

RECORDATION NO. 21659-B FILED

CRAVATH, SWAINE & MOORE

SEP 23 '98

11-05 AM

WORLDWIDE PLAZA
825 EIGHTH AVENUE
NEW YORK, NY 10019-7475

TELEPHONE: (212) 474-1000
FACSIMILE: (212) 474-3700

33 KING WILLIAM STREET SUITE 2609, ASIA PACIFIC FINANCE TOWER
LONDON EC4R 9DU ENGLAND 3 GARDEN ROAD, CENTRAL
TELEPHONE: 44-171-453-1000 HONG KONG
FACSIMILE: 44-171-860-1150 TELEPHONE: 852-2509-7200
FACSIMILE: 852-2509-7272

WRITER'S DIRECT DIAL NUMBER

(212) 474-1558

JAMES D. COOPER
STEPHEN L. GORDON
ROBERT A. KINDLER
DANIEL L. MOSLEY
GREGORY M. SHAW
PETER S. WILSON
JAMES C. VARDELL, III
ROBERT H. BARON
KEVIN J. GREHAN
W. CLAYTON JOHNSON
STEPHEN S. MADSEN
C. ALLEN PARKER
MARC S. ROSENBERG
WILLIAM B. BRANNAN
LEWIS R. STEINBERG
SUSAN WEBSTER
WILLIAM H. WIDEN
TIMOTHY G. MASSAD
DAVID MERCADO
ROWAN D. WILSON

JOHN T. GAFFNEY
PETER T. BARBUR
SANDRA C. GOLDSTEIN
PAUL MICHALSKI
THOMAS G. RAFFERTY
MICHAEL S. GOLDMAN
GEORGE W. BILICIC, JR.
RICHARD HALL
ELIZABETH L. GRAYER
JULIE A. NORTH
STEPHEN L. BURNS
KATHERINE B. FORREST
KEITH R. HUMMEL
DANIEL SLIFKIN
JEFFREY A. SMITH
ROBERT I. TOWNSEND, III
WILLIAM J. WHELAN, III

SAMUEL C. BUTLER
GEORGE J. GILLESPIE, III
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
ALAN J. HRUSKA
JAMES M. EDWARDS
FREDERICK A.O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID O. BROWNWOOD
PAUL M. DODYK
THOMAS R. BROME
ROBERT D. JOFFE
HERBERT L. CAMP
ALLEN FINKELSON
RONALD S. ROLFE
PAUL C. SAUNDERS
MARTIN L. SENZEL

DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
MAX R. SHULMAN
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER
EVAN R. CHESLER
PATRICIA GEOGHEGAN
D. COLLIER KIRKHAM
MICHAEL L. SCHLER
DANIEL P. CUNNINGHAM
KRIS F. HEINZELMAN
B. ROBBINS KIESSLING
ROGER D. TURNER
PHILIP A. GELSTON
RORY O. MILLSON
NEIL P. WESTREICH
FRANCIS P. BARRON
RICHARD W. CLARY
WILLIAM P. ROGERS, JR.

Counterparts - Cravath

September 22, 1998

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 Assignment, a "secondary document", dated as of September 20, 1998. The primary document to which this is related is the Memorandum of Lease Agreement dated as of September 20, 1998, presented to the Board for recordation today.

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

ASSIGNOR: UP 1998 Trust for KBC
in care of Wilmington Trust Company
Ten Rodney Square North
Wilmington, Delaware 19890

ASSIGNEE: Wilmington Trust FSB
3773 Howard Hughes Parkway
Las Vegas, Nevada 89109

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 Assignment dated as of September 20, 1998, between the UP 1998 Trust for KBC, as assignor, and Wilmington Trust FSB, as assignee, covering the Lease Agreement dated as of September 20, 1998, between UP 1998 Trust for KBC and Union Pacific Railroad Company, and the Lease and Indenture Supplement 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 ASSIGNMENT dated as of September 20, 1998, between UP 1998 TRUST FOR KBC, a Delaware trust (hereinafter called the **Assignor**), and WILMINGTON TRUST FSB, a federal savings bank, as indenture trustee under the Indenture and Security Agreement referred to below (hereinafter, in such capacity, called the **Assignee**).

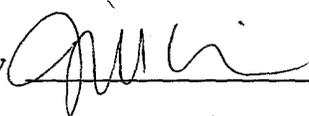
WHEREAS the Assignor and Union Pacific Railroad Company are entering into that certain Lease Agreement dated as of the date hereof and supplements thereto, covering the railroad equipment listed in Schedule A hereto, bearing the reporting marks and road numbers of Union Pacific Railroad Company shown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

WHEREAS the Assignor and the Assignee are entering into that certain Trust Indenture and Security Agreement dated as of the date hereof and supplements thereto, pursuant to which the aforesaid Lease Agreement and supplements thereto are being assigned by the Assignor to the Assignee.

IN WITNESS WHEREOF, the parties wish to show for the public record the assignment of the aforesaid Lease Agreement to the Assignee, 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  _____

WILMINGTON TRUST FSB, as indenture trustee, as aforesaid

by  _____

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