**HELM**
**FINANCIAL CORPORATION**

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

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RAIL MANAGEMENT
STB

December 18, 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 October 25, 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:

Four (4) 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<br>One Embarcadero Center, Suite 3700<br>San Francisco, CA 94111 |
| Name and Address of Fleet: | Fleet National Bank<br>Transportation Division<br>100 Federal Street<br>Boston, MA 02110 |
| Equipment: | 12 Open Top Hopper Railcars<br>HLMX 1724, 1730 and 1733<br>KCS 12127, 12137, 12154, 12159, 12161, 12169, 12173 and 12174 |

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 October 25, 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, at California corporation and Helm Locomotive Leasing Corporation, a California corporation (collectively, **"Helm"**), for 12 open top hopper railcars, HLMX 1724, 1730 and 1733; KCS 12127, 12137, 12154, 12159, 12161, 12169, 12173 and 12174, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,

Sharon L. Van Fossan
Supervisor Contract Administration

\svf
Enclosures (4)

RECORDATION NO. 23168-II FILED

DEC 21 '01 3-29 PM

SURFACE TRANSPORTATION BOARD

**PARTIAL TERMINATION OF**
**SECURITY AGREEMENT**

**THIS PARTIAL TERMINATION OF SECURITY AGREEMENT** (**"Partial Termination"**) is dated as of October 25, 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: Paul Feloney, Jr.

Its: Managing Director

RECORDATION NO. 23168-II FILED

DEC 21 '01 3-29 PM

SURFACE TRANSPORTATION BOARD

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

On November 20, 2001, before me, Caryn Suffredini, personally appeared Paul Feloney, Jr., _____ 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.

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

[Notarial Seal]

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**EXHIBIT A**

**to the**
**Partial Termination of Security Agreement**
**dated as of October 25, 2001**

**Description of the Units**: Twelve (12), 70-ton open top hopper railcars.

**Reporting Marks**:

1. HLMX 1724
2. HLMX 1730
3. HLMX 1733
4. KCS 12147
5. KCS 12159
6. KCS 12173
7. KCS 12127
8. KCS 12137
9. KCS 12174
10. KCS 12161
11. KCS 12154
12. KCS 12169