

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

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www.hlmx.com

Via USPS Priority Mail

RECORDATION NO. 25033-H FILED

January 26, 2005

JAN 31 '05

3-40 PM

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

SURFACE TRANSPORTATION BOARD

RE: PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") dated as of January 11, 2005, 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, 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 for Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

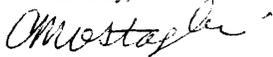
Name and Address for B of A: Bank of America
100 Federal Street
Mail Stop: MA5-100-09-07
Boston, MA 02110

Equipment: Forty-nine (49), gondola railcars within reporting series HLMX 12402-12496. Built 1979.

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 January 11, 2005 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 the forty-nine (49), gondola railcars within reporting series HLMX 12402-12496, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,



Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

JAN 31 2005
RECEIVED

**PARTIAL TERMINATION OF
SECURITY INTEREST**

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of January 11, 2005, 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 Schedule 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: _____

RECORDATION NO. 25033-4 FILED
JAN 31 '05 3-40 PM
SURFACE TRANSPORTATION BOARD

am

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

On JANUARY 8, 2005, 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

OM

SCHEDULE A

Description of the Units: Forty-nine (49), 100-ton, 2,245 cubic foot capacity, 52'-6" gondolas with 4'-6" high sides. Built by Ortner in 1979.

	Reporting Marks		Built Date	Car Type		Reporting Marks		Built Date	Car Type
1	HLMX	12402	197907	E534	26	HLMX	12450	197908	E534
2	HLMX	12403	197907	E534	27	HLMX	12451	197908	E534
3	HLMX	12404	197907	E534	28	HLMX	12455	197908	E534
4	HLMX	12406	197907	E534	29	HLMX	12460	197908	E534
5	HLMX	12407	197907	E534	30	HLMX	12461	197908	E534
6	HLMX	12408	197907	E534	31	HLMX	12462	197908	E534
7	HLMX	12409	197907	E534	32	HLMX	12467	197908	E534
8	HLMX	12410	197907	E534	33	HLMX	12468	197908	E534
9	HLMX	12413	197907	E534	34	HLMX	12469	197908	E534
10	HLMX	12414	197907	E534	35	HLMX	12471	197908	E534
11	HLMX	12417	197907	E534	36	HLMX	12472	197908	E534
12	HLMX	12418	197907	E534	37	HLMX	12473	197908	E534
13	HLMX	12422	197907	E534	38	HLMX	12474	197908	E534
14	HLMX	12425	197907	E534	39	HLMX	12476	197908	E534
15	HLMX	12429	197907	E534	40	HLMX	12477	197908	E534
16	HLMX	12432	197907	E534	41	HLMX	12479	197908	E534
17	HLMX	12433	197907	E534	42	HLMX	12480	197908	E534
18	HLMX	12434	197907	E534	43	HLMX	12486	197909	E534
19	HLMX	12435	197907	E534	44	HLMX	12488	197909	E534
20	HLMX	12437	197908	E534	45	HLMX	12490	197909	E534
21	HLMX	12440	197908	E534	46	HLMX	12491	197909	E534
22	HLMX	12443	197908	E534	47	HLMX	12494	197909	E534
23	HLMX	12445	197908	E534	48	HLMX	12495	197909	E534
24	HLMX	12446	197908	E534	49	HLMX	12496	197909	E534
25	HLMX	12447	197908	E534					

DM