

HELM FINANCIAL CORPORATION

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

Via USPS Priority Mail

May 6, 2004

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

RECORDATION NO. 23168998 FILED

MAY 10 04

2-28 PM

SURFACE TRANSPORTATION BOARD



RE: PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") dated as of March 29, 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**").

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 original copies 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: Two (2), GP38-2 Locomotives bearing marks HLCX 3823 and HLCX 3825.

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 March 29, 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, a California corporation (collectively, "**Helm**"), for the two (2), GP38-2 Locomotives bearing marks HLCX 3823 and HLCX 3825, 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 March 29, 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**").

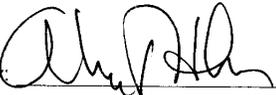
Helm intends to sell the Units to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Units and requests Fleet to terminate its lien and security interest in the Units.

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

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EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY AGREEMENT** dated as of March 29, 2004.

Description: Two (2), GP38-2 locomotives

Mark Number

HLCX 3823

HLCX 3825