

HELM FINANCIAL CORPORATION

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

October 15, 2001

RECORDATION NO. 23168-EE FILED

OCT 19 '01 10-58 AM

SURFACE TRANSPORTATION BOARD

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

RE: PARTIAL TERMINATION OF SECURITY AGREEMENT IN CONNECTION WITH THAT CERTAIN REVOLVING CREDIT AND TERM LOAN AGREEMENT ("Partial Termination"), dated as of October 5, 2001, by FLEET NATIONAL BANK ("Fleet"), as Secured Party, 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") as Debtors.

Dear Mr. Williams:

Enclosed for filing with the Surface Transportation Board are four (4) originals of the above referenced Partial Termination. In connection with the recording of this Partial Termination, please note the following information:

Equipment: Six (6), GP40-2 Locomotives as more fully described in Exhibit A attached to the Partial Termination.

Previous STB Filing: **Security Agreement** in connection with that certain **Revolving Credit and Term Loan Agreement** dated as of October 18, 2000, under Recordation No. 23168, filed at the Surface Transportation Board of the Department of Transportation on October 18, 2000 at 2:43 p.m.

A short summary of the document to appear in the index follows:

Partial Termination dated October 5, 2001 of the Security Agreement in connection with that certain Revolving Credit and Term Loan Agreement dated October 18, 2000 between Fleet National Bank as Secured Party and Helm as Debtors terminating six (6) GP40-2 locomotives with the mark and number HLCX 4290; CN 9403, CN 9434, CN 9646, CN 9649 and CN 9663.

Please file this Termination as a supplementary document to Recordation 23168 and return three (3) STB stamped originals to me. If you have any questions, you may reach me at (415) 398-4510, ext. 339.

Yours truly,



Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

OSTER
Researching Services

12897 Colonial Dr. • Mt. Airy, Md. 21771
Phone: 301-253-6040
Fax: 301-253-6040*

Parties:

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

Secured Party: Fleet National Bank
100 Federal Street
Boston, MA 02110

**PARTIAL TERMINATION OF
SECURITY AGREEMENT**

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of October 5, 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 mark and numbers as described in Exhibit A attached hereto (the "Units"). 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 J. ALLEN
GROUP MANAGER

Its: _____

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SURFACE TRANSPORTATION BOARD

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

On 10/12/01, 2001, before me, ELLEN F. HICKEY,
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.

Ellen F. Hickey
SIGNATURE OF THE NOTARY

[Notarial Seal]

Commission Expires 9/12/2008

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of October 5, 2001

Description of the Units: Six (6), GP40-2 type, "wide cab", non-dynamic brake,
3000 horse power locomotives.

Reporting

Marks _____ :

1. CN 9403
2. CN 9434
3. CN 9646
4. CN 9649
5. CN 9663
6. HLCX 4290