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RECORDATION NO. 19583-6  
FILED 1005

MAR 3 1997 3 40 PM

March 3, 1997

*Counterparts - [Signature]*

BY HAND

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Room 2214  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for filing and recordation pursuant to 49 U.S.C. § 11301 are one original and four executed counterparts of an Assignment of Mortgage of Locomotives and Security Agreement, a secondary document. The primary document to which it relates is the Mortgage of Locomotives and Security Agreement recorded on August 31, 1995 under Recordation No. 19583. It relates to the railroad equipment identified in the primary document, to the extent not released by previously recorded secondary documents.

This Assignment does not change the railroad equipment subject to the primary document or any previously recorded secondary document.

The names and addresses of the parties to the document are as follows:

Assignor/Mortgagee

BankAmerica Business Credit, Inc.  
(as Agent for certain lenders)  
231 South LaSalle  
16th Floor  
Chicago, Illinois 60697

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Assignee/Mortgagee

Bank of America National Trust  
and Savings Association  
(as Agent for certain lenders)  
1455 Market Street  
12th Floor  
San Francisco, California 94103

Mortgagor

MotivePower Industries, Inc.  
1200 Reedsdale Street  
Pittsburgh, PA 15233

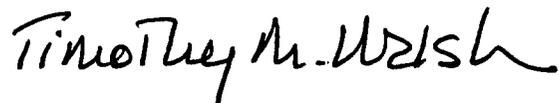
Please file and record the document with indexing under the foregoing names. We request that this assignment be cross-indexed.

A fee of \$24.00 is enclosed for the recordation and an additional fee of \$24.00 is enclosed for cross-indexing. Please return the original and any extra copies not needed by the Board for recordation to the person presenting this letter.

A short summary of the document to appear in the index follows:

Assignment of interest of Mortgagee (as Agent for certain lenders) in Mortgage of Locomotives and Security Agreement from BankAmerica Business Credit, Inc. to Bank of America National Trust and Savings Association.

Very truly yours,



Attorney for MotivePower  
Industries, Inc.

Enclosures

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**ASSIGNMENT OF MORTGAGE OF LOCOMOTIVES AND SECURITY AGREEMENT**

This **ASSIGNMENT OF MORTGAGE OF LOCOMOTIVES AND SECURITY AGREEMENT** (this "**Assignment**"), dated as of February 27, 1997 is between **BANKAMERICA BUSINESS CREDIT, INC.**, a Delaware corporation (individually and as agent for certain financial institutions, the "**Assignor**") and **BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION** (individually and as agent on behalf of the Lenders as referenced below, the "**Assignee**").

**WHEREAS**, pursuant to that certain Mortgage of Locomotives and Security Agreement, dated as of August 30, 1995 (as amended, restated, modified or supplemented from time to time, the "**Locomotive Mortgage**") between MK Rail Corporation (which has changed its name to MotivePower Industries, Inc.), a Delaware corporation (the "**Borrower**") and the Assignor, which Locomotive Mortgage was recorded with the Interstate Commerce Commission (the "**ICC**") on August 31, 1995 with Recordation No. 19583, the Borrower has granted to the Assignor a continuing security interest in and lien on the collateral described therein, including without limitation the railroad locomotives and rolling stock described on Schedule 1 thereto as the same has been amended from time to time (the "**Locomotives**"); and

**WHEREAS**, Assignor has assigned its rights and obligations (including, without limitation, resigning as agent and assigning to Assignee its rights and duties as agent) under the Credit Agreement (as defined below) to the Assignee and the Lenders pursuant to that certain Assignment and Acceptance Agreement dated of even date herewith, and the Locomotive Mortgage is a continuation in favor of the Assignee (on behalf of the Lenders) of the liens and security interests on the Locomotives originally granted to Assignor; and

**WHEREAS**, the Assignee is the successor agent on behalf of the Lenders under that certain Second Amended and Restated Credit Agreement dated as of even date hereof by and among the Assignee, the several financial institutions from time to time party thereto (the "**Lenders**") and the Borrower (as amended, restated, modified, renewed, supplemented or extended from time to time, the "**Credit Agreement**"), pursuant to which the Lenders have agreed to amend and restate the Existing Loan Agreement (as defined in the Credit Agreement) to, among other things, continue extending a term and revolving credit facility to the Borrower; and

**WHEREAS**, the Assignor and the Assignee have agreed, subject to the terms and conditions of this Assignment, to assign the Assignor's security interest in the Locomotives, in order to further secure the obligations of the Borrower to the Assignee under the Credit Agreement, and pursuant to the Locomotive Mortgage.

**NOW, THEREFORE**, the Assignor and the Assignee hereby agree as follows:

1. In order to further secure the obligations of the Borrower to the Assignee and the Lenders and the interests of the Assignee and the Lenders under the Credit Agreement (including, without limitation, the appointment of the Assignee as successor agent), the Assignor hereby assigns to the Assignee, without recourse to and without representation or warranty of any kind by the

Assignor, all of its right, title and interest in the Locomotive Mortgage and in its lien on and security interest in the Locomotives including, without limitation, the Locomotives listed on Schedule 1 to the Locomotive Mortgage, as amended from time to time.

2. The Assignee hereby accepts the assignment of the lien and security interest in the Locomotives and assumes and agrees to perform, observe and comply with any obligations the Assignor may have had in the Locomotive Mortgage and with respect to the Locomotives.

3. This Assignment shall be binding upon and inure to the benefit of the respective successors and assigns of the Assignor and the Assignee.

4. **THIS ASSIGNMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS.**

5. This Assignment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Assignment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

6. This Assignment shall be effective upon execution hereof by the parties hereto, as of the date first set forth above.

[signature page follows]

IN WITNESS WHEREOF, the Assignor and the Assignee have executed this instrument as of the date first written above.

**BANKAMERICA BUSINESS CREDIT, INC.,**  
individually and as agent

By: Thomas B Sull  
Title: Vice President

**BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION,** individually and as agent

By: William J Staffel  
Title: WILLIAM J. STAFFEL  
VICE PRESIDENT.

Document Number: 0166910.04  
2-27-97/00:47am

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

On this 24<sup>th</sup> day of February, 1997 before me personally appeared Thomas Sullivan to me personally known, who, being by me duly sworn, says that he is the Vice President of BankAmerica Business Credit, Inc., and that he is duly authorized to sign the foregoing instrument on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was his free act.

"OFFICIAL SEAL"  
SUSAN A. JACKSON  
Notary Public, State of Illinois  
My Commission Expires 4/2/00

Susan A. Jackson  
Notary Public

My commission expires: 4/2/2000

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

On this 24<sup>th</sup> day of February, 1997 before me personally appeared William Saffell to me personally known, who, being by me duly sworn, says that he is the Vice President of Bank of America National Trust and Savings Association, that the said instrument was signed on behalf of said banking association, and he acknowledges that the execution of the foregoing instrument was his free act.

"OFFICIAL SEAL"  
SUSAN A. JACKSON  
Notary Public, State of Illinois  
My Commission Expires 4/2/00

Susan A. Jackson  
Notary Public

My commission expires: 4/2/2000