

RECORDATION NO. 21855-B FILED

CRAVATH, SWAINE & MOORE

DEC 10 '98

10-55 AM

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December 11, 1998

RECEIVED
SURFACE TRANSPORTATION
BOARD
DEC 10 10 54 AM '98

Dear Mr. Williams:

In accordance with 49 U.S.C. §11301, we submit herewith for recording with the Surface Transportation Board original counterparts of the document described below.

This document is a Memorandum of Lease Assignment, a "secondary document", dated as of December 1, 1998. The primary document to which this is related is the Memorandum of Lease Agreement dated as of December 1, 1998, presented to the Board for recordation today.

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

ASSIGNOR: UP 1998 Trust for KBC No. 2
in care of Wilmington Trust Company
Ten Rodney Square North
Wilmington, Delaware 19890

ASSIGNEE: Wilmington Trust FSB
3773 Howard Hughes Parkway
Las Vegas, Nevada 89109

The equipment covered by the document is listed in Schedule A hereto, and bears the reporting marks and road numbers of Union Pacific Railroad Company listed therein.

The recordation fee of \$26.00 is enclosed. After recordation, please return the counterparts not needed by the Board, stamped with the recordation data, to the undersigned at the address shown above.

Counterparts - Bartman

A short summary of the document for use in the index follows:

Memorandum of Lease Assignment dated as of December 1, 1998, between the UP 1998 Trust for KBC No. 2, as assignor, and Wilmington Trust FSB, as assignee, covering the Lease Agreement dated as of December 1, 1998, between UP 1998 Trust for KBC No. 2 and Union Pacific Railroad Company, and the Lease and Indenture Supplement covering 13 locomotives.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,



Elliot Karathanasis

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, D. C. 20423

Schedule A
(Transaction dated December 1, 1998,
UP 1998 Trust for KBC No. 2)

<u>Quantity and Description</u>	<u>Reporting Marks</u>	<u>Road Numbers</u>
13 General Electric model AC6000 diesel-electric locomotives		7511, 7515--7524, 7526, 7527, inclusive

DEC 1-0 '98 10-55 AM

MEMORANDUM OF LEASE ASSIGNMENT dated as of December 1, 1998, between UP 1998 TRUST FOR KBC NO. 2, a Delaware trust (hereinafter called the **Assignor**), and WILMINGTON TRUST FSB, a federal savings bank, as indenture trustee under the Indenture and Security Agreement referred to below (hereinafter, in such capacity, called the **Assignee**).

WHEREAS the Assignor and Union Pacific Railroad Company are entering into that certain Lease Agreement dated as of the date hereof and supplements thereto, covering the railroad equipment listed in Schedule A hereto, bearing the reporting marks and road numbers of Union Pacific Railroad Company shown in said Schedule A and all additions and alterations thereof, replacements thereof and substitutions therefor; and

WHEREAS the Assignor and the Assignee are entering into that certain Trust Indenture and Security Agreement dated as of the date hereof and supplements thereto, pursuant to which the aforesaid Lease Agreement and supplements thereto are being assigned by the Assignor to the Assignee.

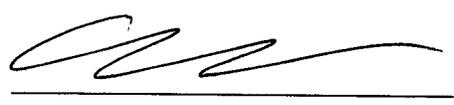
IN WITNESS WHEREOF, the parties wish to show for the public record the assignment of the aforesaid Lease Agreement to the Assignee, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

UP 1998 TRUST FOR KBC NO. 2

by WILMINGTON TRUST COMPANY, not in its individual capacity but solely as trustee,

by 

WILMINGTON TRUST FSB, as indenture trustee, as aforesaid

by 

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this 8th day of December, 1998, before me personally appeared ~~Ernest R. Harmon~~, to me personally known, who, by me being duly sworn, says that he is ~~Vice President~~ of WILMINGTON TRUST COMPANY, and that the foregoing instrument was signed on behalf of said trust company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said trust company.

Kathleen A. Pedelini
Notary Public

KATHLEEN A. PEDELINI
NOTARY PUBLIC-DELAWARE
My Commission Expires Oct. 31, 2002

My commission expires

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this 8th day of December, 1998, before me personally appeared ~~Norma P. Closs~~, to me personally known, who, by me being duly sworn, says that he is a ~~Vice President~~ of WILMINGTON TRUST FSB, that the foregoing instrument was signed on behalf of said bank by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Kathleen A. Pedelini
Notary Public

KATHLEEN A. PEDELINI
NOTARY PUBLIC-DELAWARE
My Commission Expires Oct. 31, 2002

My commission expires

SCHEDULE A
(Transaction dated December 1, 1998,
UP 1998 Trust for KBC No. 2

<u>Quantity and Description</u>	<u>Reporting Marks</u>	<u>Road Numbers</u>
13 General Electric model AC6000 diesel-electric locomotives		7511, 7515--7524, 7526, 7527, inclusive