HELM
FINANCIAL CORPORATION

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RECORDATION NO. 23168-MMM FILED

JAN 30 04 1-23 PM

SURFACE TRANSPORTATION BOARD

JAN 30 2004 RECEIVED

January 27, 2004

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

RE: **PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination")**, dated as of December 31, 2003, by **FLEET NATIONAL BANK ("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**").

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 PartialTermination.

In connection with the recording of this 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: Thirty (30), open top hopper railcar bearing the reporting marks HLMX 153000-153099 n.i..

Please record this Partial Termination as a supplement agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 p.m. Helm's check number 6233 is enclosed to cover the $30.00 filing fee.

Summary: Partial Termination of Security Agreement dated as of December 31, 2003, 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 (collectively, **"Helm"**), for the 30 open top hopper railcar, HLMX 153000-153099 n.i., to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,

CMostaghim

Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

PARTIAL TERMINATION OF
SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of December 31, 2003, 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: Anthony D Healey

Its: Authorized Officer

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SURFACE TRANSPORTATION BOARD

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CM

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

On January 15, 2004, before me, Maria G. Rosario, personally appeared Anthony D Healey, Authorized Officer 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.

Maria G Rosario
SIGNATURE OF THE NOTARY

[Notarial Seal]

CM

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY AGREEMENT** dated as of December 31, 2003.

THE UNITS

Description: Thirty (30), 2,240 cubic foot, 2-pocket, 45-degree slope sheets, open top hopers equipped with Miner type D2 outlet gates. Cars are rated for 286,000 lb. gross rail load.

Unit Numbers: HLMX 153000, 153001, 153003, 153004, 153005, 153008, 153014, 153016, 153017, 153020, 153021, 153025, 153029, 153033, 153042, 153044, 153052, 153058, 153059, 153062, 153064, 153065, 153068, 153078, 153081, 153083, 153084, 153088, 153095, 153099.