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MORGAN, LEWIS & BOCKIUS

COUNSELORS AT LAW

2000 ONE LOGAN SQUARE

PHILADELPHIA, PENNSYLVANIA 19103-6993

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REBECCA A CRAFT
DIAL DIRECT (215) 963-5257

17015 D

RECORDATION NO _____ FILED 1425

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17015 E

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17015 A

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September 21, 1990

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Ave., N.W.
Washington, DC 20423

17015

RECORDATION NO _____ FILED 1425

SEP 21 1990 -10 55 AM

Re: Lease of Locomotives from NBB Omaha Lease Co., Ltd. to Union Pacific Railroad Company

Dear Mr. Strickland:

Enclosed are an original and two originally executed counterparts of the three primary documents described below and three secondary documents which are also described below and which are related to the primary document described as item number 1 below. All of the enclosed documents are to be recorded pursuant to Section 11303, Title 49, of the United States Code.

The enclosed primary documents are:

(1) Lease Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as lessor, and Union Pacific Railroad Company, as lessee.

(2) Mortgage, Assignment and Security Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as mortgagor, and The Sumitomo Bank, Limited, New York Branch, as mortgagee.

(3) Lessor Security Agreement, dated as of September 21, 1990 between NBB Omaha Lease Co., Ltd., as debtor, and Union Pacific Railroad Company, as secured party.

Sherman J. Wardford

The enclosed secondary documents are:

(1) Lease Supplement No. 1, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as lessor, and Union Pacific Railroad Company, as lessee. The primary document to which this Lease Supplement is connected is being submitted for recording concurrently herewith.

(2) Assignment Agreement, dated as of September 21, 1990, between Union Pacific Railroad Company, as assignor, and NBB Omaha Lease Co., Ltd., as assignee. The primary document to which this Assignment Agreement is connected is being submitted for recording concurrently herewith.

(3) Bank Security Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as debtor, and The Sumitomo Bank, Limited, New York Branch, as secured party. The primary document to which this Bank Security Agreement is connected is being submitted for recording concurrently herewith.

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

Lease Agreement

Lessor:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Lessee:
Union Pacific Railroad Company
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

Lease Supplement

Lessor:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Lessee:
Union Pacific Railroad Company
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

Assignment Agreement

Assignor:
Union Pacific Railroad Company
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

Assignee:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Mortgage, Assignment and Security Agreement

Mortgagor:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Mortgagee:
The Sumitomo Bank, Limited
New York Branch
One World Trade Center
Suite 9549
New York, NY 10048

Bank Security Agreement

Debtor:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Secured Party:
The Sumitomo Bank, Limited
New York Branch
One World Trade Center
Suite 9549
New York, NY 10048

Lessor Security Agreement

Debtor:
NBB Omaha Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Secured Party:
Union Pacific Railroad Company
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

The description of the equipment covered by the aforesaid Lease, Lease Supplement and Assignment is as follows:

> Thirty General Electric Dash 8-40C diesel electric locomotives each marked on the sides in letters not less than one inch in height with the words "Ownership Subject to Documents Filed with the Interstate Commerce Commission" and bearing a nameplate with the legible inscription 'TITLE TO THIS LOCOMOTIVE IS HELD BY NBB OMAHA LEASE CO., LTD., THE LESSOR, WHICH HAS LEASED THIS LOCOMOTIVE TO UNION PACIFIC RAILROAD COMPANY AND SUCH TITLE IS SUBJECT TO A MORTGAGE IN FAVOR OF THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, AS AGENT" and bearing the road numbers 9356 through 9379, inclusive, and 9396 through 9401, inclusive.

Included in the property covered by the Mortgage, Assignment and Security Agreement are thirty (30) General Electric Dash 8-40C diesel electric locomotives and all additions, alterations and modifications thereto or replacements thereof and certain rights of NBB Omaha Lease Co., Ltd. in the Lease Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as lessor, and Union Pacific Railroad Company, as lessee, and the Assignment Agreement, dated as of September 21, 1990, between Union Pacific Railroad Company, as assignor, and NBB Omaha Lease Co., Ltd., as assignee.

Included in the collateral covered by the Bank Security Agreement are certain payments to be made in U.S. Dollars by Union Pacific Railroad Company, as lessee, to NBB Omaha Lease Co., Ltd., as lessor, in respect of the thirty (30) General Electric Dash 8-40C diesel electric locomotives.

Included in the property covered by the Lessor Security Agreement are thirty (30) General Electric Dash 8-40C diesel electric locomotives and all additions, alterations and modifications thereto or replacements thereof, subject to the Mortgage, Assignment and Security Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd. as mortgagor, and The Sumitomo Bank, Limited, New York Branch, as mortgagee.

A fee of Ninety Dollars ($90.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Rebecca A. Craft, Esquire
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

A short summary of each of the documents to appear in the index follows:

1) Lease Agreement:
Lease Agreement, dated as of September 21, 1990 between NBB Omaha Lease Co., Ltd., as lessor, 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan and Union Pacific Railroad Company, as lessee, Martin Tower, Eighth and Eaton Avenues, Bethlehem, PA 18018, covering thirty (30) General Electric Dash 8-40C diesel electric locomotives bearing road numbers 9356 through 9379 inclusive, and 9396 through 9401, inclusive.

2) Lease Supplement No. 1:
Lease Supplement No. 1, dated as of September 21, 1990 between NBB Omaha Lease Co., Ltd., as lessor, and having its principal office at 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan and Union Pacific Railroad Company, as lessee, Martin Tower, Eighth and Eaton Avenues, Bethlehem, PA 18018, covering thirty (30)

General Electric Dash 8-40C diesel electric locomotives bearing road numbers 9356 through 9379 inclusive, and 9396 through 9401, inclusive.

3) Assignment Agreement:
Assignment Agreement, dated as of September 21, 1990, between Union Pacific Railroad Company, as assignor, Martin Tower, Eighth and Eaton Avenues, Bethlehem, PA 18018 and NBB Omaha Lease Co., Ltd., assignee, 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan, relating to the purchase of thirty (30) General Electric Dash 8-40C diesel electric locomotives bearing road numbers 9356 through 9379 inclusive, and 9396 through 9401, inclusive.

4) Mortgage, Assignment and Security Agreement:
Mortgage, Assignment and Security Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as mortgagor, 1-12-11 Nihonbashi, Chuo-ku Tokyo 103, Japan and The Sumitomo Bank, Limited, New York Branch, One World Trade Center, Suite 9549, New York, NY 10048, securing Mortgagor's obligations relating to thirty (30) General Electric Dash 8-40C diesel electric locomotives.

5) Bank Security Agreement:
Bank Security Agreement, dated as of September 21, 1990, between NBB Omaha Lease Co., Ltd., as debtor, 1-12-11 Nihonbashi, Chuo-ku Tokyo 103, Japan and The Sumitomo Bank, Limited, New York Branch, One World Trade Center, Suite 9549, New York, NY 10048, securing debtor's obligations relating to thirty (30) General Electric Dash 8-40C diesel electric locomotives.

