

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

August 29, 1996

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
Twelfth Street & Constitution Avenue, N.W.  
Washington, DC 20423

20247  
RECORDATION NO. FILED 1425

AUG 28 1996 -9 25 AM

Re: Union Pacific Railroad Company  
Leveraged Lease Locomotive Financing  
UPRR 1996-C

20247-AB, C  
RECORDATION NO. FILED 1425

AUG 28 1996 -9 25 AM

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, three 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 1996-C), dated August 29, 1996, between SNT Falcon Co., Ltd., as lessor (the "Lessor"), and Union Pacific Railroad Company, as lessee (the "Lessee"); and
- (2) Memorandum of Mortgage and Security Agreement (UPRR 1996-C), dated August 29, 1996, 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 1996-C), dated August 29, 1996, between the Lessee and the Lessor;
- (2) Memorandum of Mortgage Supplement No. 1 (UPRR 1996-C), dated August 29, 1996, between the Lessor, as Borrower, and the Security Trustee;
- (3) Memorandum of Dollar Account Pledge Agreement (UPRR 1996-C), dated August 29, 1996, between Kreditanstalt für Wiederaufbau ("KfW"), as agent (the "Agent"), and the Lessor, as Borrower; and
- (4) Memorandum of Yen Assignment Agreement (UPRR 1996-C), dated August 29, 1996, between the Lessor, as assignor (the "Assignor"), and The Bank of Tokyo-Mitsubishi, Ltd., as assignee (the "Assignee").

C O P Y

Counter Party - [Handwritten Signature]

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BOARD  
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The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1996-C) and Memorandum of Mortgage Supplement No. 1 (UPRR 1996-C) are connected are the Memorandum of Lease Agreement (UPRR 1996-C) and the Memorandum of Mortgage and Security Agreement (UPRR 1996-C), 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  
Eighth & Eaton Avenues  
Martin Tower  
Bethlehem, Pennsylvania 18018

Lessor: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

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  
Eighth & Eaton Avenues  
Martin Tower  
Bethlehem, Pennsylvania 18018

Lessor: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

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MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

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

MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT

Borrower: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

Agent: Kreditanstalt für Wiederaufbau  
Palmengartenstrasse 5-9  
60325 Frankfurt am Main, Germany

MEMORANDUM OF YEN ASSIGNMENT AGREEMENT

Assignor: SNT Falcon Co., Ltd.  
Shin Muromachi Building  
2-4-3 Nihombashi Muromachi  
Chuo-ku, Tokyo 103  
Japan

Assignee: The Bank of Tokyo-Mitsubishi, Ltd.  
1251 Avenue of the Americas  
New York, New York 10020-1104

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, Memorandum of Dollar Account Pledge Agreement and the Memorandum of Yen Assignment Agreement is as set forth on Exhibit A hereto.

A fee of one hundred twenty-six dollars (\$126.00) 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:

CHAPMAN AND CUTLER

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 1996-C) between SNT Falcon Co., Ltd., as Lessor, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, and Union Pacific Railroad Company, as Lessee, Eighth & Eaton Avenues, Martin Tower, Bethlehem, Pennsylvania 18018, dated August 29, 1996, 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 1996-C) between SNT Falcon Co., Ltd., as Borrower, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated August 29, 1996, 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 1996-C) between SNT Falcon Co., Ltd., as Lessor, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, and Union Pacific Railroad Company, as Lessee, Eighth & Eaton Avenues, Martin Tower, Bethlehem, Pennsylvania 18018, dated August 29, 1996, 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 August 29, 1996, which is filed concurrently herewith.

(4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1996-C) between SNT Falcon Co., Ltd., as Borrower, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated August 29, 1996, 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 August 29, 1996, which is filed concurrently herewith.

(5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1996-C) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main,

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Germany, and SNT Falcon Co., Ltd., as Borrower, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, dated August 29, 1996, 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 August 19, 1996, between the Agent and the Borrower.

(6) MEMORANDUM OF YEN ASSIGNMENT AGREEMENT:

Memorandum of Yen Assignment Agreement (UPRR 1996-C) between SNT Falcon Co., Ltd., as Assignor, Shin Muromachi Building, 2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo 103, Japan, and The Bank of Tokyo-Mitsubishi, Ltd., as Assignee, 1251 Avenue of the Americas, New York, New York 10020-1104, dated August 29, 1996, relating to the grant by the Assignor to the Assignee of all of the Assignor's right, title and interest in and to the Assigned Rights described in the Yen Assignment Agreement, dated August 29, 1996, between the Assignor and the Assignee.

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 Electric AC 4400 CW Diesel Electric Locomotives	2	7010 and 7011
General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives	7	8043 through 8049, inclusive

C O P Y



**MEMORANDUM OF LEASE SUPPLEMENT NO. 1  
(UPRR 1996-C)**

Memorandum of Lease Supplement No. 1, made and entered into on August 29, 1996 by and between SNT Falcon Co., Ltd., a Japanese corporation ("*Lessor*"), and Union Pacific Railroad Company, a Utah corporation ("*Lessee*").

**WITNESSETH:**

1. The undersigned have entered into that certain Lease Agreement (UPRR 1996-C) (the "*Lease Agreement*"), dated August 19, 1996, 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 1996-C), dated August 29, 1996, 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.

SNT FALCON CO., LTD.

By \_\_\_\_\_  
Name:  
Title: Attorney-in-Fact

Executed on this \_\_\_\_ day of August, 1996.

UNION PACIFIC RAILROAD COMPANY

By   
Name: John B. Larsen  
Title: Assistant Treasurer

Executed on this 20<sup>th</sup> day of August, 1996.

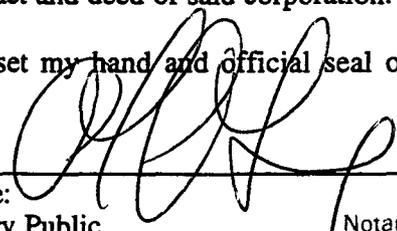
STATE OF NEW YORK )  
COUNTY OF New York )

SS.:

Hikomichi Matsudaira

On this, the 21st day of August, 1996, 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 Attorney-in-Fact of SNT FALCON CO., LTD., that said instrument was signed on August 2, 1996 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 \_\_\_\_\_

MARIO O. MORRONE  
Notary Public - State of New York  
No. 02MO4811599  
Qualified in Kings County  
Commission Expires Oct 31, 1996

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS.:

On this, the \_\_\_\_\_ day of August, 1996, 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 August \_\_, 1996 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 August, 1996, 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 Attorney-in-Fact of SNT FALCON CO., LTD., that said instrument was signed on August \_\_, 1996 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 Pennsylvania )  
 ) SS.:  
COUNTY OF Lehigh )

On this, the 20th day of August, 1996, 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 August 20, 1996 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.

Valerie A. Madea  
Name: Valerie A. Madea  
Notary Public  
My Commission Expires: 10/10/98  
Residing in Northampton, PA

Notarial Seal  
Valerie A. Madea, Notary Public  
Allen Twp, Northampton County  
My Commission Expires Oct 10, 1998  
Member, Pennsylvania Association of Notaries

**EXHIBIT A**

**UNITS**

<b>EQUIPMENT</b>	<b>QUANTITY</b>	<b>ROAD NUMBERS</b>
General Electric AC 4400 CW Diesel Electric Locomotives	2	7010 and 7011
General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives	7	8043 through 8049, inclusive