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February 26, 1998

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

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

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RECEIVED
SURFACE TRANSPORTATION BOARD

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

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

B 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 / KT
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-B FILED

FEB 26 '98 3-05 PM

MEMORANDUM OF LEASE SUPPLEMENT NO. 1
(UPRR 1998-B)

Memorandum of Lease Supplement No. 1, made and entered into on February ~~26~~ 27, 1998 by and between SCL Union Co., Ltd., a Japanese corporation (*"Lessor"*), and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

1. The undersigned have entered into that certain Lease Agreement (UPRR 1998-B) (the *"Lease Agreement"*), dated February 12, 1998, subject to the term defined in said Lease Agreement.

2. A memorandum of said Lease Agreement is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Lease Supplement No. 1 (UPRR 1998-B), dated February 26, 1998, whereby the terms and provisions of the above-described Lease Agreement are made applicable to certain locomotives bearing road numbers as listed on Exhibit A attached hereto.

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.

SCL UNION CO., LTD.

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

Executed on this 17th day of February, 1998.

UNION PACIFIC RAILROAD COMPANY

By_____
Name: John B. Larsen
Title: Assistant Treasurer

Executed on this ____ day of February, 1998.

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MEMORANDUM OF LEASE SUPPLEMENT NO. 1
(UPRR 1998-B)

Memorandum of Lease Supplement No. 1, made and entered into on February ~~26~~ 27, 1998 by and between SCL Union Co., Ltd., a Japanese corporation (*"Lessor"*), and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

1. The undersigned have entered into that certain Lease Agreement (UPRR 1998-B) (the *"Lease Agreement"*), dated February 12, 1998, subject to the term defined in said Lease Agreement.

2. A memorandum of said Lease Agreement is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.

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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.

SCL UNION CO., LTD.

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

Executed on this ____ day of February, 1998.

UNION PACIFIC RAILROAD COMPANY

By John B. Larsen
Name: John B. Larsen
Title: Assistant Treasurer

Executed on this 17th day of February, 1998.

713315.01.04.B
1466200

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

On this, the 18th 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
Patricia G. Figgs, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Aug. 9, 2001
Member, Pennsylvania Association of Notaries

Patricia G. Figgs
Name:
Notary Public
My Commission Expires: 8/9/2001
Residing in Philadelphia

STATE OF TEXAS)
) SS.:
COUNTY OF DALLAS)

On this, the _____ day of February, 1998, before me, a Notary Public in and for said County and State, personally appeared John B. Larsen, who being by me duly sworn, says that he is the Assistant Treasurer of UNION PACIFIC RAILROAD COMPANY, that said instrument was signed on February __, 1998 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.

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)
) 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 TEXAS)
) SS.:
COUNTY OF DALLAS)

On this, the 17th day of February, 1998, before me, a Notary Public in and for said County and State, personally appeared John B. Larsen, who being by me duly sworn, says that he is the Assistant Treasurer of UNION PACIFIC RAILROAD COMPANY, that said instrument was signed on February 17, 1998 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.

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

Beverly J. Joseph
Name: BEVERLY J. JOSEPH
Notary Public
My Commission Expires: 10-12-99
Residing in DALLAS, TEXAS

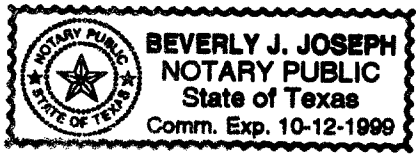

EXHIBIT A

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