6) **Lessor Security Agreement:**
Lessor Security Agreement, dated as of September 21, 1990 between NBB Omaha Lease Co., Ltd., as debtor, 1-12-11 Nihonbashi, Chuo-ku Tokyo 103, Japan and The Union Pacific Railroad Company, as secured party, Martin Tower, Eighth and Eaton Avenues, Bethlehem, PA 18018, securing debtor's obligations relating to thirty (30) General Electric Dash 8-40C diesel electric locomotives bearing road numbers 9356 through 9379, inclusive, and 9396 through 9401, inclusive.

If you have any questions, please do not hesitate to call the undersigned.

Very truly yours,

Rebecca A. Craft

RAC/dlm
Enclosures

17015

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Exhibit B
to
Loan Agreement

BANK SECURITY AGREEMENT

Between

NBB OMAHA LEASE CO., LTD.,
as Borrower

and

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH,
as Agent

Dated as of September 21, 1990

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on _____, 1990, at _____, recordation number _____.

BANK SECURITY AGREEMENT

THIS BANK SECURITY AGREEMENT ("Agreement"), dated as of September 21, 1990, between NBB OMAHA LEASE CO., LTD. (hereinafter called the "Borrower"), a corporation organized and existing under the laws of Japan, and THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, a banking institution organized under the laws of Japan, as Agent (hereinafter called the "Agent").

Now, it is hereby agreed as follows:

Section 1. Definitions and Interpretation.

1.1 Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Appendix X of this Agreement.

1.2 Interpretation. Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; persons shall include bodies corporate and vice versa; the headings are for convenience only and shall not affect the construction hereof; reference herein to any agreement, license or other instrument shall be deemed to include references to such agreement, license or other instrument as varied or replaced from time to time; references herein to any enactment shall be deemed to include references to such enactment as reenacted, amended or extended; references to sections and Exhibits are references, respectively, to sections of and Exhibits to this Agreement; and references to the Borrower, the Lenders, the Agent or the Lessee shall, where relevant, be deemed to be references to or to include, as appropriate, their respective successors or permitted assigns.

Section 2. Security.

2.1 Pledge and Security Interest. In order to secure the payment by the Borrower to the Lenders of the Secured Obligations and the due and punctual performance by the Borrower of all of the terms, covenants, undertakings, conditions and provisions of this Agreement and the Loan Agreement, the Borrower hereby irrevocably and unconditionally pledges and grants to the Agent, for the ratable benefit of the Lenders, a security interest in the form of a pledge (shichiken) in all of the Borrower's right, title and interest in and to the following (collectively, the "Collateral"):

(a) all payments required to be paid in U.S. Dollars by Lessee under the Lease in respect of Basic Rent, Basic Termination Payment, Casualty Value Termination Payment and Purchase Price or Deficiency Payment, as the case may be;

(b) all amounts required to be paid to Lessor pursuant to Section 20(c)(iv) or (v) of the Lease;

(c) all amounts (other than amounts payable in Yen) required by the terms of the Lease to be paid to Lessor to be held as security for the obligations of the Lessee under the Lease, including, without limitation, pursuant to Sections 10, 11 and 15 of the Lease; and

(d) the Dollar Account and all amounts from time to time credited thereto in favor of the Borrower

and any proceeds thereof or rights with respect to any of the foregoing, present and future.

2.2 Release and Discharge. The security interest granted pursuant to this Agreement shall not be released or discharged by payment or satisfaction of any part of the Secured Obligations but shall be a continuing security interest and shall extend to cover any sum or sums of money or other obligations which shall for the time being constitute the balance of the Secured Obligations until all of the Secured Obligations are paid or discharged in full, or until the Loan is assumed by the Lessee in accordance with Section 19 of the Participation Agreement and any Secured Obligations not so assumed are paid or discharged in full. Upon the payment or discharge in full of the Secured Obligations, or the assumption of the Loan by Lessee and payment or discharge of Secured Obligations as aforesaid, the security interest granted pursuant to this Agreement shall be released and discharged, the Agent shall execute and deliver to Borrower such instruments or documents as Borrower shall reasonably request to evidence (on the public record or otherwise) such release and discharge, and any amounts remaining in the Dollar Account shall be disposed of at the discretion of the Borrower.

2.3 Acknowledgment by Lessee. On the Delivery Date the Borrower shall deliver to the Agent an originally executed counterpart of the Acknowledgment in the form attached hereto as Exhibit A.

Section 3. Representations, Warranties and Covenants.

3.1 No Other Liens. The Borrower hereby represents and warrants as of the date hereof and as of the Closing that it has not assigned or permitted any Lien to subsist over, and covenants and agrees that throughout the Security Period it shall not assign or cause any Lien to subsist over, the Collateral, save for the security interests hereby constituted.

3.2 Maintenance of Collateral. The Borrower hereby covenants and agrees throughout the Security Period (a) to maintain the Collateral as provided herein or in

any other Operative Document, and (b) to take all reasonable actions to ensure that all amounts described in Section 2.1(a) through (c) above are paid into the Dollar Account or into such other account as may be specified by Lessor from time to time with the consent of the Agent; provided, however, that if no Bank Event of Default has occurred and is continuing (x) all amounts paid to the Dollar Account pursuant to Section 2.1 (b) or (c) hereof shall be retained in the Dollar Account until required to be released or applied as specified in the Lease or any other Operative Document, and (y) any amounts not of the nature described in Section 2.1 (a) through (c) hereof which may inadvertently be deposited in the Dollar Account may be released to Borrower. Amounts paid to the Dollar Account pursuant to Section 2.1(a) shall be paid out in accordance with Section 4.2 of the Loan Agreement.

3.3 Reports. The Borrower will promptly furnish to the Agent such information and reports concerning the Collateral as the Agent may from time to time reasonably require.

Section 4. Payments to Agent. Upon the occurrence and during the continuance of a Bank Event of Default all cash, proceeds, checks, drafts, orders and other instruments for the payment of money received by the Borrower on account of any Collateral shall be delivered promptly in the form received (properly endorsed but without recourse for collection where required) to the Agent, and the Borrower agrees not to commingle any such collections or proceeds with its other funds or property and agrees to hold the same in trust for or on behalf of the Lenders until delivered to the Agent.

Section 5. Remedies; Application of Proceeds of Sale.

