Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080
TWX 910-221-2103 Telex 206281
FAX (312) 701-2361
Telephone (312) 845-3000

2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

50 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066

RECORDATION NO. 21362 FILED
APR 29 '98 11-00AM

April 29, 1998

RECORDATION NO. 21362-A, B, C FILED
APR 29 '98 11-00AM

APR 29 11 00 AM '98
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-E

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-E), dated April 30, 1998, between Memphis Locomotive Lease Co., Ltd., as lessor (the *"Lessor"*), and Union Pacific Railroad Company, as lessee (the *"Lessee"*); and

(2) Memorandum of Trust Indenture and Security Agreement (UPRR 1998-D), dated April 30, 1998, between the Lessor, the Lessee and Harris Trust and Savings Bank, as indenture trustee (the *"Indenture Trustee"*).

The secondary documents are as follows:

(1) Memorandum of Lease Supplement No. 1 (UPRR 1998-E), dated April 30, 1998, between the Lessee and the Lessor; and

(2) Memorandum of Trust Indenture Supplements No. 1 and No. 2 (UPRR 1998-E), dated April 30, 1998, between the Lessor, the Lessee and the Indenture Trustee.

The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1998-E) and Memorandum of Trust Indenture Supplements No. 1 and No. 2

747044.01.02
1469824

(UPRR 1998-E) are connected are the Memorandum of Lease Agreement (UPRR 1998-E) and the Memorandum of Trust Indenture and Security Agreement (UPRR 1998-E), respectively, referred to above, which are being submitted for recording concurrently therewith.

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: Memphis Locomotive Lease Co., Ltd.
Dai-Ichi Edobashi Building
1-11-1 Nihonbashi
Chuo-ku
Tokyo 103, Japan
Attention: General Manager

MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT

Lessor: Memphis Locomotive Lease Co., Ltd.
Dai-Ichi Edobashi Building
1-11-1 Nihonbashi
Chuo-ku
Tokyo 103, Japan
Attention: General Manager

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

Indenture Trustee: Harris Trust and Savings Bank,
as Indenture 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: Memphis Locomotive Lease Co., Ltd.
Dai-Ichi Edobashi Building
1-11-1 Nihonbashi
Chuo-ku
Tokyo 103, Japan
Attention: General Manager

MEMORANDUM OF TRUST INDENTURE SUPPLEMENTS NO. 1 AND NO. 2

Lessor: Memphis Locomotive Lease Co., Ltd.
Dai-Ichi Edobashi Building
1-11-1 Nihonbashi
Chuo-ku
Tokyo 103, Japan
Attention: General Manager

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

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

The description of the equipment covered as of the date hereof by the aforesaid Memorandum of Lease Agreement, Memorandum of Trust Indenture and Security Agreement, Memorandum of Lease Supplement No. 1 and the Memorandum of Trust Indenture Supplements No. 1 and No. 2 is as set forth on Exhibit A hereto.

A fee of one hundred four dollars ($104.00) 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-E) between Memphis Locomotive Lease Co., Ltd., as Lessor, Dai-Ichi Edobashi Building, 1-11-1 Nihonbashi, Chuo-ku, Tokyo 103, Japan, Attention: General Manager, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated April 30, 1998, covering diesel electric locomotives bearing the road numbers listed in the Exhibit attached thereto.

(2) MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT:

Memorandum of Trust Indenture and Security Agreement (UPRR 1998-E) among Memphis Locomotive Lease Co., Ltd., as Lessor, Dai-Ichi Edobashi Building, 1-11-1 Nihonbashi, Chuo-ku, Tokyo 103, Japan, Attention: General Manager, Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, and Harris Trust and Savings Bank, as Indenture Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated April 30, 1998, covering the obligations of the Lessor and the Lessee relating to diesel electric locomotives bearing the road numbers listed in the Exhibit attached thereto.

(3) MEMORANDUM OF LEASE SUPPLEMENT NO. 1:

Memorandum of Lease Supplement No. 1 (UPRR 1998-E) between Memphis Locomotive Lease Co., Ltd., as Lessor, Dai-Ichi Edobashi Building, 1-11-1 Nihonbashi, Chuo-ku, Tokyo 103, Japan, Attention: General Manager, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated April 30, 1998, covering diesel electric locomotives bearing the road numbers listed in the Exhibit attached thereto. Memorandum of Lease Supplement No. 1 is related to the Memorandum of Lease Agreement between the Lessor and the Lessee, dated April 30, 1998, which is filed concurrently herewith.

(4) MEMORANDUM OF TRUST INDENTURE SUPPLEMENTS NO. 1 AND NO. 2:

Memorandum of Trust Indenture Supplements No. 1 and No. 2 (UPRR 1998-E) between Memphis Locomotive Lease Co., Ltd., as Lessor, Dai-Ichi Edobashi Building, 1-11-1 Nihonbashi, Chuo-ku, Tokyo 103, Japan, Attention: General Manager, Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, and Harris Trust and Savings Bank, as Indenture Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated April 30, 1998, covering the obligations of the Lessor and the Lessee relating to diesel electric locomotives bearing road numbers listed in the Exhibit attached thereto. The Memorandum of Trust Indenture Supplements No. 1 and No. 2 is related to the Memorandum of Trust

Indenture and Security Agreement between the Lessor, the Lessee and the Indenture Trustee, dated April 30, 1998, which is filed concurrently herewith.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2977).

