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RECORDATION NO. 21241 FILED
FEB 26 '98 3-05PM

February 26, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, D.C. 20423-0001

RECORDATION NO. 21241-ABCE FILED
FEB 26 '98 3-05PM

FEB 26 3 05 PM '98
RECEIVED SURFACE TRANSPORTATION BOARD

Re: Union Pacific Railroad Company
Leveraged Lease Locomotive Financing
UPRR 1998-B

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the primary documents and the secondary documents described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows:

(1) Memorandum of Lease Agreement (UPRR 1998-B), dated February 27, 1998, between SCL Union Co., Ltd., as lessor (the *"Lessor"*), and Union Pacific Railroad Company, as lessee (the *"Lessee"*); and

(2) Memorandum of Mortgage and Security Agreement (UPRR 1998-B), dated February 27, 1998, between the Lessor, as borrower (the *"Borrower"*), and Harris Trust and Savings Bank, as security trustee (the *"Security Trustee"*).

The secondary documents are as follows:

(1) Memorandum of Lease Supplement No. 1 (UPRR 1998-B), dated February 27, 1998, between the Lessee and the Lessor;

(2) Memorandum of Mortgage Supplement No. 1 (UPRR 1998-B), dated February 27, 1998, between the Lessor, as Borrower, and the Security Trustee; and

(3) Memorandum of Dollar Account Pledge Agreement (UPRR 1998-B), dated February 27, 1998, between Kreditanstalt für Wiederaufbau (*"KfW"*), as agent (the *"Agent"*), and the Lessor, as Borrower.

The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1998-B) and Memorandum of Mortgage Supplement No. 1 (UPRR 1998-B) are connected are the Memorandum of Lease Agreement (UPRR 1998-B) and the Memorandum of Mortgage and Security Agreement (UPRR 1998-B), respectively, referred to above, which are being submitted for recording concurrently therewith.

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

MEMORANDUM OF LEASE AGREEMENT

Lessee: Union Pacific Railroad Company
1717 Main Street, Suite 5900
Dallas, Texas 75201-4605

Lessor: SCL Union Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: SCL Union Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,
as Security Trustee
311 West Monroe Street
Chicago, Illinois 60690

MEMORANDUM OF LEASE SUPPLEMENT NO. 1

Lessee: Union Pacific Railroad Company
1717 Main Street, Suite 5900
Dallas, Texas 75201-4605

Lessor: SCL Union Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: SCL Union Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,
as Security Trustee
311 West Monroe Street
Chicago, Illinois 60690

MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT

Borrower: SCL Union Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Agent: Kreditanstalt für Wiederaufbau
Palmengartenstrasse 5-9
60325 Frankfurt am Main, Germany

The description of the equipment covered as of the date hereof by the aforesaid Memorandum of Lease Agreement, Memorandum of Mortgage and Security Agreement, Memorandum of Lease Supplement No. 1, Memorandum of Mortgage Supplement No. 1 and the Memorandum of Dollar Account Pledge Agreement is as set forth on Exhibit A hereto.

A fee of one hundred twenty dollars ($120.00) is enclosed. Please time and date stamp the enclosed copies of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Karl T. Williams, Esq.
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

(1) MEMORANDUM OF LEASE AGREEMENT:

Memorandum of Lease Agreement (UPRR 1998-B) between SCL Union Co., Ltd., as Lessor, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated February 27, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

(2) MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT:

Memorandum of Mortgage and Security Agreement (UPRR 1998-B) between SCL Union Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated February 27, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

(3) MEMORANDUM OF LEASE SUPPLEMENT NO. 1:

Memorandum of Lease Supplement No. 1 (UPRR 1998-B) between SCL Union Co., Ltd., as Lessor, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated February 27, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto. Memorandum of Lease Supplement No. 1 is related to the Memorandum of Lease Agreement between the Lessor and the Lessee, dated February 27, 1998, which is filed concurrently herewith.

(4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1998-B) between SCL Union Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated February 27, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing road numbers listed in the Schedule thereto. The Memorandum of Mortgage Supplement No. 1 is related to the Memorandum of Mortgage and Security Agreement between the Borrower and the Security Trustee, dated February 27, 1998, which is filed concurrently herewith.