5.1 Remedies. If a Bank Event of Default shall have occurred and be continuing and repayment of the Loan shall have been accelerated pursuant to Section 5.1 of the Loan Agreement, the Agent shall have and may exercise, with respect to the Collateral, all the rights and remedies of a secured party under any applicable law in Japan (regardless of whether or not the same is in effect in the jurisdiction in which such exercise occurs), subject to Lessee's rights under the Lease; and in addition, the Agent may do any or all of the following: (a) instruct the Lessee or any other obligor with respect to all or any part of the Collateral to make payments thereunder directly to the Agent's account specified in such instruction or, to the fullest extent permitted by law upon reasonable notice to the Borrower, sell or transfer the Collateral or any interest therein at public or private sale, for cash or upon credit and for immediate or future delivery and for such price and on such terms as the Agent shall reasonably deem appropriate, and negotiate, endorse, assign, transfer and deliver to the purchaser or purchasers thereof (which may be the Agent or a Lender or Lenders) the Collateral so sold, each purchaser at any sale to hold the property sold absolutely free from any claim or right on the part of the Borrower; (b) retain the Collateral in satisfaction of the Secured Obligations by the giving of notice to such effect to the Borrower; or (c) upon

reasonable notification to the Borrower, proceed by suit or suits to foreclose on the Collateral and sell or transfer the Collateral or any portion thereof pursuant to judgment or decree of a court or courts having jurisdiction. Notwithstanding anything herein to the contrary, (x) in all events, recourse against the Borrower shall be limited to the Collateral and the Mortgaged Property as provided in Section 4.3 of the Loan Agreement and (y) if a Bank Event of Default (other than a Bank Event of Default that results from the breach by Lessee of any of its obligations under the Operative Documents) shall have occurred and be continuing and repayment of the Loan shall have been accelerated pursuant to Section 5.1 of the Loan Agreement, the Agent will not exercise its rights hereunder or under Section 10(c) of the Participation Agreement in such manner as would result in (i) the extension of the Termination Date provided for in Section 9(d)(ii) or (v) of the Lease beyond the time period specified in Section 9(d)(ii) or (v), as applicable, or (ii) the sale or other disposition of any of the Collateral prior to the Termination Date specified in Section 9(d)(ii) or (v) of the Lease, as applicable.

5.2 Application of Proceeds. The proceeds of any sale or transfer or other application of the whole or any part of the Collateral, and any moneys collected in respect of the Collateral and any Swap Break Gain, shall be applied as follows:

First, against charges, costs, losses, expenses and indemnities payable to the Agent or the Lenders under the Operative Documents;

Second, to the payment of accrued and unpaid interest on the Loan;

Third, to the payment of principal of the Loan then due and unpaid; and

Fourth, to the payment in full of all other Secured Obligations (exclusive of Swap Break Loss); and

Fifth, to the payment of Swap Break Loss.

Any surplus remaining after such applications shall be remitted to the Borrower or as a court of competent jurisdiction may otherwise direct.

5.3 Exercise of Remedies. No Lender shall have any right to pursue, or to request the Agent to pursue, any remedy hereunder unless the Required Lenders shall have approved such action or shall have directed the Agent to take such action.

5.4 Rights of Lessee. Notwithstanding anything to the contrary herein, the Agent agrees, for the direct benefit of Lessee, that so long as no Event of Default has occurred and is continuing, the Agent and each Lender shall not take or cause to be taken any action contrary to Lessee's right to quiet enjoyment of, or otherwise interrupt or interfere with, Lessee's continuing possession, use and operation of any Item of Equipment in

accordance with the terms of the Lease or the exercise of any of Lessee's other rights under the Lease.

Section 6. General Authority. The Borrower hereby constitutes and appoints the Agent, upon the occurrence and during the continuance of a Bank Event of Default (but, in the case of any action of the Agent under Section 5 hereof, only if repayment of the Loan shall have been accelerated pursuant to Section 5.1 of the Loan Agreement), as its true and lawful attorney-in-fact, with full power of substitution, in its own name or in the Borrower's name or otherwise, for the purposes of carrying out the provisions of this Agreement and taking any action or executing or filing any instrument, or any of the foregoing, necessary to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Agent shall have the right, in its own name or in the Borrower's name or otherwise from time to time to exercise any or all of the powers of the Borrower with respect to any of the Collateral; provided, however, that the Agent shall not have any obligation whatsoever to exercise any of such powers hereby conferred upon it or to make any demand or any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice or take any other action whatsoever with respect to the Collateral. No action taken by the Agent or omitted to be taken by it in good faith shall give rise to any defense, counterclaim or offset in favor of the Borrower or otherwise affect any of the Secured Obligations.

Section 7. Miscellaneous.

7.1 No Waiver, etc. No failure on the part of the Agent or any Lender to exercise, and no delay in exercising, and no course of dealing with respect to, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of the same or any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

7.2 Documents, Records. The Borrower agrees to deliver to the Agent an original executed copy of the Lease and the passbook (if any) and any and all other documentary evidence or records in respect of the Dollar Account.

7.3 Security Interest. The security interest created by this Agreement shall be in addition to and without prejudice to any other securities or guarantees from time to time held by the Agent or any Lender in respect of the Secured Obligations and this Agreement shall remain in full force and effect until payment and discharge in full of the Secured Obligations or the assumption of the Loan by the Lessee pursuant to Section 19 of the Participation Agreement and the payment and discharge of any Secured Obligations not so assumed, notwithstanding the liquidation, bankruptcy, insolvency or reorganization of the Borrower or any other fact or contingency whatsoever.

7.4 Governing Law. This Agreement shall take effect under and be governed by and construed in accordance with the laws of Japan.

7.5 Notices. All notices, requests and demands hereunder shall be given or made in the manner provided for in Section 7.2 of the Loan Agreement.

7.6 Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that the Borrower may not assign its rights or obligations hereunder without the prior written consent of the Agent.

7.7 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall for all purposes be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

7.8 Books of the Lenders. Subject to any evidence to the contrary and in the absence of manifest error, the books of each Lender shall be determinative of any amount owed to such Lender and of all matters relating to this Agreement with respect to such Lender.

7.9 Amendments. This Agreement may not be amended or modified except by an instrument in writing signed by each of the parties hereto and with the prior written consent of the Lessee.

7.10 Agent. The provisions of Article 8 of the Loan Agreement respecting the appointment, powers, etc. of the Agent shall apply with like effect in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Bank Security Agreement to be executed by their respective duly authorized representatives as of the day and year first above written.

Borrower:

NBB OMAHA LEASE CO., LTD.

By: _____
Name: John Faby
Title: Attorney-in-fact

Lender:

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH,
in its capacity as Agent

By: _____
Name: Robert A. Rabbino, Jr.
Title: Joint General Manager

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF PHILADELPHIA :

On this, the 20th day of September, 1990, before me, a notary public, personally appeared John B. Fahy, who acknowledged himself to be the Attorney-in-fact of NBB Omaha Lease Co., Ltd., and that he, as such Attorney-in-fact, being duly empowered and authorized to do so, executed the within instrument for the purposes therein contained, by signing his name as such Attorney-in-fact.

In witness whereof, I hereunto set my hand and official seal.

(NOTARIAL SEAL)

Notary Public

My Commission Expires:

NOTARIAL SEAL
LYNN A McDOWELL, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES OCT. 26, 1992
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF PHILADELPHIA :

On this, the 20th day of September, 1990, before me, a notary public, personally appeared Robert A. Rabbino, Jr., who acknowledged himself to be the Joint General Manager of The Sumitomo Bank, Limited, New York Branch, and that he, as such Joint General Manager, being duly empowered and authorized to do so, executed the within instrument for the purposes therein contained, by signing his name as such Joint General Manager.

