

CHAPMAN AND CUTLER

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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").

COPY

Counter Party - [Handwritten Signature]

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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,

CHAPMAN AND CUTLER

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

AUG 28 1996 - 9 25 AM

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

Memorandum of Mortgage Supplement No. 1, made and entered into on August 29, 1996 by and between Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee ("*Security Trustee*"), and SNT Falcon Co., Ltd., a Japanese corporation ("*Borrower*").

WITNESSETH:

1. The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1996-C) (the "*Mortgage*"), dated August 19, 1996, by which the Borrower has granted a security interest to the Security Trustee in order to secure the Borrower's performance of certain obligations as described in the Loan Agreement (UPRR 1996-C), dated August 19, 1996, between the Borrower and Kreditanstalt für Wiederaufbau, and in the Mortgage.

2. A memorandum of said Mortgage 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 Mortgage Supplement No. 1 (UPRR 1996-C), dated August 29, 1996, relating to the above-described Mortgage and extending the Borrower'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 16th day of August, 1996.

SNT FALCON CO., LTD.

By *H. Matsudaira*
Name: Hiromichi Matsudaira
Title: Attorney-in-Fact

Executed on this 21st day of August, 1996.

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

On this, the 14th day of August, 1996, 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 said instrument was signed on August 16, 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 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 _____)
) 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 _____ of HARRIS TRUST AND SAVINGS BANK, 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.

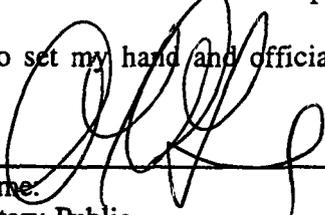
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF NEW YORK)
) SS.:
COUNTY OF New York) Hiromichi 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 21, 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

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