

# HELM FINANCIAL CORPORATION

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February 28, 2005

Mr. Vernon Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20006

RECORDED 25033-15  
MAR 04 '05 9-12 AM  
SURFACE TRANSPORTATION BOARD



RE: Partial Termination of Security Agreement dated as of February 10, 2005 ("**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: 1 MP15AC Locomotive; UPY 1430

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 February 10, 2005, 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 1 MP15AC locomotive; UPY 1430, to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,

Sharon L. Van Fossan  
Supervisor Contract Administration

\svf  
Enclosures (3)

RECORDATION NO. 25033-K FILED

MAR 04 '05 9-12 AM

PARTIAL TERMINATION OF  
SECURITY INTEREST SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY INTEREST ("**Partial Termination**") is dated as of February 10, 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.

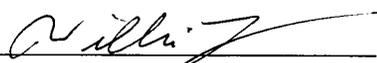
2. **Representation.** Helm hereby represents and warrants to the Collateral Agent and the other Secured Parties that the Sale and the application of the proceeds thereof comply with the terms of the GCIA and each of the Credit Agreements (as defined in GCIA).

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: \_\_\_\_\_

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

On February 15, 2005, ~~2005~~, before me, Luiz N. Adorno, personally  
appeared William Latram, Director of BANK OF AMERICA,  
N.A.

\_\_\_\_\_ personally known to me -OR-

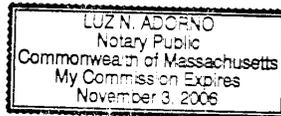
proved to me on the basis of satisfactory evidence

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]



**EXHIBIT A**

To the **PARTIAL TERMINATION OF SECURITY INTEREST** dated as of **February 10, 2005**

**THE UNITS**

**Description of Units:** One (1), EMD Model MP15AC, 1500 horsepower, four axle, diesel-electric switch locomotive.

<b><u>Acquired Mark and Number</u></b>	<b><u>Prior Mark and Number</u></b>	<b><u>Current Mark and Number</u></b>	<b><u>New Mark and Number</u></b>
KCC 701	UPY 1430	HLCX 1430	CGCW 1500