In witness whereof, I hereunto set my hand and official seal.

(NOTARIAL SEAL)

Notary Public

My Commission Expires:

NOTARIAL SEAL
LYNN A McDOWELL, NOTARY PUBLIC
PHILADELPHIA PHILADELPHIA COUNTY
MY COMMISSION EXPIRES OCT 26, 1992

Member, Pennsylvania Association of Notaries

UNION PACIFIC RAILROAD COMPANY
NBB OMAHA LEASE CO., LTD.
FINANCING OF THIRTY GENERAL ELECTRIC DASH 8-40C
DIESEL ELECTRIC LOCOMOTIVES

The definitions stated herein shall apply equally to both the singular and plural forms of the terms defined.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agent" means The Sumitomo Bank, Limited, New York Branch, as Agent for the Lenders under the Loan Agreement and the other Operative Documents, and any successor Agent appointed pursuant to Section 8.7 of the Loan Agreement.

"Agreement," "this Agreement," "hereof," "hereby," or any other like term means, unless the context requires otherwise, the agreement in which such term is used, including all annexes, exhibits, schedules, and supplements thereto, as such agreement may be amended, modified or supplemented from time to time.

"Applicable Laws" means all rules, regulations and orders issued by the ICC, the Department of Transportation and any other government or instrumentality, subdivision or agency thereof having jurisdiction and relating to the registration, operation, maintenance and service of the Items of Equipment.

"Assignment Agreement" means the Assignment Agreement, dated as of September 21, 1990, between Lessee, as assignor, and Lessor, as assignee, including the Consent and Agreement annexed thereto, as such Assignment Agreement may hereafter be amended, modified or supplemented.

"Assignment and Assumption Agreement" means the Assignment and Assumption Agreement referred to in Section 19 of the Participation Agreement.

"Assumed Obligations" has the meaning set forth in Section 19 of the Participation Agreement.

"Assumption Event" means the exercise by Lessee of its option to purchase the Items of Equipment pursuant to Section 9 of the Lease, if in connection with such purchase Lessee shall have assumed the obligations of Lessor

for repayment of the Loan in accordance with Section 19 of the Participation Agreement.

"Bank Event of Default" means each of the events described in Section 5.1(a) through (f) of the Loan Agreement, subject to the provisions of such Section.

"Bank Security Agreement" means the Bank Security Agreement, dated as of September 21, 1990, between Borrower and The Sumitomo Bank, Limited, New York Branch, as Agent, providing for the grant by Borrower of a pledge of and security interest in the Collateral in favor of the Agent for the ratable benefit of the Lenders.

"Basic Rent" for the Items of Equipment means the rent payable to Lessor for the Items of Equipment pursuant to Section 3(b) of the Lease in the amounts and payable on the dates set forth in Schedule A to the Lease.

"Basic Termination Payment" means, with respect to any termination of the Lease pursuant to Section 9 or 15 of the Lease, the amount computed and payable as provided in Schedule B to the Lease.

"Bill of Sale" means a full warranty bill of sale executed by the Manufacturer for all of the Items of Equipment.

"Borrower" means Lessor and its successors and permitted assigns.

"Business Day" means any day excluding Saturday, Sunday and any other day which shall be in New York, New York, Tokyo, Japan or London, England, a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close.

"Casualty Value Termination Payment" means, with respect to any termination of the Lease with respect to one or more Items of Equipment pursuant to Section 10 of the Lease, the amount computed and payable as provided in Schedule C to the Lease.

"Change in Law" means any change in, deletion from, amendment or addition to, Japanese Tax Law occurring on or after the Delivery Date, regardless of whether such change, deletion, amendment or addition has been discussed or proposed prior to the Delivery Date.

"Claims" has the meaning set forth in Section 20(a) of the Lease.

"Closing" means the execution and delivery of the initial Lease Supplement by the parties thereto.

"Closing Date" means the date of the Closing.

"Code" means the Internal Revenue Code of 1986, as in effect on the date hereof or as hereafter amended.

"Collateral" has the meaning set forth in Section 2.1 of the Bank Security Agreement.

"Consent and Agreement" means the Consent and Agreement of the Manufacturer, dated as of September 21, 1990, annexed to the Assignment Agreement, as such Consent and Agreement may hereafter be amended, modified or supplemented.

"Custodian" means Morgan, Lewis & Bockius, a Pennsylvania general partnership, and its successors and permitted assigns.

"Custodian Agreement" means the Custodian Agreement, dated as of September 21, 1990, among the Custodian, Lessor and Lessee.

"Deficiency Payment" means the amount set forth in Schedule E to the Lease.

"Delivery Date" means the date of the initial Lease Supplement for the Items of Equipment, which date shall be the date on which the Items of Equipment are delivered to and accepted by Lessor under the Assignment Agreement and Purchase Agreement and Lessor leases the Items of Equipment to Lessee pursuant to the Lease.

"Dollar" or "$" means the lawful currency of the United States of America.

"Dollar Account" means the account of Lessor, account no. 208124, with The Sumitomo Bank, Limited, Tokyo Main Office.

"Eligible Assignee" means (i) any United States branch of a bank organized and existing under the laws of Japan, (ii) any Japanese branch of a bank organized and existing under the laws of the United States or any state thereof, or the District of Columbia, or (iii) any Japanese branch of a bank organized under the laws of any country; provided, that at the time of any transfer of any interest in the Loan or any Operative Document by any Lender to such Japanese branch of such bank, payments of interest made by a United States resident directly to such

bank in its country of organization would not result in the imposition of, or require the payment of, United States withholding taxes (whether due to the absence of such taxes or the existence of an applicable tax treaty reducing such taxes to a rate of zero).

"Enforcement Date" has the meaning set forth in Section 9 of the Mortgage.

"Event of Default" has the meaning set forth in Section 14 of the Lease.

"Event of Loss" with respect to any property means any of the following events with respect to such property: (i) loss of the use of such property due to (x) theft or disappearance, or any other reason not covered elsewhere in this definition, for a period in excess of six months, or (y) destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever; (ii) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss; (iii) the condemnation or requisition of title to such property by the Government or any other governmental authority; (iv) as a result of any rule, regulation, order or other action by the ICC, the Department of Transportation or other governmental body of the United States of America or any other governmental authority having jurisdiction, the use of such property in the normal course of rail transportation shall have been prohibited for a period of 12 consecutive months, unless Lessee, prior to the expiration of such 12-month period, shall have undertaken and shall be diligently carrying forward all steps which in its judgment are necessary or desirable to permit the normal use of such property by Lessee or, in any event, if such use shall have been prohibited for a period of 18 consecutive months; (v) the operation or location of such property, while under requisition for use by the Government or any other governmental authority, in any area excluded from coverage by any insurance policy in effect with respect to such property required by the terms of Section 11 of the Lease, if Lessee shall be unable to obtain indemnity in lieu thereof from the Government; or (vi) the confiscation, seizure or requisition of use of such property by the Government or any other governmental authority for a period in excess of 18 consecutive months or for a period continuing beyond the Term.

