

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

www.hlmx.com

Via USPS Priority Mail

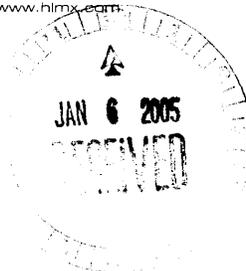
January 3, 2005

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

RECORDATION NO. 25033-6 FILED

JAN 06 '05 2-19 PM

SURFACE TRANSPORTATION BOARD



RE: PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") dated as of December 1, 2004, and is made by **BANK OF AMERICA, N.A. ("B of A")**, as the Collateral Agent (the "**Collateral Agent**") for the Secured Parties, 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 B of A: Bank of America
100 Federal Street
Mail Stop: MA5-100-09-07
Boston, MA 02110

Equipment: (i) Thirteen (13) type H350 railcars within series HLMX 9525-9539 n.i.; (ii) Forty-four (44) type A432 railcars within series HLMX 61000-61019, 61021-61041, 61043-61045; and (iii) one (1) type D115 locomotive marked HLCX 9634.

Please record this Partial Termination as a supplement agreement to STB Recordation No. 25033 filed on July 2, 2004 at 9:33 a.m. Helm's check covering the \$32.00 filing fee is enclosed.

Summary: **Partial Termination** dated December 1, 2004 made by **BANK OF AMERICA, N.A.**, as the Collateral Agent for the Secured Parties, for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation, and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation, for (i) Thirteen (13) type H350 railcars within series HLMX 9525-9539 n.i.; (ii) Forty-four (44) type A432 railcars within series HLMX 61000-61019, 61021-61041, 61043-61045; and (iii) one (1) type D115 locomotive marked HLCX 9634, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,

Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

PARTIAL TERMINATION OF SECURITY INTEREST
JAN 06 '05 2-19 PM
SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of December 1, 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 Attachment 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).

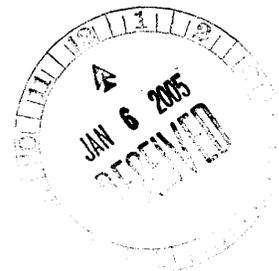
3. **Partial Release and Termination.** The Collateral Agent hereby forever releases any and all liens and security interests in the Units granted to it under the Memorandum and the GCIA, and all such liens and security interests in the Units shall be forever terminated, and shall be null and void, upon 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: _____



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

On December 22, 2004, before me, Luiz N. Adorno, personally appeared
William Latham, Director of BANK OF AMERICA, N.A.

_____ personally known to me -OR-

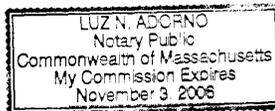
proved to me on the basis of satisfactory evidence

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.

Luiz N. Adorno
SIGNATURE OF THE NOTARY

[Notarial Seal]



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Attachment A

Reporting Marks	AAR Type						
HLMX 9525	H350	HLMX 61000	A432	HLMX 61021	A432	HLCX 9634	D115
HLMX 9527	H350	HLMX 61001	A432	HLMX 61022	A432		
HLMX 9529	H350	HLMX 61002	A432	HLMX 61023	A432		
HLMX 9530	H350	HLMX 61003	A432	HLMX 61024	A432		
HLMX 9531	H350	HLMX 61004	A432	HLMX 61025	A432		
HLMX 9532	H350	HLMX 61005	A432	HLMX 61026	A432		
HLMX 9533	H350	HLMX 61006	A432	HLMX 61027	A432		
HLMX 9534	H350	HLMX 61007	A432	HLMX 61028	A432		
HLMX 9535	H350	HLMX 61008	A432	HLMX 61029	A432		
HLMX 9536	H350	HLMX 61009	A432	HLMX 61030	A432		
HLMX 9537	H350	HLMX 61010	A432	HLMX 61031	A432		
HLMX 9538	H350	HLMX 61011	A432	HLMX 61032	A432		
HLMX 9539	H350	HLMX 61012	A432	HLMX 61033	A432		
		HLMX 61013	A432	HLMX 61034	A432		
		HLMX 61014	A432	HLMX 61035	A432		
		HLMX 61015	A432	HLMX 61036	A432		
		HLMX 61016	A432	HLMX 61037	A432		
		HLMX 61017	A432	HLMX 61038	A432		
		HLMX 61018	A432	HLMX 61039	A432		
		HLMX 61019	A432	HLMX 61040	A432		
				HLMX 61041	A432		
				HLMX 61043	A432		
				HLMX 61044	A432		
				HLMX 61045	A432		

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