

HELM FINANCIAL CORPORATION

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Via USPS Priority Mail

February 16, 2005

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

RECORDATION NO. 25033-J FILED

FEB 24 '05

9-36 AM

FEB 23 2005

SURFACE TRANSPORTATION BOARD

RECEIVED

RE: PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") dated as of February 1, 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 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

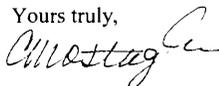
Name and Address of B of A: Bank of America
100 Federal Street
Mail Stop: MA5-100-09-07
Boston, MA 02110

Equipment: (i) twenty-seven (27), type GE 36-E locomotives within series HLGX 6800-6828 n.i., and (ii) two (2), type GE36M locomotives marked HLCX 6900 and HLCX 6902.

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 February 1, 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 (i) twenty-seven (27), type GE 36-E locomotives within series HLGX 6800-6828 n.i., and (ii) two (2), type GE36M locomotives marked HLCX 6900 and HLCX 6902, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,


Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

RECORDATION NO. 25033-J FILED

PARTIAL TERMINATION OF SECURITY INTEREST
FEB 24 '05 9-36 AM
SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination") is dated as of February 1, 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 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: 
Print Name: WILLIAM LATHAM
Director
Its: _____

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY INTEREST** dated as of February 1, 2005.

Description of the Units: Twenty-seven (27), used GE C36-E, 3,600 horsepower, six axle, diesel electric locomotives, with electronic fuel injection (but **not** microprocessor controlled), and two (2), used GE 36 M, 3,600 horsepower, six axle, diesel electric locomotives with microprocessors. All twenty-nine (29) Units equipped with trucks and wheels for standard U.S. gauge track, and in the Delivery Condition as provided in Section 2 of the Agreement.

	<u>Unit Mark & Numbers:</u>	<u>Type:</u>
1	HLGX 6800	C36E
2	HLGX 6801	C36E
3	HLGX 6803	C36E
4	HLGX 6805	C36E
5	HLGX 6806	C36E
6	HLGX 6807	C36E
7	HLGX 6808	C36E
8	HLGX 6809	C36E
9	HLGX 6810	C36E
10	HLGX 6811	C36E
11	HLGX 6812	C36E
12	HLGX 6813	C36E
13	HLGX 6814	C36E
14	HLGX 6815	C36E
15	HLGX 6816	C36E
16	HLGX 6817	C36E
17	HLGX 6818	C36E
18	HLGX 6819	C36E
19	HLGX 6820	C36E
20	HLGX 6821	C36E
21	HLGX 6822	C36E
22	HLGX 6823	C36E
23	HLGX 6824	C36E
24	HLGX 6825	C36E
25	HLGX 6826	C36E
26	HLGX 6827	C36E
27	HLGX 6828	C36E
28	HLCX 6900	C36M
29	HLCX 6902	C36M