

**HELM**  
**FINANCIAL CORPORATION**

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RECORDATION NO. 25033

December 7, 2004

DEC 08 '04

3-20 PM RECEIVED

FILED  
DEC 8 2004

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

RE: Partial Termination of Security Agreement dated as of September 28, 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:

Four (4) 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: 14 Gondolas; HLMX 11000-11013 (Inclusive)  
42 Flatcars; CSP 52086-54847, 819624-828187 (Not Inclusive)  
3 GP40-2 Locomotives; HATX 510, 512 and 515  
2 GP40-2 Locomotives; CN 9663 and 9667

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 \$32.00 is included in our enclosed check.

**Summary:**

Partial Termination of Security Agreement dated as of September 28, 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 14 gondola railcars; HLMX 11000-11013 (Inclusive), 42 flatcars; CSP 52086-54847, 819624-828187 (Not Inclusive), 5 GP40-2 locomotives; HATX 510, 512, 515 and CN 9663 and 9667, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,



Sharon L. Van Fossan  
Supervisor Contract Administration

\svf  
Enclosures (4)

PARTIAL TERMINATION OF SECURITY INTEREST DEC 08 '04 3-20 PM

THIS PARTIAL TERMINATION OF SECURITY INTEREST (PARTIAL TERMINATION) SURFACE TRANSPORTATION BOARD is dated as of September 28, 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: \_\_\_\_\_



EXHIBIT A

To the Partial Termination of Security Agreement  
dated as of September 28, 2004

The "Units"

**Equipment Description:** Fourteen (14) gondolas built by Pullman-Standard in 1967.

**Unit Mark and Numbers:** HLMX 11000-11013

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**Equipment Description:** Forty-two (42), 100-ton, FL type log flatcars.

	Mark	Number
1	CSP	52086
2	CSP	54803
3	CSP	54810
4	CSP	54815
5	CSP	54817
6	CSP	54818
7	CSP	54828
8	CSP	54843
9	CSP	54845
10	CSP	54846
11	CSP	54847

	Mark	Number
12	CSP	819624
13	CSP	819712
14	CSP	819729
15	CSP	819800
16	CSP	819809
17	CSP	819824
18	CSP	819872
19	CSP	819953
20	CSP	819959
21	CSP	828115
22	CSP	828160

	Mark	Number
23	CSP	828162
24	CSP	828163
25	CSP	828165
26	CSP	828168
27	CSP	828169
28	CSP	828170
29	CSP	828171
30	CSP	828174
31	CSP	828176
32	CSP	828177
33	CSP	828178

	Mark	Number
34	CSP	828179
35	CSP	828180
36	CSP	828181
37	CSP	828182
38	CSP	828183
39	CSP	828184
40	CSP	828185
41	CSP	828186
42	CSP	828187

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**Equipment Description:** Three (3) EMD Model GP40-2, 3000 horsepower, standard cab configuration, four axle, diesel-electric locomotives.

**Unit Mark and Numbers:** HATX 510, 512 and 515

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**Equipment Description:** Two (2), EMD Model GP40-2 Wide Cab locomotives refurbished and converted to GP38-2 Wide Cab locomotives as provided in Schedule B to the Agreement.

**Unit Mark and Numbers:** CN 9663 and 9667