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RECORDATION NO. 21298 FILED

MAR 30 '98 11-00AM

March 30, 1998

RECORDATION NO. 21298-A, B, C, D, E, F FILED

MAR 30 '98 11-00AM

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

RECEIVED
SURFACE TRANSPORTATION BOARD
MAR 30 10 55 AM '98

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

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:

Primary

(1) Memorandum of Lease Agreement (UPRR 1998-C), dated March 31, 1998, between MLD SC Rail Leasing I 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-C), dated March 31, 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-C), dated March 31, 1998, between the Lessee and the Lessor;

(2) Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C), dated March 31, 1998, between the Lessor, as Borrower, and the Security Trustee; and

(3) Memorandum of Dollar Account Pledge Agreement (UPRR 1998-C), dated March 31, 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-C) and Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C) are connected are the Memorandum of Lease Agreement (UPRR 1998-C) and the Memorandum of Mortgage and Security Agreement (UPRR 1998-C), respectively, referred to above, which are being submitted for recording concurrently therewith.

Counterparts

726370.01.04.B
1466200

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: MLD SC Rail Leasing I Co., Ltd.
2-9, Nishi-Shinbashi 1-chome
Minato-ku
Tokyo 105, Japan
Attention: Representative Director

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: MLD SC Rail Leasing I Co., Ltd.
2-9, Nishi-Shinbashi 1-chome
Minato-ku
Tokyo 105, 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: MLD SC Rail Leasing I Co., Ltd.
2-9, Nishi-Shinbashi 1-chome
Minato-ku
Tokyo 105, Japan
Attention: Representative Director

MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: MLD SC Rail Leasing I Co., Ltd.
2-9, Nishi-Shinbashi 1-chome
Minato-ku
Tokyo 105, 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: MLD SC Rail Leasing I Co., Ltd.
2-9, Nishi-Shinbashi 1-chome
Minato-ku
Tokyo 105, 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 thirty dollars ($130.00) 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-C) between MLD SC Rail Leasing I Co., Ltd., as Lessor, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated March 31, 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-C) between MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated March 31, 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-C) between MLD SC Rail Leasing I Co., Ltd., as Lessor, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated March 31, 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 March 31, 1998, which is filed concurrently herewith.

(4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C) between MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated March 31, 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 March 31, 1998, which is filed concurrently herewith.

(5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1998-C) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main, Germany, and MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, dated March 31, 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 March 20, 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 T. Williams
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	11	8209 8213 8216 8217 8219 8222 8223 8225 8230 8232 and 8233

RECORDATION NO. 21298 FILED

MAR 30 '98 11-00 AM

MEMORANDUM OF LEASE AGREEMENT (UPRR 1998-C)

Memorandum of Lease Agreement, made and entered into on March 31, 1998 by and between MLD SC Rail Leasing I Co., Ltd., a Japanese corporation (*"Lessor"*), and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

The undersigned have entered into that certain Lease Agreement (UPRR 1998-C), dated March 20, 1998, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain locomotives bearing road numbers as listed on Exhibit A attached hereto, subject to the term defined in said Lease Agreement.

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.

MLD SC RAIL LEASING I CO., LTD.

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

Executed on this 20th day of March, 1998.

UNION PACIFIC RAILROAD COMPANY

By_____
Name: John B. Larsen
Title: Assistant Treasurer

Executed on this ____ day of March, 1998.

726370.01.04
1466200

MEMORANDUM OF LEASE AGREEMENT
(UPRR 1998-C)

Memorandum of Lease Agreement, made and entered into on March 31, 1998 by and between MLD SC Rail Leasing I Co., Ltd., a Japanese corporation (*"Lessor"*), and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

The undersigned have entered into that certain Lease Agreement (UPRR 1998-C), dated March 20, 1998, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain locomotives bearing road numbers as listed on Exhibit A attached hereto, subject to the term defined in said Lease Agreement.

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.

MLD SC RAIL LEASING I CO., LTD.

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

Executed on this ____ day of March, 1998.

UNION PACIFIC RAILROAD COMPANY

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

Executed on this 16th day of March, 1998.

726370.01.02
1466200

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

On this, the 20th day of March, 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 MLD SC RAIL LEASING I CO., LTD., that said instrument was signed on March 20, 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.

Geraldine J. O'Neill
Name:
Notary Public
My Commission Expires:
Residing in Philadelphia

Notarial Seal
Geraldine J. O'Neill, Notary Public
Philadelphia, Philadelphia County
My Commission Expires May 11, 2000
Member, Pennsylvania Association of Notaries

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

On this, the _____ day of March, 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 March __, 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 March, 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 March __, 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 16th day of March, 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 March 16th, 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.

SUSAN WARE
NOTARY PUBLIC
State of Texas
Comm. Exp. 02-17-2002

Susan Ware
Name:
Notary Public
My Commission Expires: 2/17/02
Residing in Rockwall County, Texas

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC Diesel Electric Locomotives	11	8209 8213 8216 8217 8219 8222 8223 8225 8230 8232 and 8233