"Excepted Interests" means (i) any indemnity payments and interest thereon paid or payable to Lessor under any Operative Document which do not constitute Collateral, (ii) proceeds of public liability insurance in respect of the Items of Equipment paid or payable as a result of insurance claims made, or losses suffered by, the Lessor, (iii) proceeds of insurance maintained in respect of the Items of Equipment by or for the benefit of the Lessor and not required under Section 11 of the Lease, (iv) any amounts paid or payable in Yen under any

Operative Document, (v) any amounts paid or payable to the Lessor under any Operative Document to reimburse the Lessor for expenses incurred by it in exercising its rights under, or performing or complying with any of the obligations of the Lessee under, any Operative Document, (vi) any payments or other amounts which would otherwise constitute Mortgaged Property or Collateral, which have been released from the Lien of the Mortgage or the Bank Security Agreement, as the case may be, (vii) the right to exercise inspection rights pursuant to Section 12 of the Lease, (viii) the right to approve as satisfactory any accountants, engineers, counsel, or other Persons to render services for or issue opinions to the Lessor pursuant to express provisions of the Operative Documents, (ix) the right as Lessor to seek specific performance of the covenants of the Lessee under the Lease relating to the protection, insurance and maintenance of the Items of Equipment and to maintain separate insurance with respect to the Items of Equipment pursuant to Section 11 of the Lease; (x) the right to demand, collect, sue for or otherwise receive and enforce the payment of any Excepted Interests; and (xi) the right to amend, settle or reduce the amount of any claim payable to Lessor as an Excepted Interest.

"Excluded Event" means any of the following events:

(i) any sale, assignment, transfer or other disposition (whether voluntary or involuntary) by the Lessor or any Kumiai-in of any interest in any Item of Equipment or any Part, or in the Lessor or any Tokumei Kumiai Agreement or the business of the Tokumei Kumiai contemplated thereunder except pursuant to Section 15 of the Lease and except for any such sale, assignment, transfer or other disposition pursuant to the terms of Section 8, 9, 10 or 19 of the Lease or otherwise resulting from any act or omission of the Lessee;

(ii) the failure of the Lessor or any Kumiai-in to have sufficient income to benefit from the deductions referred to in paragraph (i) of the definition of Tax Assumption;

(iii) the failure of the Lessor or any Kumiai-in to claim or cause to be claimed in a timely manner any of the deductions referred to in paragraph (i) of the definition of Tax Assumption;

(iv) the breach by the Lessor of any of its representations, warranties or covenants contained in the Participation Agreement or the Lease; and

(v) the occurrence of an Event of Loss with respect to any Item of Equipment.

"Government" means the government of the United States of America and any instrumentality, subdivision or agency thereof, except that for the purpose of the indemnity referred to in clause (v) of the definition of "Event of Loss," those instrumentalities, subdivisions and agencies included within the definition of "Government" shall be only those instrumentalities, subdivisions and agencies the obligations of which bear the full faith and credit of the United States of America.

"ICC" means the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Indemnified Person" means any Person identified as such in Section 20(b) of the Lease.

"Initial Storage Period" has the meaning set forth in Section 5(d) of the Lease.

"Interest Payment Date" means the last day of a Lease Period.

"Item of Equipment" means (i) each of the General Electric Dash 8-40C diesel electric locomotives (or an improved model of the same Manufacturer) listed by Lessee's road numbers 9356 through 9379, inclusive, and 9396 through 9401, inclusive, in the Lease Supplement executed and delivered on the Delivery Date; (ii) any Replacement Item of Equipment which may from time to time be substituted, pursuant to Section 8(a) or 10(a) of the Lease, for an Item of Equipment leased under the Lease; and (iii) any and all Parts incorporated or installed in or attached to such Item of Equipment and any and all Parts removed from such Item of Equipment so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from the Item of Equipment. The term "Items of Equipment" also means, as of any date of determination, all Items of Equipment then leased under the Lease.

"Japanese Tax Law" means the Tax Act and all official interpretations thereof, and published decisions and rulings (tsutatsu) and administrative guidance (gyoseishido) by the National Tax Administration Agency and other relevant government agencies and all judicial precedents and decisions of national or local offices of the National Tax Tribunal applicable thereto.

"Kumiai-in" means any Person who is a party to a Tokumei Kumiai Agreement with Lessor and any transferee of such Person entered on Lessor's Record of Ownership for the purposes of the Operative Documents and the transactions contemplated thereby.

"Lease Agreement" or "Lease" means the Lease Agreement, dated as of September 21, 1990, between Lessor and Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Lease Expiry Date" means the day immediately preceding the fourteenth anniversary of the Delivery Date; provided, that where any amount is expressed to be payable on the Lease Expiry Date, for such purposes only the Lease Expiry Date means the fourteenth anniversary of the Delivery Date.

"Lease Period" means each of (x) the period commencing on and including the Delivery Date and ending on and including the first Lease Period Date, and (y) each period commencing on and including the day immediately following the prior Lease Period Date (other than the last) and ending on and including the next subsequent Lease Period Date.

"Lease Period Date" means each of the Lease Period Dates listed on Schedule A to the Lease.

"Lease Supplement" means the Lease Supplement, substantially in the form of Exhibit A to the Lease, to be entered into between Lessor and Lessee on the Delivery Date for the purpose of leasing the Items of Equipment under and pursuant to the terms of the Lease, any amendment to the Lease Supplement and any subsequent Lease Supplement executed and delivered in connection with a Replacement Item of Equipment.

"Lender" means (a) The Sumitomo Bank, Limited, a banking institution organized under the laws of Japan, acting through its branch in New York, New York, as long as such institution is registered pursuant to Section 7.11 of the Loan Agreement, and (b) any other Lender which is registered pursuant to Section 7.11 of the Loan Agreement.

"Lessee" means Union Pacific Railroad Company, a Utah corporation, and its successors and permitted assigns.

"Lessee's Record of Ownership" means the Lessee's record of ownership required to be kept by the Lessee pursuant to Section 13(c) of the Lease.

"Lessor" means NBB Omaha Lease Co., Ltd., a corporation organized under the laws of Japan, and its successors and permitted assigns.

"Lessor Security Agreement" means the Lessor Security Agreement, dated as of September 21, 1990, between Lessor and Lessee, and all annexes,

supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Lessor's Cost" for each Item of Equipment means an amount equal to $1,547,885.

"Lessor's Event of Default" shall have the meaning set forth in Section 22(b) of the Lease Agreement.

"Lessor's Liens", with respect to any Operative Document except the Loan Agreement, the Mortgage and the Bank Security Agreement, means any Liens on or relating to or affecting any Item of Equipment or any Part arising as a result of (i) claims against or affecting Lessor or any Kumiai-in, other than claims arising (A) solely from Lessor's participation in the transactions contemplated by the Lease, the Participation Agreement or any other Operative Document or (B) in connection with the Refunding Mortgage; (ii) acts or omissions of Lessor or any Kumiai-in not expressly permitted under the terms of the Lease, the Participation Agreement or any other Operative Document; (iii) Taxes imposed against Lessor or any Kumiai-in which are not indemnified against by Lessee pursuant to the Participation Agreement; or (iv) claims against Lessor or any Kumiai-in arising out of the voluntary transfer (other than pursuant to Sections 9, 10, 15 or 19 of the Lease) by Lessor (without the consent of Lessee) of its interest in any Item of Equipment or the Lease or by such Kumiai-in of its interest in the Tokumei Kumiai Agreement to which it is a party or any right to receive payment thereunder or any interest in the business of the Tokumei Kumiai contemplated thereunder.

