

# CHAPMAN AND CUTLER

RECORDATION NO. 557  
FEB 26 1997 -1 55  
A B C D  
E F G

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

February 26, 1997

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

Re: Union Pacific Railroad Company  
Leveraged Lease Locomotive Financing  
UPRR 1997-A

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 1997-A), dated February 27, 1997, between Dia Horizon Ltd., as lessor (the "Lessor"), and Union Pacific Railroad Company, as lessee (the "Lessee"); and

(2) Memorandum of Mortgage and Security Agreement (UPRR 1997-A), dated February 27, 1997, 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 1997-A), dated February 27, 1997, between the Lessee and the Lessor;

(2) Memorandum of Mortgage Supplement No 1 (UPRR 1997-A), dated February 27, 1997, between the Lessor, as Borrower, and the Security Trustee;

(3) Memorandum of Dollar Account Pledge Agreement (UPRR 1997-A), dated February 27, 1997, between Kreditanstalt fur Wiederaufbau ("KfW"), as agent (the "Agent"), and the Lessor, as Borrower; and

(4) Memorandum of Yen Assignment Agreement (UPRR 1997-A), dated February 27, 1997, between the Lessor, as assignor (the "Assignor"), and The Bank of Tokyo-Mitsubishi, Ltd., as assignee (the "Assignee")

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BOARD  
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Countertop - K. Bartman

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The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1997-A) and Memorandum of Mortgage Supplement No. 1 (UPRR 1997-A) are connected are the Memorandum of Lease Agreement (UPRR 1997-A) and the Memorandum of Mortgage and Security Agreement (UPRR 1997-A), 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: Dia Horizon Ltd.  
c/o Diamond Lease Company Ltd.  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
Japan

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: Dia Horizon Ltd  
c/o Diamond Lease Company Ltd  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
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

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Lessor: Dia Horizon Ltd.  
c/o Diamond Lease Company Ltd.  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
Japan

MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: Dia Horizon Ltd.  
c/o Diamond Lease Company Ltd.  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
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: Dia Horizon Ltd.  
c/o Diamond Lease Company Ltd.  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
Japan

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

MEMORANDUM OF YEN ASSIGNMENT AGREEMENT

Assignor: Dia Horizon Ltd.  
c/o Diamond Lease Company Ltd  
Project Development Department  
7-2 Yaesu 2-chome  
Chuo-ku, Tokyo 104  
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,

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CHAPMAN AND CUTLER

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:

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 1997-A) between Dia Horizon Ltd , as Lessor, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, and Union Pacific Railroad Company, as Lessee, Eighth & Eaton Avenues, Martin Tower, Bethlehem, Pennsylvania 18018, dated February 27, 1997, 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 1997-A) between Dia Horizon Ltd , as Borrower, c/o Diamond Lease Company Ltd , Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated February 27, 1997, 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 1997-A) between Dia Horizon Ltd , as Lessor, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, and Union Pacific Railroad Company, as Lessee, Eighth & Eaton Avenues, Martin Tower, Bethlehem, Pennsylvania 18018, dated February 27, 1997, 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 February 27, 1997, which is filed concurrently herewith.

(4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1997-A) between Dia Horizon Ltd., as Borrower, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated February 27, 1997, covering

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CHAPMAN AND CUTLER

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 February 27, 1997, which is filed concurrently herewith

(5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1997-A) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main, Germany, and Dia Horizon Ltd., as Borrower, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, dated February 27, 1997, 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 February 19, 1997, between the Agent and the Borrower.

(6) MEMORANDUM OF YEN ASSIGNMENT AGREEMENT:

Memorandum of Yen Assignment Agreement (UPRR 1997-A) between Dia Horizon Ltd., as Assignor, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, and The Bank of Tokyo-Mitsubishi, Ltd., as Assignee, 1251 Avenue of the Americas, New York, New York 10020-1104, dated February 27, 1997, 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 February 27, 1997, 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/b  
Enclosures

**EXHIBIT A**

**UNITS**

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives	11	8075 through 8084, inclusive, and 8088

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20425-0001

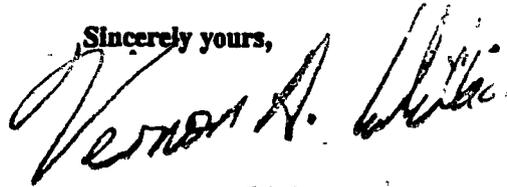
2/26/97

Chapman and Cutler  
111 West Monroe Street  
Chicago, IL. 60603-4080

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2-26-97 at 1:55 PM, and 2:00PM. 2:05PM assigned recordation number(s). 20557, 20557-A, 20557-B and 20557-C. 20557-D, 20557-E, 20557-F.

