

HELM FINANCIAL CORPORATION

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September 16, 2004

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



RECORDATION NO. 25033-B FILED

SEP 20 '04 10-32 AM

SURFACE TRANSPORTATION BOARD

RE: Partial Termination of Security Agreement dated as of August 25, 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: 52 Covered Hoppers; HLMX 4850-4853, 74000-74329 (Not Inclusive)
11 Boxcars; HLMX 50001-50011 (Inclusive)
25 Gondolas; IHB 750-774 (Inclusive)
3 Locomotives; PAL 8352, HLCX 3817, HLCX 3831

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 August 25, 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 52 covered hopper railcars; HLMX 4850-4853, 74000-74329 (Not Inclusive), 11 boxcars; HLMX 50001-50011 (Inclusive), 25 gondolas; IHB 750-774 (Inclusive) and 3 locomotives; PAL 8352, HLCX 3817 and HLCX 3831, to be filed as a supplemental agreement to STB Recordation No. 35033.

Yours truly,

A handwritten signature in cursive script that reads "Sharon L. Van Fossan".

Sharon L. Van Fossan
Supervisor Contract Administration

\svf
Enclosures (3)

RECORDATION NO. 25033 B FILED

PARTIAL TERMINATION OF SECURITY INTEREST

SEP 20 '04 10:32 AM

SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of August 25, 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 "Units"). 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 Units 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 Units.

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 GCIA and each of the Credit Agreements (as defined in GCIA).

3. **Partial Release and Termination.** The Collateral Agent hereby forever releases any and all liens and security interests in the Units granted to it under the Memorandum and the GCIA, and 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, 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 Units, 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**
Director
Its: _____

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

On Sept. 1, 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 Agreement dated as of August 25, 2004

Description of Units: Fifty-two (52) , 100-ton, 4,000 cubic foot, roller bearing, covered hopper railcars equipped with trough hatches and gravity outlet gates.

Mark	Number	Mark	Number		
1	HLMX	4850	27	HLMX	74033
2	HLMX	4852	28	HLMX	74034
3	HLMX	4853	29	HLMX	74035
4	HLMX	74000	30	HLMX	74036
5	HLMX	74002	31	HLMX	74074
6	HLMX	74003	32	HLMX	74075
7	HLMX	74006	33	HLMX	74076
8	HLMX	74007	34	HLMX	74077
9	HLMX	74008	35	HLMX	74078
10	HLMX	74009	36	HLMX	74080
11	HLMX	74010	37	HLMX	74084
12	HLMX	74011	38	HLMX	74087
13	HLMX	74012	39	HLMX	74088
14	HLMX	74013	40	HLMX	74091
15	HLMX	74014	41	HLMX	74094
16	HLMX	74015	42	HLMX	74095
17	HLMX	74016	43	HLMX	74097
18	HLMX	74017	44	HLMX	74098
19	HLMX	74019	45	HLMX	74100
20	HLMX	74021	46	HLMX	74101
21	HLMX	74022	47	HLMX	74102
22	HLMX	74023	48	HLMX	74105
23	HLMX	74024	49	HLMX	74106
24	HLMX	74025	50	HLMX	74327
25	HLMX	74029	51	HLMX	74328
26	HLMX	74030	52	HLMX	74329

Description of the Units:

Eleven (11) boxcars

Unit Numbers:

HLMX 50001-50011

Description of the Units:

Twenty-five (25) 2,000 cubic foot, 100-ton, gondola railcars.

Unit Numbers:

IHB 750-774

Description of the Units: Three (3) locomotives

Mark	Number	Model
PAL	8352	GP11
HLCX	3817	GP38-2
HLCX	3831	GP38-2