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DEC 17 '97 12-11 PM

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SUSAN G. LICHTENFELD

December 15, 1997

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
The Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 2311

RECEIVED
SURFACE TRANSPORTATION
BOARD
DEC 17 12 11 PM '97

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11301(a) are three original executed copies and one photostatic copy of a Memorandum of Lease Agreement ("Memorandum"), dated as of April 1, 1997, between Citicorp Railmark, Inc. (the "Lessor"), Union Pacific Railroad Company (the "Lessee"), which Memorandum is a primary document as defined in the Commissioner's Rules for the Recordation of Documents. The Memorandum is with respect to that certain Locomotive Net Leasing Agreement (the "Lease"), and Rider 1 thereto, dated as of April 1, 1997, between Lessor and Lessee.

The names and addresses of the parties to the enclosed Memorandum of Lease Agreement are:

- Lessor: Citicorp Railmark, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528
- Lessee: Union Pacific Railroad Company
1416 Dodge Street, Room 200
Omaha, Nebraska 68179

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A description of the railroad equipment covered by the enclosed document is set forth in Schedule A to the Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

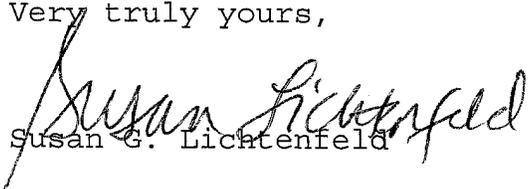
Kindly return two stamped original copies, the stamped photostatic copy of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Lease Agreement, dated as of November 8, 1997, between Citicorp Railmark, Inc., as Lessor, Union Pacific Railroad Company, as Lessee, with respect to that certain Locomotive Net Leasing Agreement and Rider 1 thereto, dated as of April 1, 1997.

Very truly yours,


Susan G. Lichtenfeld

SGL/vgc
Enclosure
cc: Robert W. Kleinman

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MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement is made and entered into as of April 1, 1997, by and between CITICORP RAILMARK, INC., (hereinafter referred to as "Lessor") and UNION PACIFIC RAILROAD COMPANY (hereinafter referred to as "Lessee"), respecting that certain Locomotive Net Leasing Agreement, dated as of April 1, 1997 (the "Lease"), and Rider 1 thereto, dated as of April 1, 1997 ("Rider 1"), between Lessor and Lessee.

Pursuant to the provisions of the Lease and Rider 1, Lessor and Lessee hereby acknowledge and affirm that:

1. For good and valuable consideration, Lessor is leasing to Lessee and Lessee is leasing from Lessor 26 GP38-1 locomotives marked UP 2238 - UP 2263, inclusive (the "Locomotives").

2. The term of the Lease for any Locomotive under Rider 1 shall commence on April 1, 1997 and shall terminate on March 31, 2007, provided that the Lease may be renewed for a five year term or sooner terminated as provided therein.

3. Lessor and Lessee further acknowledge and affirm that this Memorandum of Lease Agreement is not a summary of either the Lease or Rider 1 nor a complete recitation of the terms and provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Lease Agreement and the provisions of the Lease or Rider 1, the provisions of the Lease or Rider 1, as the case may be, shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Lease Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

LESSOR:

CITICORP RAILMARK, INC.

LESSEE:

UNION PACIFIC RAILROAD COMPANY

By: Vasso Kyprianos
Name: VASSO KYPRIANOU
Title: VICE PRESIDENT

By: John Billingsley
Name: John Billingsley
Title: Manager Leases

STATE OF NEW YORK)
) SS:
COUNTY OF COOK)

On this 12TH day of December, 1997 before me personally appeared VASSOS KYPRIANOU, to me personally known, who being duly sworn, says that he is a VICE PRESIDENT of CITICORP RAILMARK, INC., a Delaware corporation, that said instrument was signed on behalf of said corporation 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 corporation.



Notary Public

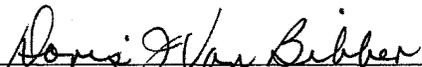
[NOTARIAL SEAL]

ROBERT R. GOLDBERG
Notary Public, State of New York
No. 4690571
Qualified in Westchester County
Commission Expires November 30, 1997

My Commission Expires:

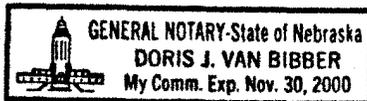
STATE OF NEBRASKA)
) SS:
COUNTY OF DOUGLAS)

On this 8TH day of December, 1997, before me personally appeared John Billingsley, to me personally known, who being by me duly sworn, says that he is a Manager Leases of UNION PACIFIC RAILROAD COMPANY, a Utah corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[NOTARIAL SEAL]



My Commission expires:

Nov. 30, 2000