Sincerely yours,

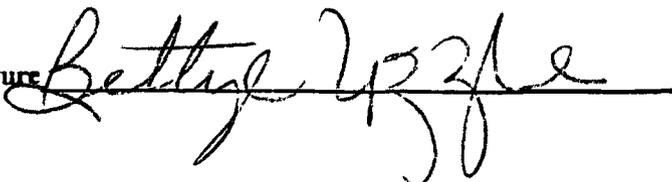


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 168.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



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MEMORANDUM OF LEASE AGREEMENT  
(UPRR 1997-A)

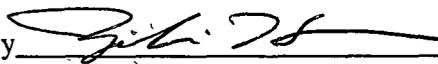
Memorandum of Lease Agreement, made and entered into on February 27, 1997 by and between Dia Horizon Ltd., a Japanese corporation ("*Lessor*"), and Union Pacific Railroad Company, a Utah corporation ("*Lessee*").

WITNESSETH:

The undersigned have entered into that certain Lease Agreement (UPRR 1997-A), dated February 19, 1997, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain locomotives bearing road numbers as listed on Exhibit A attached hereto, subject to the term defined in said Lease Agreement.

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.

DIA HORIZON LTD.

By   
Name: Yoichi Hara  
Title: Attorney-in-Fact

Executed on this 24<sup>th</sup> day of February, 1997.

UNION PACIFIC RAILROAD COMPANY

By \_\_\_\_\_  
Name: John B. Larsen  
Title: Assistant Treasurer

Executed on this \_\_\_\_ day of February, 1997.

**MEMORANDUM OF LEASE AGREEMENT  
(UPRR 1997-A)**

Memorandum of Lease Agreement, made and entered into on February 27, 1997 by and between Dia Horizon Ltd., a Japanese corporation ("*Lessor*"), and Union Pacific Railroad Company, a Utah corporation ("*Lessee*").

**WITNESSETH:**

The undersigned have entered into that certain Lease Agreement (UPRR 1997-A), dated February 19, 1997, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain locomotives bearing road numbers as listed on Exhibit A attached hereto, subject to the term defined in said Lease Agreement.

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.

DIA HORIZON LTD.

By \_\_\_\_\_

Name: Yoichi Hara

Title Attorney-in-Fact

Executed on this \_\_\_\_ day of February, 1997.

UNION PACIFIC RAILROAD COMPANY

By  \_\_\_\_\_

Name John B. Larsen

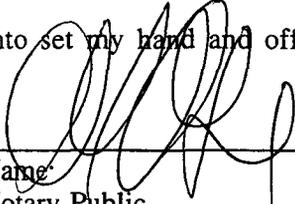
Title Assistant Treasurer

Executed on this 24th day of February, 1997

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK ) SS.:

On this, the 24<sup>th</sup> day of February, 1997, before me, a Notary Public in and for said County and State, personally appeared Yoichi Hara, who being by me duly sworn, says that he is the Attorney-in-Fact of DIA HORIZON LTD, that said instrument was signed on February 24, 1997 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 \_\_\_\_\_

**MARIO O. MORRONE**  
Notary Public, State of New York  
No. 02MO4811599  
Qualified in Kings County  
Commission Expires Oct. 31, 1998

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) SS.:

On this, the \_\_\_\_ day of February, 1997, 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 February \_\_, 1997 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 February, 1997, before me, a Notary Public in and for said County and State, personally appeared Yoichi Hara, who being by me duly sworn, says that he is the Attorney-in-Fact of DIA HORIZON LTD., that said instrument was signed on February \_\_, 1997 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\_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA)  
 ) SS .  
COUNTY OF LEHIGH )

On this, the 24th day of February, 1997, 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 February 24, 1997 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

Kathleen F. Owens  
Name Kathleen F Owens  
Notary Public  
My Commission Expires:  
Residing in\_\_\_\_\_

Notarial Seal  
Kathleen F Owens, Notary Public  
Bethlehem, Lehigh County  
My Commission Expires Oct 19, 2000  
Member, Pennsylvania Association of Notaries



**EXHIBIT A**

**UNITS**

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives	11	8075 through 8084, inclusive, and 8088