

HELM FINANCIAL CORPORATION

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Via USPS Priority Mail

May 19, 2004

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

RECORDATION NO. 23168-PRR FILED

MAY 24 '04 2-32 PM

SURFACE TRANSPORTATION BOARD



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

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

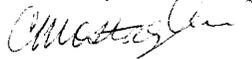
Name and Address of Fleet: Fleet National Bank
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: Thirty (30), gondola railcars marked within series HLMX 147100-147202 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 covering the \$30.00 filing fee is enclosed.

Summary: Partial Termination of Security Agreement dated as of April 23, 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 thirty (30) gondola railcars marked within series HLMX 147100-147202 n.i., 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 MAY 24 '04 2-32 PM

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT (Partial Termination) is dated as of April 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").

SURFACE TRANSPORTATION BOARD

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: [Signature]
Print Name: Anthony D. Healey
Its: Authorized Officer

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

On April 28, 2004, before me, ANNE FU, 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.

ANNE FU
SIGNATURE OF THE NOTARY

[Notarial Seal]

My Commission Expires: July 2, 2010

all

EXHIBIT A

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

Units Description: Thirty (30), 4200 cubic foot, 100-ton capacity, gondola railcars. Built by FMC.

Units Mark and Number:

1. HLMX 147100
2. HLMX 147101
3. HLMX 147103
4. HLMX 147104
5. HLMX 147105
6. HLMX 147106
7. HLMX 147107
8. HLMX 147108
9. HLMX 147109
10. HLMX 147110
11. HLMX 147111
12. HLMX 147112
13. HLMX 147114
14. HLMX 147115
15. HLMX 147117
16. HLMX 147118
17. HLMX 147119
18. HLMX 147121
19. HLMX 147122
20. HLMX 147123
21. HLMX 147127
22. HLMX 147132
23. HLMX 147146
24. HLMX 147152
25. HLMX 147157
26. HLMX 147163
27. HLMX 147180
28. HLMX 147191
29. HLMX 147201
30. HLMX 147202

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