"Lessor's Liens", with respect to the Loan Agreement, the Mortgage and the Bank Security Agreement, means any Liens on or relating to or affecting the Collateral or the Mortgaged Property arising as a result of (i) claims against or affecting Lessor or any Kumiai-in, other than claims arising (A) solely from Lessor's participation in the transactions contemplated by the Lease, the Participation Agreement or any other Operative Document or (B) in connection with the Refunding Mortgage; (ii) acts or omissions of Lessor or any Kumiai-in not expressly permitted under the terms of the Lease, the Participation Agreement or any other Operative Document; (iii) Taxes imposed against Lessor or any Kumiai-in which are not indemnified against by Lessee pursuant to the Participation Agreement; or (iv) claims against Lessor or any Kumiai-in arising out of the voluntary transfer (other than pursuant to Sections 9, 10, 15 or 19 of the Lease) by Lessor (without the consent of Agent) of its interest in any Item of Equipment or the Lease or by such Kumiai-in of its interest in the Tokumei Kumiai Agreement to which it is a party or any right to receive payment thereunder or any interest in the business of the Tokumei Kumiai contemplated thereunder.

"Lessor's Record of Ownership" has the meaning set forth in Section 11(e)(v) of the Participation Agreement.

"LIBOR Break Funding Costs" means, as of any date, that amount reasonably determined by any Lender to be sufficient to compensate it for any loss, cost or expense attributable to any payment or prepayment of principal on the portion of the Loan then held by such Lender if such date is not an Interest Payment Date (or the Business Day next preceding the relevant Interest Payment Date if such Interest Payment Date is not a Business Day).

"Lien" means any mortgage, pledge, lien, charge, encumbrance, lease, assignment, exercise of rights, security interest or claim.

"Loan" means the loan made by The Sumitomo Bank, Limited, New York Branch, to Borrower pursuant to the Loan Agreement in an amount equal to U.S. $37,149,240, which sum is approximately 80% of the aggregate Lessor's Cost for all Items of Equipment, or the amount outstanding under the Loan Agreement at any time.

"Loan Agreement" means the Loan Agreement, dated as of September 21, 1990, between Borrower and The Sumitomo Bank, Limited, New York Branch, as Lender and as Agent, and all annexes, supplements and exhibits thereto, all as amended and supplemented from time to time pursuant to the Loan Agreement and Section 20 of the Participation Agreement.

"Loan Date" means the date upon which the Loan is made available to Borrower, which date shall be the Closing Date.

"Loan Guaranty" means the Loan Guaranty Agreement, dated as of September 21, 1990, between NBB and The Sumitomo Bank, Limited, New York Branch, as Agent, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Loan Payment Dates" means Lease Period Dates.

"Loan Payment Installment" means the amount of Dollars due and payable on the chronologically corresponding Loan Payment Date, as set forth on Schedule A to the Loan Agreement.

"LSA Collateral" has the meaning set forth in Section 2 of the Lessor Security Agreement.

"Manufacturer" means General Electric Company, a New York corporation, and its successors and assigns.

"Monthly Date", with respect to Schedules B and D to the Lease and Schedule B to the Loan Agreement, means each date set forth in any such Schedule.

"Mortgage" means the Mortgage, Assignment and Security Agreement, dated as of September 21, 1990, between Lessor and The Sumitomo Bank, Limited, New York Branch, as Agent, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Mortgaged Property" has the meaning set forth in Section 2 of the Mortgage.

"Mutually Acceptable Arrangement" has the meaning set forth in Section 3.9 of the Loan Agreement.

"National Tax Administration Agency" means the "National Tax Administration Agency" (Kokuzeicho) of Japan and includes any national tax administration regional bureau (Kokuzeikyoku) and national tax local office (Zeimusho) and any successor agencies.

"NBB" means Nomura Babcock & Brown Co., Ltd., a corporation organized under the laws of Japan, and its successors and permitted assigns.

"NBB Guaranty" means the Guaranty Agreement, dated as of September 21, 1990, between NBB and Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Obsolete Parts" has the meaning set forth in Section 8(b) of the Lease.

"Officer's Certificate" means, with respect to any entity, a certificate signed by any Person authorized by or pursuant to the organizational documents, by-laws or any board resolution (in the case of a corporation), partnership agreement (in the case of a partnership), or trust agreement (in the case of a trust) to execute, deliver and take all actions on behalf of such entity in respect of any of the Operative Documents.

"Operative Document" means each of the Participation Agreement, the Lease, each Lease Supplement, the Lessor Security Agreement, the NBB Guaranty, the Loan Agreement, the Loan Guaranty, the Mortgage, the Bank Security Agreement, the Assignment Agreement, the Custodian Agreement, and the Bill of Sale.

"Overdue Rate" means (i) with respect to payments required to be made in U.S. Dollars or, if no currency is specified with respect to a payment, payments in fact made in U.S. Dollars, 10.92% per annum, and (ii) with respect to payments required to be made in Yen or, if no currency is specified with respect to a payment, payments in fact made in Yen, 8.2% per annum.

"Participation Agreement" means the Participation Agreement, dated as of September 21, 1990, among Lessee, Lessor and The Sumitomo Bank, Limited, New York Branch, as Lender and as Agent, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature that at any time of determination are incorporated or installed in or attached to an Item of Equipment or the ownership of and title to which remains vested in Lessor in accordance with Section 8 of the Lease after removal therefrom.

"Payment Acknowledgment" shall have the meaning set forth in Section 9(e)(ii) of the Lease.

"Permitted Liens" means any Lien of the type described in clauses (a) through (i) of Section 6 of the Lease.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency, instrumentality or political subdivision thereof.

"Potential Event of Default" means any occurrence or event which, with the passage of time or the giving of notice or both, would become an Event of Default.

"Purchase Agreement" means the Union Pacific Railroad Multi-year Locomotive Proposal Dash 8-40C, dated July 8, 1988, as modified by the Purchase Agreement, dated December 29, 1989, between the Manufacturer and the Lessee to the extent applicable to the Items of Equipment, providing, among other things, for the manufacture and sale by the Manufacturer to the Lessee of the Items of Equipment, as such Purchase Agreement has been amended, modified or supplemented to the date hereof.

"Purchase Price" shall mean the amount set forth in Schedule E of the Lease.

"Refunding Mortgage" means the Refunding Mortgage, dated June 1, 1940, between the Lessee and Chase Manhattan Bank, N.A., as amended through the date hereof.

"Rent" means Basic Rent and Supplemental Rent.

