

HELM FINANCIAL CORPORATION

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

August 2, 2001

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

RE: Partial Termination of Security Agreement dated as of July 20, 2001 ("Partial Termination"), by Fleet National Bank ("Fleet"), as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, Helm Financial Corporation and Helm Locomotive Leasing Corporation (collectively, "Helm")

Dear Mr. Williams:

On behalf of Helm Financial Corporation, 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 above-referenced Partial Termination.

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

Name and Address of Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Name and Address of Fleet: Fleet National Bank
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: 36 open top hopper railcars
AKMX 18012-18186 (NI)
HLMX 18242-18384 (NI)

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 PM. The filing fee of \$28.00 is enclosed.

Summary: Partial Termination of Security Agreement dated as of July 20, 2001, by Fleet National Bank, a national banking association ("Fleet") as the Agent for the Lenders, as defined in the Credit Agreement, 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"), for 36 open top hopper railcars, AKMX 18012-18186 (NI) and HLMX 18242-18384 (NI), to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,


Sharon L. Van Fossan
Supervisor Contract Administration

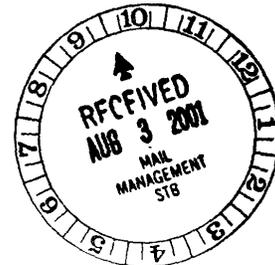
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Enclosures (3)

RECORDATION NO. 23168-Z FILED

AUG 3 '01 4-13 PM

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SURFACE TRANSPORTATION BOARD



PARTIAL TERMINATION OF
SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of July 20, 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.

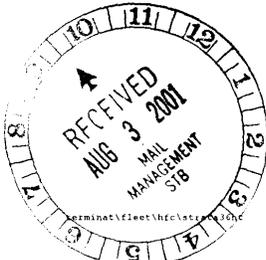
IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By: 

Print Name: ROBERT S. ALLEN

Its: GROUP MANAGER



RECORDATION NO. 23168-Z FILED

AUG 3 '01 4-13 PM

SURFACE TRANSPORTATION BOARD

STATE OF MASSACHUSETTS)
COUNTY OF Suffolk) S.S.

On 7/23/01, 2001, before me, C. RICHARD SUTHERLAND,
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.

C. R. Sutherland
SIGNATURE OF THE NOTARY
Commission Expires: 11/21/03

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of July 20, 2001

The "Units"

Description of the Units:

Thirty-six (36), 3350 cubic foot, 4-pocket, open top hopper railcars built by Bethlehem Steel after June 30, 1974.

**Reporting
Mark and Number**

AKMX 18012
AKMX 18018
AKMX 18023
AKMX 18036
AKMX 18046
AKMX 18053
AKMX 18054
AKMX 18055
AKMX 18056
AKMX 18060
AKMX 18061
AKMX 18067
AKMX 18082
AKMX 18083
AKMX 18111
AKMX 18115
AKMX 18125
AKMX 18128
AKMX 18130
AKMX 18133
AKMX 18143
AKMX 18145
AKMX 18153
AKMX 18163
AKMX 18177
AKMX 18186
HLMX 18242
HLMX 18265
HLMX 18284
HLMX 18347
HLMX 18427
HLMX 18440
HLMX 18224
HLMX 18300
HLMX 18384