

CHAPMAN AND CUTLER

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Salt Lake City, Utah 84144
(801) 533-0066

Theodore S Chapman
1877-1943
Henry E Cutler
1879-1959

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

RECEIVED
SURFACE TRANSPORTATION
BOARD
FEB 26 1 54 PM '97

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").

Counterpart - K. Bartman

FEB 26 1997 - 2:06 PM
:05

Law Offices of

CHAPMAN AND CUTLER

Theodore S Chapman
1877-1943
Henry E Cutler
1879-1959111 West Monroe Street, Chicago, Illinois 60603-4080
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February 26, 19972 North Central Avenue
Phoenix, Arizona 85004
(602) 256-406050 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423Re: 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 original copies of the document described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The enclosed document is as follows.

Memorandum of Lessor Security 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").

The names and addresses of the parties to the enclosed document are as follows.

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

The underlying Lessor Security Agreement provides, *inter alia*, for the granting of a junior security interest in certain Locomotives (the "Equipment") in favor of the Lessee.

The description of the Equipment covered as of the date hereof by the aforesaid Memorandum of Lessor Security Agreement is as set forth on Exhibit A hereto.

A fee of ~~twenty-one~~ ^{four} dollars (~~\$21.00~~ ^{24.00}) is enclosed. Please time and date stamp the enclosed copies of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Law Offices of
CHAPMAN AND CUTLER

Karl T. Williams, Esq.
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

A short summary of the document to appear in the index follows:

MEMORANDUM OF LESSOR SECURITY AGREEMENT:

Memorandum of Lessor Security 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 certain diesel electric locomotives bearing the road numbers listed in the Schedule attached thereto.

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
Enclosure

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

MEMORANDUM NO. 2557 F
FEB 20 1997 2:05 PM
:05

MEMORANDUM OF LESSOR SECURITY AGREEMENT
(UPRR 1997-A)

Memorandum of Lessor Security 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 Lessor Security Agreement (UPRR 1997-A), dated February 19, 1997, whereby the Lessor has granted to the Lessee a security interest in 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.

DIA HORIZON LTD.

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

Executed on this 24th 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 LESSOR SECURITY AGREEMENT
(UPRR 1997-A)**

Memorandum of Lessor Security 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 Lessor Security Agreement (UPRR 1997-A), dated February 19, 1997, whereby the Lessor has granted to the Lessee a security interest in 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.

DIA HORIZON LTD.

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

Executed on this ____ day of February, 1997.

UNION PACIFIC RAILROAD COMPANY

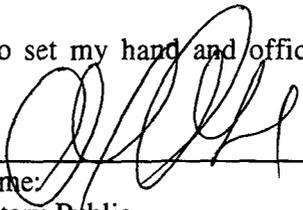
By 
Name John B. Larsen
Title. Assistant Treasurer

Executed on this 24th day of February, 1997.

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

On this, the 24th 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