"Replacement Item of Equipment" means a General Electric Dash 8-40C diesel electric locomotive or an improved model of the Manufacturer or an equivalent or better model of another manufacturer, which shall have been leased pursuant to clause (i) of Section 10(a) of the Lease, together with all Parts relating thereto.

"Required Lenders" means, at any time, Lenders to which at least 66 2/3% of the aggregate principal amount of the Loan is owed (excluding Lessor, Lessee and their respective Affiliates); provided, however, that "Required Lenders" shall mean all Lenders then participating in the Loan in the case of any amendment of or supplement to any of the Operative Documents or waiver or modification of the terms of, or consent under, any thereof, which shall (i) modify the definitions of an Event of Default or Bank Event of Default or the remedies available following the occurrence of any thereof, (ii) reduce the amount or change the time of payment of any of the principal of or interest due with respect to the Loan or alter or modify the provisions of the Loan Agreement with respect to distributions made by the Agent to each Lender, (iii) reduce, modify or amend any indemnities in favor of the Lenders, (iv) consent to any change in any Operative Document which would permit prepayment of the Loan earlier than permitted under the Loan Agreement as originally in effect, (v) except as contemplated by the Lease or any other Operative Document, reduce the amount or extend the time of payment of any amounts required to be paid in U.S. Dollars by Lessee under the Lease which are to be paid into the Dollar Account, or release the Lessee from its obligations in respect of such payments or alter the absolute or unconditional character of the obligations of the Lessee to make such payments as set forth in the Lease as originally in effect, or (vi) release any property included within the lien of the Mortgage or the Bank Security Agreement.

"Restated Loan Agreement" means the Restated Loan Agreement referred to in Section 19 of the Participation Agreement.

"Restated Mortgage" means the Restated Mortgage referred to in Section 19 of the Participation Agreement.

"Secured Obligations" means, collectively, the obligations from time to time of Borrower to Lender under and in respect of the principal of and interest on the Loan heretofore or hereafter made by it under the Loan Agreement and all

other amounts from time to time due and payable by Borrower under the Loan Agreement, the Mortgage or the Bank Security Agreement.

"Security Period" means the period commencing on the Delivery Date and terminating on the date on which all Secured Obligations have been paid in full or the Loan has been assumed by Lessee pursuant to Section 19 of the Participation Agreement and any Secured Obligations not so assumed have been paid in full.

"Selling Costs" means all reasonable costs and expenses incurred by Lessor in connection with a sale or attempted sale of the Items of Equipment, pursuant to Section 15 or 19 of the Lease, including the costs and expenses of any agent retained by Lessor in connection with such sale.

"Special Termination Payment" means, with respect to any termination of the Lease with respect to all of the Items of Equipment pursuant to Section 9 or 15 thereof or any termination of the Lease with respect to one or more Items of Equipment pursuant to Section 10 thereof, the amount computed and payable as provided in Schedule D to the Lease.

"Specified Event" means each of the following events:

(a) a Lessor Event of Default; and

(b) Lessor shall fail to comply with any of its obligations under Section 4(b) of the Lease and such failure shall continue unremedied for a period of 30 days after the receipt by Lessor of written notice of such failure given by Lessee.

"Specified Exchange Rate" means the exchange rate of U.S. $1.00 equals 138.65 (Yen).

"Statement" means a Statement in the form of Exhibit E to the Participation Agreement.

"Sumitomo" means The Sumitomo Bank, Limited, New York Branch.

"Supplemental Rent" means all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes or agrees to pay under the Lease, the Payment Acknowledgment or the Participation Agreement to Lessor or others, including, without limitation, Casualty Value Termination Payments, Basic Termination Payments, Special Termination Payments, Purchase Price or Deficiency Payment, as the case may be, and payment of indemnities (including, without limitation, under Section 11 of the Participation Agreement).

"Swap Break Amount" means, as of any Swap Termination Date, the amount that would be required to be paid by Sumitomo to the Swap Counterparty (a positive Swap Break Amount) or by the Swap Counterparty to Sumitomo (a negative Swap Break Amount) pursuant to Section 6(d) of the Swap Form, as calculated pursuant to Section 6(e) thereof assuming a Termination Event (as defined in the Swap Form) had occurred for the portion of the principal amount of the Loan being prepaid. Solely for the purposes of determining the application of proceeds pursuant to Clause "Fifth" of Section 5.2 of the Bank Security Agreement and Clause "Fifth" of Section 5 of the Mortgage, if the Lien of the Mortgage or the Bank Security Agreement is foreclosed as a result of an Event of Default under the Lease, the total amount of Swap Break Loss to be paid, or Swap Break Gain to be applied, under the Mortgage and the Bank Security Agreement shall not exceed four percent of the aggregate of Lessor's Cost of the Items of Equipment.

"Swap Break Gain" for the principal amount of the Loan being prepaid means the absolute value of the Swap Break Amount for such principal amount when such Swap Break Amount is a negative number.

"Swap Break Loss" for the principal amount of the Loan being prepaid means the absolute value of the Swap Break Amount for such principal amount when such Swap Break Amount is a positive number.

"Swap Counterparty" means Sumitomo Bank Capital Markets, Inc.

"Swap Form" means the standard form of Interest Rate and Currency Exchange Agreement published in 1987 by, and incorporating by reference therein the definitions and provisions contained in, the 1987 Interest Rate and Currency Exchange Definitions of the International Swap Dealers Association, Inc.

"Swap Termination Date" means any date on which a Swap Breakage Gain or a Swap Breakage Loss may be payable under the Operative Documents.

"Swap Transaction" means the interest rate swap transaction between Sumitomo and the Swap Counterparty governed by the Swap Form. The economic terms of the Swap Transaction are set forth in the Fixed Rate Loan Rate Confirmation, dated September 18, 1990 between Sumitomo and the Lessee.

"Tax Act" means the Corporation Tax Law of Japan (Law No. 34 of 1965, as amended) and the regulations implemented thereunder, the provisions of the Income Tax Law of Japan (Law No. 33 of 1965, as amended) concerning withholding tax and the regulations implemented thereunder, the Consumption Tax Act of Japan (Law No. 108 of 1988) and the regulations implemented thereunder, the provisions of the Local Tax Law of Japan (Law No. 276 of 1950, as amended) concerning corporate enterprise tax and inhabitants tax and the regulations

implemented thereunder, the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended), and treaties, laws and regulations which affect the application and interpretation of, or amend, supplement, or replace, any provision of the Corporation Tax Law of Japan, the Consumption Tax Law of Japan, the Income Tax Law of Japan, the Local Tax Law of Japan, or the Special Taxation Measures Law or any regulation implemented thereunder.