Sincerely,

CHAPMAN AND CUTLER

By August J. Francis
August J. Francis

AJF/mh
Enclosures

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC diesel electric locomotives	4	8248 and 8251 through 8253, inclusive
General Electric Company AC4400/6000 CW diesel electric locomotives	7	7321 through 7326, inclusive, and 7334

RECORDATION NO 21362-FILED

APR 29 '98 11-00AM

MEMORANDUM OF TRUST INDENTURE SUPPLEMENTS NO. 1 AND NO. 2 (UPRR 1998-E)

Memorandum of Trust Indenture Supplements No. 1 and No. 2, made and entered into on April 30, 1998 among Harris Trust and Savings Bank, as indenture trustee, an Illinois banking corporation (*"Indenture Trustee"*), Memphis Locomotive Lease Co., Ltd., a Cayman Islands corporation (*"Lessor"*) and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

1. The undersigned have entered into that certain Trust Indenture and Security Agreement (UPRR 1998-E) (the *"Trust Indenture"*), dated April 3, 1998, by which the Lessor has granted a security interest to the Indenture Trustee in order to secure the Lessor's performance of certain obligations as described in the Trust Indenture.

2. A memorandum of said Trust Indenture 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 Trust Indenture Supplement No. 1 (UPRR 1998-E), dated April 3, 1998, and that certain Trust Indenture Supplement No. 2 (UPRR 1998-E), dated April 30, 1998, relating to the above-described Trust Indenture and extending the Lessor's grant of a security interest therein to 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.

HARRIS TRUST AND SAVINGS BANK

By_____

Name: J. BARTOLINI

Title: VICE PRESIDENT

Executed on this 21st day of April, 1998.

742728.01.02
1469824

MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT (UPRR 1998-E)

Memorandum of Trust Indenture and Security Agreement, made and entered into on April 30, 1998 among Harris Trust and Savings Bank, as indenture trustee, an Illinois banking corporation (*"Indenture Trustee"*), Memphis Locomotive Lease Co., Ltd., a Cayman Islands corporation (*"Lessor"*) and Union Pacific Railroad Company, a Delaware corporation (*"Lessee"*).

WITNESSETH:

The undersigned have entered into that certain Trust Indenture and Security Agreement (UPRR 1998-E) (the *"Trust Indenture"*), dated April 3, 1998, by which the Lessor has granted a security interest in certain locomotives bearing road numbers as listed on Exhibit A attached hereto to the Indenture Trustee in order to secure the Lessor's performance of its obligations as described in the Trust Indenture.

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 April, 1998.

MEMPHIS LOCOMOTIVE LEASE CO., LTD.

By_____
Name: F. Jan Blaustein
Title: President

Executed on this 23rd day of April, 1998.

742728.01.02
1469824

UNION PACIFIC RAILROAD COMPANY

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

Executed on this 22nd day of April, 1998.

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

On this, the 21st day of April, 1998, before me, a Notary Public in and for said County and State, personally appeared J. BARTOLINI, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on April 21, 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"
Marianne Tinerella
Notary Public, State of Illinois
My Commission Exp. 05/21/2001

Name: M. Tinerella
Notary Public
My Commission Expires: 5-21-01
Residing in Cook County, IL

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

On this, the _____ day of April, 1998, before me, a Notary Public in and for said County and State, personally appeared F. Jan Blaustein, who being by me duly sworn, says that she is the President of MEMPHIS LOCOMOTIVE LEASE CO., LTD., that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on April __, 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 ILLINOIS)
) SS.:
COUNTY OF COOK)

On this, the _____ day of April, 1998, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of HARRIS TRUST AND SAVINGS BANK, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on April __, 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.

_____
Name:
Notary Public
My Commission Expires:
Residing in_____

STATE OF California)
) SS.:
COUNTY OF San Francisco)

On this, the 23rd day of April, 1998, before me, a Notary Public in and for said County and State, personally appeared F. Jan Blaustein, who being by me duly sworn, says that she is the President of MEMPHIS LOCOMOTIVE LEASE CO., LTD., that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on April 23, 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.

M. G. BELKIN
Commission # 1031689
Notary Public — California
San Francisco County
My Comm. Expires Jul 3, 1998

_____
Name: M. G. Belkin
Notary Public
My Commission Expires:
Residing in_____

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

On this, the 23rd day of April, 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 the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on April 22, 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

Name:
Notary Public
My Commission Expires: 02/17/02
Residing in Rockwall, TX

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

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC diesel electric locomotives	4	8248 and 8251 through 8253, inclusive
General Electric Company AC4400/6000 CW diesel electric locomotives	7	7321 through 7326, inclusive, and 7334