

HELM FINANCIAL CORPORATION

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February 26, 2004

RECORDATION NO. 23168-PPP FILED

MAR 08 '04

1-02 PM



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

SURFACE TRANSPORTATION BOARD

RE: Partial Termination of Security Agreement dated as of January 2, 2004 ("**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
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: 12 Open Top Hopper Railcars (HLMX 100001-100012 (Inclusive))
4 GP38-2 Locomotives (HLCX 3818, 3822, 3829 and 3830)

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 \$30.00 is included in our enclosed check.

Summary: Partial Termination of Security Agreement dated as of January 2, 2004, 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 100001-100012 (Inclusive) and 4 GP38-2 locomotives, HLCX 3818, 3822, 3829 and 3830, 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 (4)

**PARTIAL TERMINATION OF
SECURITY AGREEMENT**

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of January 2, 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

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SURFACE TRANSPORTATION BOARD

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY AGREEMENT** dated as of January 2, 2004.

THE UNITS

Description:

Twelve (12) open top hopper railcars
Four (4) GP38-2 locomotives

Unit Numbers:

HLMX 100001-100012

HLCX 3818
HLCX 3822
HLCX 3829
HLCX 3830