(5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1998-B) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main, Germany, and SCL Union Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, dated February 27, 1998, relating to the grant by the Borrower to the Agent of a security interest in the Borrower's right, title and interest in and to the Dollar Account described in the Dollar Account Pledge Agreement, dated February 12, 1998, between the Agent and the Borrower.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3892).

Sincerely,

CHAPMAN AND CUTLER

By Karl Williams / [illegible]
Karl T. Williams

KTW/wp
Enclosures

Law Offices of

CHAPMAN AND CUTLER

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC Diesel Electric Locomotives	20	8184 8191 8193 8195 8202 8203 8205 through 8208, inclusive, 8210 through 8212, inclusive, 8214 8215 8218 8220 8221 8224 and 8226

RECORDATION NO. 21241-A FILED

FEB 26 '98 3-05 PM

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT (UPRR 1998-B)

Memorandum of Mortgage and Security Agreement, made and entered into on February ~~26~~ 27, 1998 by and between Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee (*"Security Trustee"*), and SCL Union Co., Ltd., a Japanese corporation (*"Borrower"*).

WITNESSETH:

The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1998-B) (the *"Mortgage"*), dated February 12, 1998, by which the Borrower has granted a security interest in certain locomotives bearing road numbers as listed on Exhibit A attached hereto to the Security Trustee in order to secure the Borrower's performance of its obligations as described in the Loan Agreement (UPRR 1998-B), dated February 12, 1998, between the Borrower and Kreditanstalt für Wiederaufbau, and in the Mortgage.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK

By_____
Name: KEVIN O. HEALEY
Title: SENIOR VICE PRESIDENT

Executed on this 17th day of February, 1998.

SCL UNION CO., LTD.

By_____
Name: Kathryn A. Kapusta
Title: Attorney-in-Fact

Executed on this ____ day of February, 1998.

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MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT
(UPRR 1998-B)

Memorandum of Mortgage and Security Agreement, made and entered into on February ~~26~~ 27, 1998 by and between Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee (*"Security Trustee"*), and SCL Union Co., Ltd., a Japanese corporation (*"Borrower"*).

WITNESSETH:

The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1998-B) (the *"Mortgage"*), dated February 12, 1998, by which the Borrower has granted a security interest in certain locomotives bearing road numbers as listed on Exhibit A attached hereto to the Security Trustee in order to secure the Borrower's performance of its obligations as described in the Loan Agreement (UPRR 1998-B), dated February 12, 1998, between the Borrower and Kreditanstalt für Wiederaufbau, and in the Mortgage.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK

By_____
Name:
Title:

Executed on this ____ day of February, 1998.

SCL UNION CO., LTD.

By Kathryn A. Kapusta
Name: Kathryn A. Kapusta
Title: Attorney-in-Fact

Executed on this 17th day of February, 1998.

713315.01.04.B
1466200

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this, the 13th day of February, 1998, before me, a Notary Public in and for said County and State, personally appeared KEVIN O. HEALEY, who being by me duly sworn, says that (s)he is the SENIOR VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, that said instrument was signed on February 13, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

"OFFICIAL SEAL"
T. Muzquiz
Notary Public, State of Illinois
My Commission Exp. 08/13/2001

T. Muzquiz
Name: T. MUZQUIZ
Notary Public
My Commission Expires:
Residing in COOK County, ILLINOIS

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On this, the _____ day of February, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of SCL UNION CO., LTD., that said instrument was signed on February __, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

_____
Name:
Notary Public
My Commission Expires:
Residing in_____

STATE OF ~~NEW YORK~~ Pennsylvania)
) SS.:
COUNTY OF Philadelphia)

On this, the 17th day of February, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of SCL UNION CO., LTD., that said instrument was signed on February 17, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Notarial Seal
Kathleen M. Hagan, Notary Public
Philadelphia, Philadelphia County
My Commission Expires April 20, 1998
Member, Pennsylvania Association of Notaries

Kathleen M. Hagan
Name:
Notary Public
My Commission Expires: 4/20/98
Residing in Philadelphia

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC Diesel Electric Locomotives	20	8184 8191 8193 8195 8202 8203 8205 through 8208, inclusive, 8210 through 8212, inclusive, 8214 8215 8218 8220 8221 8224 and 8226