"

Description of the Units:

Seven (7), 81 foot, 100-ton flatcars.

Mark & Numbers:

NS 114605
NS 114606
NS 114607
NS 114609
NS 114610
NS 114611
NS 114612