

# HELM FINANCIAL CORPORATION

February 5, 2004

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

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

RECORDATION NO. 23168-NNN

FEB 09 '04

2-11 PM



SURFACE TRANSPORTATION BOARD

**RE: PARTIAL TERMINATION OF SECURITY AGREEMENT IN CONNECTION WITH THAT CERTAIN REVOLVING CREDIT AND TERM LOAN AGREEMENT ("Partial Termination"), dated as of November 25, 2002, 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:

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 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: 168 gondola railcars within series HLMX 147000-147321

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 covering the \$30.00 filing fee is enclosed.

**Summary:** Partial Termination of Security Agreement dated as of November 25, 2002, 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 following rail equipment: 168 gondola railcars within series HLMX 147000-147321, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,

Cecilia Mostaghim  
Contract Administrator

/cm  
Enclosures (4)

**PARTIAL TERMINATION OF  
SECURITY AGREEMENT**

**THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination")** is dated as of January 23, 2004, 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**").

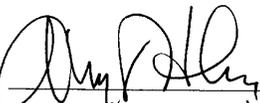
Helm intends to sell the Units to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Units and requests Fleet to terminate its lien and security interest in the Units.

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

RECORDATION NO. 23168-<sup>NNN</sup> FILED  
FEB 09 '04 2-11 PM  
SURFACE TRANSPORTATION BOARD

*CM*

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

On January 29, 2004, before me, Anthony D. Healey, personally  
appeared 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.

SIGNATURE OF THE NOTARY

ANYE For Commission expires July 3, 2010

[Notarial Seal]

**EXHIBIT A**

To the **PARTIAL TERMINATION OF SECURITY AGREEMENT** dated as of January 23, 2004.

**Equipment Description:** 4,200 cubic foot capacity, 100-ton, single-tub rotary gondolas. Cars are 53'-1" extreme length, 10'-8" extreme width, and 11'-7" extreme height. Built by FMC in 1979-1980.

Reporting Mark & Numbers		Reporting Mark & Numbers		Reporting Mark & Numbers	
1	HLMX 147142	57	HLMX 147210	113	HLMX 147266
2	HLMX 147000	58	HLMX 147211	114	HLMX 147267
3	HLMX 147005	59	HLMX 147212	115	HLMX 147268
4	HLMX 147047	60	HLMX 147213	116	HLMX 147269
5	HLMX 147066	61	HLMX 147214	117	HLMX 147270
6	HLMX 147102	62	HLMX 147215	118	HLMX 147271
7	HLMX 147113	63	HLMX 147216	119	HLMX 147272
8	HLMX 147116	64	HLMX 147217	120	HLMX 147273
9	HLMX 147120	65	HLMX 147218	121	HLMX 147274
10	HLMX 147124	66	HLMX 147219	122	HLMX 147275
11	HLMX 147125	67	HLMX 147220	123	HLMX 147276
12	HLMX 147126	68	HLMX 147221	124	HLMX 147277
13	HLMX 147128	69	HLMX 147222	125	HLMX 147278
14	HLMX 147176	70	HLMX 147223	126	HLMX 147279
15	HLMX 147001	71	HLMX 147224	127	HLMX 147280
16	HLMX 147002	72	HLMX 147225	128	HLMX 147281
17	HLMX 147003	73	HLMX 147226	129	HLMX 147282
18	HLMX 147004	74	HLMX 147227	130	HLMX 147283
19	HLMX 147006	75	HLMX 147228	131	HLMX 147284
20	HLMX 147007	76	HLMX 147229	132	HLMX 147285
21	HLMX 147008	77	HLMX 147230	133	HLMX 147286
22	HLMX 147010	78	HLMX 147231	134	HLMX 147287
23	HLMX 147012	79	HLMX 147232	135	HLMX 147288
24	HLMX 147013	80	HLMX 147233	136	HLMX 147289
25	HLMX 147014	81	HLMX 147234	137	HLMX 147290
26	HLMX 147015	82	HLMX 147235	138	HLMX 147291
27	HLMX 147016	83	HLMX 147236	139	HLMX 147292
28	HLMX 147017	84	HLMX 147237	140	HLMX 147293
29	HLMX 147018	85	HLMX 147238	141	HLMX 147294
30	HLMX 147019	86	HLMX 147239	142	HLMX 147295
31	HLMX 147020	87	HLMX 147240	143	HLMX 147296
32	HLMX 147021	88	HLMX 147241	144	HLMX 147297
33	HLMX 147022	89	HLMX 147242	145	HLMX 147298
34	HLMX 147023	90	HLMX 147243	146	HLMX 147299
35	HLMX 147024	91	HLMX 147244	147	HLMX 147300
36	HLMX 147025	92	HLMX 147245	148	HLMX 147301
37	HLMX 147026	93	HLMX 147246	149	HLMX 147302
38	HLMX 147027	94	HLMX 147247	150	HLMX 147303
39	HLMX 147028	95	HLMX 147248	151	HLMX 147304
40	HLMX 147029	96	HLMX 147249	152	HLMX 147305
41	HLMX 147030	97	HLMX 147250	153	HLMX 147306
42	HLMX 147031	98	HLMX 147251	154	HLMX 147307
43	HLMX 147032	99	HLMX 147252	155	HLMX 147308
44	HLMX 147046	100	HLMX 147253	156	HLMX 147309
45	HLMX 147052	101	HLMX 147254	157	HLMX 147310
46	HLMX 147072	102	HLMX 147255	158	HLMX 147311
47	HLMX 147077	103	HLMX 147256	159	HLMX 147312
48	HLMX 147081	104	HLMX 147257	160	HLMX 147313
49	HLMX 147097	105	HLMX 147258	161	HLMX 147314
50	HLMX 147044	106	HLMX 147259	162	HLMX 147315
51	HLMX 147090	107	HLMX 147260	163	HLMX 147316
52	HLMX 147205	108	HLMX 147261	164	HLMX 147317
53	HLMX 147206	109	HLMX 147262	165	HLMX 147318
54	HLMX 147207	110	HLMX 147263	166	HLMX 147319
55	HLMX 147208	111	HLMX 147264	167	HLMX 147320
56	HLMX 147209	112	HLMX 147265	168	HLMX 147321

*CM*