RECORDATION NO. 18765-D FILED

JAN 06 '05 2-04 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

January 6, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Lease Termination, Release of Lien and Bill of Sale, dated as of January 3, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a partial release and relates to the Indenture and Security Agreement previously filed with the Commission under Recordation Number 18765.

The names and addresses of the parties to the enclosed document are:

Indenture Trustee:	BNY Midwest Trust Company (successor to Harris Trust and Savings Bank) 2 North LaSalle Street, Suite 1020 Chicago, Illinois 60602
Owner Trustee:	The Bank of New York (successor to NationsBank of South Carolina, National Association) 48 Wall Street New York, New York 10005
Lessee:	Union Pacific Railroad Company 1416 Dodge Street Omaha Nebraska 68179-0001

A description of the railroad equipment covered by the enclosed document is:

80 locomotives within the series UP 1335 - UP 2344 as more particularly set forth in the equipment schedule attached to the document.

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

Lease Termination, Release of Lien and Bill of Sale.

Also enclosed is a check in the amount of $32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 18765-D FILED

JAN 06 '05 2-04 PM

SURFACE TRANSPORTATION BOARD

LEASE TERMINATION,
RELEASE OF LIEN
AND
BILL OF SALE

Dated as of January 3, 2005

Among

UNION PACIFIC RAILROAD COMPANY,

as Lessee

THE BANK OF NEW YORK,

not in its individual capacity except as otherwise expressly provided,
but solely as Owner Trustee/Lessor

and

BNY MIDWEST TRUST COMPANY,

as Indenture Trustee

THIS AGREEMENT SHALL BE FILED WITH THE SURFACE TRANSPORTATION BOARD AND DEPOSITED IN THE OFFICE OF THE REGISTRAR GENERAL OF CANADA AND, UPON SUCH FILING OR DEPOSIT, EACH OF THE DOCUMENTS DESCRIBED ON EXHIBIT B ATTACHED HERETO, AND THE INTERESTS OF THE PARTIES EVIDENCED THEREBY, SHALL BE TERMINATED OR RELEASED, AS THE CASE MAY BE, WITH RESPECT TO THE TERMINATED EQUIPMENT DESCRIBED ON EXHIBIT A ATTACHED HERETO.

THIS LEASE TERMINATION, RELEASE OF LIEN AND BILL OF SALE (this "Agreement"), dated as of January 3, 2005, among UNION PACIFIC RAILROAD COMPANY, a Delaware corporation (the "Lessee"), THE BANK OF NEW YORK (successor to NationsBank of South Carolina, National Association), not in its individual capacity but solely as the Owner Trustee (the "Owner Trustee" or "Lessor") and BNY MIDWEST TRUST COMPANY (successor to Harris Trust and Savings Bank), as Indenture Trustee (the "Indenture Trustee").

WITNESSETH

WHEREAS, the Lessee, the Lessor, and Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement, the Lessor and the Lessee have heretofore entered into a Lease Agreement and the Indenture Trustee and the Owner Trustee have heretofore entered into an Indenture and Security Agreement, each dated as of March 31, 1994 (such documents referred to herein as the "Participation Agreement," the "Lease," and the "Indenture," respectively). (Capitalized terms used herein without definition shall have the respective meanings set forth in the Participation Agreement);

WHEREAS, the Lease provides for the transfer of all the Lessor's right, title and interest in and to the Locomotives listed on Exhibit A attached hereto and incorporated herein by reference (the "Terminated Equipment") and for the termination of the Lease with respect to the Terminated Equipment should Lessee exercise its purchase option in accordance with Section 4(c) of the Lease;

WHEREAS, the Lessee provided an irrevocable notice to Lessor and Indenture Trustee dated September 30, 2004 of its election to purchase the Terminated Equipment in accordance with Section 4(c)(iii) of the Lease and has paid the purchase price for the Terminated Equipment in full; and

WHEREAS, the Indenture provides for the transfer of all of the Indenture Trustee's right, title and interest in and to the Terminated Equipment to the Owner Trustee and the release of such Terminated Equipment from the Lien of the Indenture, and the Lease provides for the termination of the Lease with respect to such Terminated Equipment and the transfer of the Lessor's right, title and interest in and to such Terminated Equipment to the Lessee, in each case if the Lessee has paid the purchase price for the Terminated Equipment and all other amounts payable applicable to such Terminated Equipment and needed to effect the redemption of the Equipment Notes related thereto.

