

HELM-PACIFIC LEASING

505 Sansome Street, Suite 1800 • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

July 28, 2006

RECORDATION NO. 25782-D FILED

JUL 31 '06

11-43 AM

SURFACE TRANSPORTATION BOARD



Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20006

RE: Partial Termination of Security Agreement dated as of July 27, 2006 ("**Partial Termination**"), by Union Bank of California, N.A. ("**UBC**"), as both lender and as administrative agent for itself and any other lender under the Loan and Security Agreement dated as of August 15, 2005 for the benefit of Helm-Pacific Leasing, a Nebraska general partnership ("**HPL**")

Dear Mr. Williams:

On behalf of Helm-Pacific Leasing I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Two (2) 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 HPL:

Helm-Pacific Leasing
c/o Helm Pacific Corporation
505 Sansome Street, Suite 1800
San Francisco, CA 94111

Name and Address of UBC:

Union Bank of California, N.A.
Northern Commercial Banking Division
350 California Street, 10th Floor
San Francisco, CA 94104-1402

Equipment:

13 Covered Hoppers; CRLE 518097, 518219, 520049, 520103, 520127, 524150, 527093, 527144 and 528712; SP 496214; SSW 73610, 77460 and 79339

Please record this Partial Termination as a supplemental agreement to STB Recordation No. **25782** filed on August 19, 2005 at 3:21 PM. The filing fee of \$34.00 is enclosed.

Summary: Partial Termination of Security Agreement dated as of July 27, 2006, by Union Bank of California, N.A. ("**UBC**"), as both lender and as administrative agent for itself and any other lender under the Loan and Security Agreement dated as of August 15, 2005 for the benefit of Helm-Pacific Leasing, a Nebraska general partnership ("**HPL**") for 13 covered hopper railcars, CRLE 518097, 518219, 520049, 520103, 520127, 524150, 527093, 527144 and 528712; SP 496214; SSW 73610, 77460 and 79339, to be filed as a supplemental agreement to STB Recordation No. 25782.

Yours truly,

A handwritten signature in cursive script, appearing to read "Sharon L. Van Fossan".

Sharon L. Van Fossan
Supervisor Contract Administration

\svf
Enclosures (2)

JUL 31 '06

11-43 AM

PARTIAL TERMINATION OF
SECURITY INTEREST

SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of July 27, 2006, and is made by UNION BANK OF CALIFORNIA, N.A. ("UBC"), both as the lender and as administrative agent for itself and any other lender under the Loan and Security Agreement dated as of August 15, 2005 for the benefit of HELM-PACIFIC LEASING, a Nebraska general partnership ("HPL").

1. **Recitals.** HPL owns the rail equipment bearing the Association of American Railroads reporting marks and numbers as described in Exhibit A attached hereto (the "Units"). HPL has granted to UBC a security interest in substantially all of its assets now owned or hereafter acquired (the "Collateral"), upon the terms and conditions provided in that certain Memorandum of Loan and Security Agreement dated as of August 15, 2005, between the HPL and UBC (the "Memorandum"), as filed with the Surface Transportation Board of the Department of Transportation ("STB") on August 19, 2005 at 3:21 p.m. under Recordation No. 25782. The Memorandum was executed in connection with that certain Loan and Security Agreement dated as of August 15, 2005 between HPL and UBC ("Security Agreement").

HPL intends to sell the Units to a third party (the "Sale") and desires that such Sale shall be free and clear of any lien or security interest of UBC. Accordingly, HPL requests UBC to terminate the lien and security interest in the Units created by the Memorandum.

2. **Representation.** HPL hereby represents and warrants to UBC that the Sale and the application of the proceeds thereof comply with the terms of the Security Agreement.

3. **Partial Release and Termination.** UBC hereby forever releases any and all liens and security interests in the Units granted to it under the Memorandum. All such liens and security interests in the Units shall be forever terminated and shall be null and void upon the filing of this Partial Termination with the STB. The release of liens and security interests hereunder is made without recourse to, or representation or warranty by, UBC.

This Partial Termination shall have no effect on UBC's lien and security interest in any 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, UBC has executed this Partial Termination of Security Interest as of the date first above written.

UNION BANK OF CALIFORNIA,
as Lender and Administrative Agent

By: 

Print Name: KEVIN A. SULLIVAN

Its: SENIOR VICE PRESIDENT

EXHIBIT A

To the PARTIAL TERMINATION OF SECURITY INTEREST dated as of July 27, 2006

THE UNITS

Description of the Units: Thirteen (13) covered hopper railcars.

	Mark	Number
1	CRLE	518097
2	CRLE	518219
3	CRLE	520049
4	CRLE	520103
5	CRLE	520127
6	CRLE	524150
7	CRLE	527093
8	CRLE	527144
9	CRLE	528712
10	SP	496214
11	SSW	73610
12	SSW	77460
13	SSW	79339