

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

VIA AIR COURIER

May 15, 1996

Mr. Vernon Williams
Recordations Unit
Surface Transportation Board
Department of Transportation
12th and Constitution Avenue, N.W.
Washington, DC 20423

Dear Mr. Williams:

On behalf of Helm Financial Corporation, enclosed are an original and a certified copy of the Partial Release of Collateral Assignment and Agreement (Locomotives Leases) dated as of April 30, 1996 between the following parties:

Secured Party: Bankamerica Business Credit, Inc.
55 West Monroe Street, Suite 3600
Chicago, IL 60603

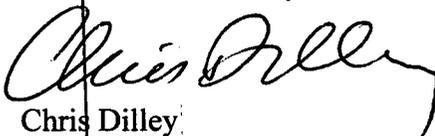
Debtor: MK Rail Corporation
c/o Doepken, Keevican & Weiss
USX Tower, 37th Floor
600 Grant Street
Pittsburgh, PA 15219-2703
Attn: Paul M. Henry

The equipment involved in this transaction is as follows:

Equipment: Fifty-eight (58) locomotives (See Schedule II attached for reporting mark & numbers.)

Please file this agreement as a supplementary document to Recordation No. 19582 filed August 31, 1995. A check for the filing fee of \$21.00 is enclosed.

Sincerely,



Chris Dilley
Administrative Assistant

/cpd
Enclosures (2)

RECORDATION NO. 19582-B

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RECORDATION UNIT

MAY 16 3 27 PM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

CERTIFICATION OF TRUE COPY

On May 8, 1996, I, Matthew M. Ogburn, examined the original copy of the Partial Release of Collateral Assignment and Agreement (Locomotives Leases) dated as of April 30, 1996 by and between MK Rail Corporation and BankAmerica Business Credit, Inc., and I hereby certify that I have compared the attached duplicate copy with the original and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgments thereof.

Matthew M. Ogburn

Matthew M. Ogburn, General Counsel
Helm Financial Corporation

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

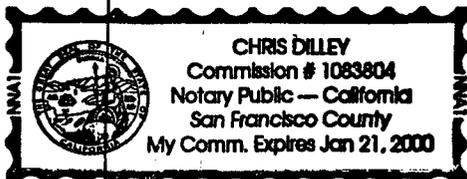
On May 8, 1996, before me, Chris Dilley, personally appeared Matthew M. Ogburn, General Counsel for **HELM FINANCIAL CORPORATION**,

X 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.

Chris Dilley
SIGNATURE OF THE NOTARY



MAY 16 1996 -3 25 PM

**PARTIAL RELEASE OF COLLATERAL ASSIGNMENT AND AGREEMENT
(LOCOMOTIVES LEASES)**

Reference is hereby made to that certain Collateral Assignment and Agreement (Locomotive Leases) dated as of August 30, 1995 (the "Assignment") by and between MK RAIL CORPORATION (the "Assignor") and BANKAMERICA BUSINESS CREDIT, INC., ("BABC") (individually and as agent for the Lenders described in the Assignment, the "Assignee"), and recorded on the 31st day of August, 1995 in the Office of the Interstate Commerce Commission at Recordation No. 19582. All capitalized terms used herein but not defined here shall have the meanings ascribed thereto in the Assignment.

KNOW ALL MEN BY THESE PRESENTS, that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Assignee does hereby fully and finally release and discharge from the liens and other encumbrances of the Assignment only that Lease described on Schedule I hereto and only those Units described on Schedule II attached hereto and made a part hereof. All other provisions of the Assignment including the liens and encumbrances therein granted remain in full force and effect, except as amended hereby.

The Surface Transportation Board is hereby requested to note this Partial Release of Collateral Assignment and Agreement (Locomotive Leases) (the "Partial Release") upon the margin of the Assignment, as recorded.

This Partial Release may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

WITNESS the due execution hereof with the intent to be legally bound hereby this 30 day of April, 1996.

WITNESS:

BANKAMERICA BUSINESS CREDIT, INC.,
individually and as Agent for the Lenders

Michelle Maloney
Name: Michelle Maloney

By: [Signature]
Name: Tom Karlov
Title: SR. Acct. Exec.

ACKNOWLEDGMENT

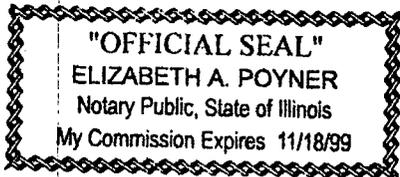
STATE OF ILLINOIS)
)
COUNTY OF COOK)

BEFORE ME, a Notary Public of the State and County aforesaid, personally appeared TOM KARLON, who upon oath, acknowledged himself to be a Sr. Account Executive of BANKAMERICA BUSINESS CREDIT, INC., a corporation, and that he as such Sr. Account Executive being authorized to do so, executed the foregoing Partial Release of Collateral Assignment and Agreement (Locomotive Leases) for the purposes therein contained by signing the name of the corporation by himself as a Sr. Account Executive of BankAmerica Business Credit, Inc.

