

HELM FINANCIAL CORPORATION

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

September 27, 2004

RECORDATION NO. 25033-C FILED

SEP 28 '04 4-57 PM

SURFACE TRANSPORTATION BOARD

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

RE: Partial Termination of Security Agreement dated as of September 16, 2004 ("**Partial Termination**"), by Bank of America, N.A. ("**Bank of America**"), as the Collateral Agent for the Secured Parties (as defined in the Guarantee and Collateral and Intercreditor Agreement dated as of July 2, 2004) 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:

Three (3) 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 Bank of America: Bank of America
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: 1 GP35 Locomotive; HLCX 868

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 25033 filed on July 2, 2004 at 9:33 AM. The filing fee of \$30.00 is included in our enclosed check.

Summary:

Partial Termination of Security Agreement dated as of September 16, 2004, by Bank of America, N.A. ("**Bank of America**"), as the Collateral Agent for the Secured Parties (as defined in the Guarantee and Collateral and Intercreditor Agreement dated as of July 2, 2004) for the benefit of Helm Holding Corporation, Helm Financial Corporation and Helm Locomotive Leasing Corporation (collectively, "**Helm**") for 1 GP35 locomotives; HLCX 868, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,



Sharon L. Van Fossan
Supervisor Contract Administration

\svf
Enclosures (3)



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PARTIAL TERMINATION OF SECURITY INTEREST

SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of September 16, 2004, and is made by **BANK OF AMERICA, N.A. ("Bank of America")**, as the Collateral Agent (the "**Collateral Agent**") for the Secured Parties (as defined in the GCIA 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 Railroads reporting mark and numbers as described in **Exhibit A** attached hereto (the "**Unit**"). Helm has granted to the Collateral Agent a security interest in substantially all of its assets now owned or hereafter acquired, upon the terms and conditions provided in that certain Memorandum of Guarantee and Collateral and Intercreditor Agreement dated as of July 2, 2004, between Helm and the Collateral Agent (the "**Memorandum**"), as filed with the Surface Transportation Board of the Department of Transportation ("**STB**") on July 2, 2004 at 9:33 a.m. under Recordation No. 25033. The Memorandum was executed in connection with that certain Guarantee and Collateral and Intercreditor Agreement (the "**GCIA**") dated as of July 2, 2004, among Helm, the Collateral Agent, Bank of America, as TLB/RC Agent (as defined therein) and Bank of America, as TLC Agent (as defined therein).

Helm intends to sell the Unit to a third party (the "**Sale**") and desires that such sale shall be free and clear of any lien or security interest of the Collateral Agent. Accordingly, Helm requests the Collateral Agent to terminate its lien and security interest in the Unit.

2. **Representation.** Helm hereby represents and warrants to the Collateral Agent and the other Secured Parties that the Sale and the application of the proceeds thereof comply with the terms of the GCIAs and each of the Credit Agreements (as defined in GCIAs).

3. **Partial Release and Termination.** The Collateral Agent hereby forever releases any and all liens and security interests in the Unit granted to it under the Memorandum and the GCIAs, and all such liens and security interests in the Unit 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, the Collateral Agent.

This Partial Termination shall have no effect on the Collateral Agent's lien and security interest in any Collateral other than the Unit, and said lien and security interest in such other Collateral are hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, the Collateral Agent has executed this Partial Termination of Security Interest as of the date first above written.

BANK OF AMERICA, N.A., as Collateral Agent

By: *William Latham*
Print Name: **WILLIAM LATHAM**
Its: **Director**



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

On Sept. 20, 2004, before me, ELLEN F. HICKEY, personally
appeared WILLIAM LATHAM, DIRECTOR of BANK OF AMERICA,
N.A.

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.

Ellen F. Hickey
SIGNATURE OF THE NOTARY

[Notarial Seal]



ELLEN F HICKEY
Notary Public
Commonwealth of Massachusetts
My Commission Expires
Sept 12, 2008

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY INTEREST** dated as of **September 16, 2004**

THE UNIT

Description of Unit: One (1), GP35 locomotive.

Reporting Mark & Numbers: HLCX 868