

CRAVATH, SWAIN & MOORE

SEP 23 '98

11-05 AM

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WILLIAM P. ROGERS, JR.

*Counterparts - Cravath*

September 22, 1998

SEP 23 11 01 AM '98

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Dear Mr. Williams:

In accordance with 49 U.S.C. §11301, we submit herewith for recording with the Surface Transportation Board original counterparts of the document described below.

This document is a Memorandum of Lease Agreement, a "primary document", dated as of September 20, 1998.

The names and addresses of the parties to the primary document are as follows:

- LESSOR: UP 1998 Trust for KBC  
in care of Wilmington Trust Company  
Ten Rodney Square North  
Wilmington, Delaware 19890
- LESSEE: Union Pacific Railroad Company  
1416 Dodge Street  
Omaha, Nebraska 68179

The equipment covered by the document is listed in Schedule A hereto, and bears the reporting marks and road numbers of Union Pacific Railroad Company listed therein.

The recordation fee of \$26.00 is enclosed. After recordation, please return the counterparts not needed by the Board, stamped with the recordation data, to the undersigned at the address shown above.

A short summary of the document for use in the index follows:

Memorandum of Lease Agreement dated as of September 20, 1998, between the UP 1998 Trust for KBC, as lessor, and Union Pacific Railroad Company, as lessee, covering 16 locomotives.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,

Elliot Karathanasis

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

Encl.

SEP 23 '98

11-05 AM

MEMORANDUM OF LEASE AGREEMENT dated as of September 20, 1998, between UP 1998 TRUST FOR KBC, a Delaware trust (hereinafter called the **Owner**), and UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (hereinafter called the **Lessee**).

WHEREAS the Owner and the Lessee are entering into that certain Lease Agreement dated as of the date hereof and supplements thereto, covering the railroad equipment listed in Schedule A hereto, bearing the road numbers of Union Pacific Railroad Company shown in said Schedule A, and all additions and alterations thereof, replacements thereof and substitutions therefor.

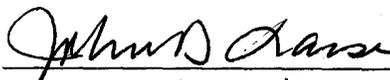
IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of the said railroad equipment by the Owner, and the leasehold interest therein of the Lessee, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

UP 1998 TRUST FOR KBC

by WILMINGTON TRUST COMPANY, not in its individual capacity but solely as trustee,

by  \_\_\_\_\_

UNION PACIFIC RAILROAD COMPANY

by  \_\_\_\_\_  
JOHN B. LARSEN  
Assistant Treasurer

STATE OF DELAWARE )  
 ) SS.:  
COUNTY OF NEW CASTLE )

On this *22nd* day of September, 1998, before me personally appeared **JILL K. MORRISON** to me personally known, who, by me being duly sworn, says that she is a *Admin. Account Manager* of WILMINGTON TRUST COMPANY, and that the foregoing instrument was signed on behalf of said trust company 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 trust company.

*Patricia A. Evans*  
.....  
Notary Public

**PATRICIA A. EVANS**  
**NOTARY PUBLIC - DELAWARE**  
**MY COMMISSION EXPIRES APR. 20, 1999**

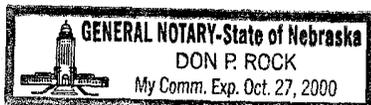
My commission expires

STATE OF NEBRASKA )  
 ) SS.:  
COUNTY OF *Douglas* )

On this *21st* day of September, 1998, before me personally appeared John B. Larsen, to me personally known, who, by me being duly sworn, says that he is an Assistant Treasurer of UNION PACIFIC RAILROAD COMPANY, that the foregoing 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.

*Don P. Rock*  
.....  
Notary Public

My commission expires



SCHEDULE A  
(Transaction dated September 20, 1998,  
UP 1998 Trust for KBC)

<u>Quantity and Description</u>	<u>Reporting Marks</u>	<u>Road Numbers</u>
16 General Electric model AC4400 diesel-electric locomotives		7000--7009, 7132--7137, inclusive