WITNESS my hand and official seal this 30th day of April, 1996.

Elizabeth A. Poyner
Notary Public

MY COMMISSION EXPIRES:



SCHEDULE 1

To Partial Release of Collateral Assignment and Agreement

1. Locomotive Lease Agreement dated as of April 1, 1994, by and between MK Rail Corporation and The Atchison, Topeka and Santa Fe Railway Company concerning the lease of thirty-four (34) locomotives.
2. Locomotive Lease Agreement dated as of April 1, 1994, by and between MK Rail Corporation and The Atchison, Topeka and Santa Fe Railway Company concerning the lease of ten (10) locomotives.
3. Locomotive Lease Agreement dated as of January 26, 1995 between MK Rail Corporation and Canadian American Company concerning the lease of five (5) locomotives.
4. Locomotive Lease Agreement dated as of July 14, 1995 between MK Rail Corporation and Canadian Pacific Limited concerning the lease of eighteen (18) locomotives.
5. Locomotive Lease Agreement dated as of August 3, 1995 between MK Rail Corporation and Kansas City Southern concerning the lease of seven (7) locomotives.

Each Lease described herein includes all amendments thereto.

SCHEDULE II

To Partial Release of Collateral Assignment and Agreement

Description of Locomotives Mortgaged:

<u>Model</u>	<u>AAR Designation</u>	<u>Road Number</u>	<u>Serial Number</u>	<u>Identifying Mark*</u>
GP40	D115	MKCX 4301	34852	MKCX
GP40	D115	MKCX 4302	36170	MKCX
GP40	D115	MKCX 4303	37193	MKCX
GP40	D115	MKCX 4304	31797	MKCX
GP40	D115	MKCX 4305	38567	MKCX
SD40	D125	MKCX 9410	37652	MKCX
SD40M-2	D125	MKCX 9412	33519	MKCX
SD40M	D125	MKCX 9413	31951	MKCX
SD40	D125	MKCX 9420	74601-4	MKCX
SD45	D126	MKCX 9501	36366	MKCX
SD45	D126	MKCX 9508	34554	MKCX
SDP45	D226	MKCX 9511	36660	MKCX
SDP45-2	D226	MKCX 9512	36661	MKCX
SDP45	D226	MKCX 9515	36882	MKCX
SD45	D126	MKCX 9520	37722	MKCX
SD45	D126	MKCX 9523	37729	MKCX
SD45	D126	MKCX 9526	33657	MKCX
SD45	D126	MKCX 9528	35478	MKCX
SD45	D126	MKCX 9534	35525	MKCX
SD45	D126	MKCX 9536	32553	MKCX
SD45	D126	MKCX 9538	32085	MKCX
SD45	D126	MKCX 9539	32069	MKCX
SD45	D126	ATSF 5348	32543	Santa Fe
SD45	D126	ATSF 5353	32540	Santa Fe
SD45	D126	ATSF 5357	32536	Santa Fe
SD45	D126	ATSF 5359	32519	Santa Fe
SD45	D126	ATSF 5361	32067	Santa Fe
SD45	D126	ATSF 5365	32512	Santa Fe
SD45	D126	ATSF 5366	32508	Santa Fe
SD45	D126	ATSF 5367	32534	Santa Fe
SD45	D126	ATSF 5369	32083	Santa Fe
SD45	D126	ATSF 5370	32082	Santa Fe

SD45	D126	ATSF 5371	36497	Santa Fe
SD45	D126	ATSF 5372	36495	Santa Fe
SD45	D126	ATSF 5373	36500	Santa Fe
SD45	D126	ATSF 5375	36491	Santa Fe
SD45	D126	ATSF 5376	36493	Santa Fe
SD45B	D126	ATSF 5501	32557	Santa Fe
F45	D126	ATSF 5951	34037	Santa Fe
F45	D126	ATSF 5954	34040	Santa Fe
F45	D126	ATSF 5961	34047	Santa Fe
F45	D126	ATSF 5964	34050	Santa Fe
F45	D126	ATSF 5966	34052	Santa Fe
F45	D126	ATSF 5967	34053	Santa Fe
F45	D126	ATSF 5971	34057	Santa Fe
F45	D126	ATSF 5973	34059	Santa Fe
F45	D126	ATSF 5974	34060	Santa Fe
F45	D126	ATSF 5984	34070	Santa Fe
SD45	D126	ATSF 5349	32562	Santa Fe
SD45	D126	ATSF 5355	32524	Santa Fe
SD45	D126	ATSF 5358	32509	Santa Fe
SD45	D126	ATSF 5364	32535	Santa Fe
SD45	D126	ATSF 5368	32531	Santa Fe
SD45	D126	ATSF 5374	36499	Santa Fe
F45	D126	ATSF 5957	34043	Santa Fe
F45	D126	ATSF 5977	34063	Santa Fe
SD45M	D126	URC 9012	7391-1	Utah Rail
F45	D 126	URC 9013	34046	Utah Rail