"Tax Assumption" means any of the following assumptions regarding the treatment of the transactions contemplated by the Operative Documents for purposes of Japanese Tax Law:

(i) the Lessor will be allowed deductions for:

(x) all interest payable by the Lessor under the Loan Agreement, which shall be treated as being deductible on an accrual basis in the tax period of the Lessor in which the same is payable under the Loan Agreement;

(y) all other costs, fees and expenses incurred by the Lessor in connection with entering into the Operative Documents (other than a reserve for future costs and expenses related to the maintenance of the Tokumei Kumiai in the amount of $50,000, which shall be amortized over the term of the Lease on a straight line basis), which shall be treated as deductible on an accrual basis in the tax period of the Lessor in which the same are incurred; and

(z) depreciation on each Item of Equipment calculated on a monthly basis at the rate of 9.9% per semi-annual period on the undepreciated portion of the Lessor's Cost (using the declining balance method of depreciation), and commencing as from the tax period of the Lessor in which the Delivery Date occurs and so that in respect of such tax period depreciation of 6.6% will be allowed, until the undepreciated portion of Lessor's Cost is equal to 5.0% thereof and any remaining balance will be allowed as a deduction upon sale or other final disposition of such Item of Equipment;

(ii) the deductions referred to in subparagraph (i) above will not subsequently be disallowed; and

(iii) the net income or the net loss of the Lessor with respect to the transactions contemplated by the Operative Documents shall, for purposes of Japanese Tax Law, be passed through without withholding or deduction to each Kumiai-in in proportion to such Kumiai-in's interest in the business of the Tokumei Kumiai.

"Tax Indemnitee" means Lessor and each Kumiai-in and each of their respective Affiliates, directors, officers, employees, servants, agents, successors and

permitted assigns, and, solely for the purposes of Section 11(a) of the Participation Agreement and so much of Section 11(c) of the Participation Agreement as relates to Section 11(a) of the Participation Agreement, the term "Tax Indemnitee" also includes any Lender.

"Tax Loss" means the occurrence of any of the following events as evidenced by an opinion of nationally recognized tax counsel or independent tax advisor to the Lessor, a copy of which shall be provided to the Lessee:

(i) as a result of a Change in Law or Tax Ruling, any assumption referred to in paragraph (i) or (ii) of the definition of Tax Assumption proves to be or becomes incorrect or inapplicable, or

(ii) as a result of a Change in Law or a change after the Delivery Date in the Japanese Commercial Code any assumption referred to in paragraph (iii) of the definition of Tax Assumption proves to be or becomes incorrect or inapplicable.

"Tax Ruling" means any tax ruling, tax assessment, notice, instruction, explanation or any other determination by the Japanese tax authorities given to Lessor or any Kumiai-in in writing which tax ruling, tax assessment, notice, instruction, explanation or other determination is inconsistent with the prevailing interpretations or practices of the Japanese leasing industry as of the Delivery Date.

"Taxes" means all license, registration and filing fees and all taxes, withholdings, assessments, levies, imposts, duties or charges of any nature whatsoever, together with any penalties, fines or interest thereon or other additions thereto imposed, withheld, levied or assessed by any country or any taxing authority or governmental subdivision thereof or therein or by any international authority.

"Term" means the term for which the Items of Equipment are leased as provided in Section 3(a) of the Lease and Section 4 of the initial Lease Supplement relating to the Items of Equipment.

"Termination Date" means the date specified as such in Section 9 or 15 of the Lease with respect to all of the Items of Equipment, or the date specified as such in Section 10 of the Lease with respect to one or more Items of Equipment, each of which dates shall be a Business Day; provided, that only for purposes of determining the date on which the Basic Termination Payment is payable pursuant to Section 15(d) of the Lease, the Termination Date shall be the 10th day after the declaration referred in such Section 15(d).

"Tokumei Kumiai" means the tokumei kumiai, as such term is described in the Japanese Commercial Code (including, without limitation, Articles 535 through 542 thereof), created pursuant to the Tokumei Kumiai Agreements.

"Tokumei Kumiai Agreement" means each of the separate agreements entered into or to be entered into by Lessor, in its capacity as proprietor and manager of the investment made by its investors (or Kumiai-in) substantially the same, in form and substance, as the form of the Tokumei Kumiai Agreement attached as Exhibit F to the Participation Agreement and containing the covenants described in Section 8 of the Participation Agreement.

"Treaty" means the Convention between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, which came in force on July 9, 1972, as in effect on the Delivery Date.

"U.S. Dollars" or "U.S. $" means lawful money of the United States of America.

"U.S. Withholding Taxes" has the meaning ascribed thereto in Section 3.8 of the Loan Agreement.

"United States Taxes" means any Taxes imposed, withheld, levied or assessed by any federal, state or local government or taxing authority of or in the United States of America.

"Unwind Events" has the meaning ascribed thereto in Section 9(e)(ii) of the Lease.

"Yen" (¥) means lawful money of Japan.

"Yen Account" means the account of Lessor with The Daiwa Bank, Limited, Nihonbashi Branch, Ordinary Account, account no. 7261609.

Exhibit A
to
Bank Security Agreement

FORM OF ACKNOWLEDGMENT

Union Pacific Railroad Company
Martin Tower
Eighth & Eaton Avenues
Bethlehem, PA 18018

Date: September 21, 1990

To Those Concerned:

We hereby inform you by this letter that, pursuant to the terms of the Bank Security Agreement, dated as of September 21, 1990 (the "Agreement"), between The Sumitomo Bank, Limited, New York Branch, as Agent ("Agent"), and NBB Omaha Lease Co., Ltd. ("Borrower"), which Agreement is governed by the laws of Japan, Borrower, among other things, has created and granted in favor of the Agent for the ratable benefit of the Lenders a pledge on all right, title and interest of Borrower in and to:

(i) all payments required to be made in U.S. Dollars due by Lessee under the Lease Agreement, dated as of September 21, 1990 (the "Lease"), between Borrower, as Lessor, and Union Pacific Railroad Company, as Lessee, in respect of Basic Rent, Basic Termination Payment, Casualty Value Termination Payment and Purchase Price or Deficiency Payment;

(ii) all amounts required to be paid to the Lessor pursuant to Section 20(c)(iv) and (v) of the Lease; and

(iii) all amounts (other than amounts payable in Yen) required by the terms of the Lease to be paid to Lessor to be held as security for the obligations of the Lessee under the Lease, including, without limitation, pursuant to Sections 10, 11 and 15 of the Lease.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in Appendix X to the Agreement.

Please acknowledge receipt of this notification by signing the enclosed copy of this letter. This acknowledgment evidences your unconditional consent to the foregoing creation of the pledge and irrevocable agreement with the Agent upon the written or telexed, telecopied, telefaxed, telegrammed or cabled request of the Agent to make all payments otherwise due in U.S. Dollars to the "Lessor" under the Lease as described in clauses (i), (ii) and (iii) above to the Agent as though the Agent were named as the "Lessor" under the Lease, to such account as the Agent shall so direct.

Yours faithfully,

NBB OMAHA LEASE CO., LTD.

By _____
Name: John Fahy
Title: Attorney-in-fact

We hereby acknowledge receipt of the foregoing notification and unconditionally consent to the foregoing creation of the pledge.

UNION PACIFIC RAILROAD COMPANY

By _____
Name: John B. Larsen
Title: Assistant Treasurer