NOW THEREFORE, in consideration of the premises and for good and sufficient consideration, the parties hereto hereby agree as follows:

1. The Lien of the Indenture with respect to the Terminated Equipment is hereby released and canceled, and the Indenture Trustee does hereby grant, bargain, sell, transfer and convey unto the Owner Trustee all of its right, title and interest in and to the Terminated Equipment, free and clear of all liens, security interests and other encumbrances created in or retained by it under the Indenture, to have and to hold all and singular the Terminated Equipment unto the Owner Trustee, its successors and assigns forever.

2. The Lease is hereby terminated and canceled with respect to the Terminated Equipment, and the Lessor does hereby grant, bargain, sell, transfer and convey unto the Lessee, all of its right, title and interest in and to the Terminated Equipment, "as is, where is," free and clear of all right, title and interest of Lessor and Owner Encumbrances, but without any representation, recourse or warranty on the part of Lessor, to have and to hold all and singular the Terminated Equipment unto the Lessee, its successors and assigns forever.

3. Except as amended hereby, the Lease and the Indenture are hereby confirmed and ratified and shall continue in full force and effect.

4. This document may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

5. This Agreement shall be filed with the Surface Transportation Board and deposited in the Office of the Registrar General of Canada and, upon such filing or deposit, each of the documents described on Exhibit B attached hereto, and the interests of the parties evidenced thereby, shall be terminated or released, as the case may be, with respect to the Terminated Equipment.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

UNION PACIFIC RAILROAD COMPANY,
as Lessee

By: _____
Name: Gary W. Grosz
Title: Assistant Treasurer

THE BANK OF NEW YORK,
not in its individual capacity but solely as Owner Trustee,
as the Owner Trustee and the Lessor

By: _____
Name: _____
Title: _____

BNY MIDWEST TRUST COMPANY,
as Indenture Trustee

By: _____
Name: D. G. DONOVAN
Title: VICE PRESIDENT

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

UNION PACIFIC RAILROAD COMPANY,
as Lessee

By: _____
Name: _____
Title: _____

THE BANK OF NEW YORK,
not in its individual capacity but solely as Owner Trustee,
as the Owner Trustee and the Lessor

By: _____
Name: BEATA HRYNIEWICZ
Title: ASSISTANT TREASURER

BNY MIDWEST TRUST COMPANY,
as Indenture Trustee

By: _____
Name: _____
Title: _____

State of Nebraska)
) ss
County of Douglas)

On this 3rd day of January, 2005, before me, a notary public, personally appeared Mary W. Brown, to me personally known, who being by me duly sworn says that he is the Assistant Treasurer of UNION PACIFIC RAILROAD COMPANY and that said instrument was executed 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.

(Notarial Seal)

GENERAL NOTARY - State of Nebraska
MARY R. HOLEWINSKI
My Comm. Exp. Oct. 15, 2008

Mary R. Holewinski
Notary Public

My Commission Expires: October 15, 2008

State of)
) ss
County of)

On this _____ day of _____, 2005, before me, a notary public, personally appeared _____, to me personally known, who being by me duly sworn says that he or she is the _____ of THE BANK OF NEW YORK and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

_____
Notary Public

My Commission Expires

State of Illinois)
) ss
County of Cook)

On this 3rd day of January, 2005, before me, a notary public, personally appeared D. G. Donovan, to me personally known, who being by me duly sworn says that he or she is the Vice President of BNY MIDWEST TRUST COMPANY and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

K. Gibson
Notary Public

My Commission Expires 7/8/06

"OFFICIAL SEAL"
K. Gibson
Notary Public, State of Illinois
My Commission Expires 7/8/06

State of Nebraska)
) ss
County of Douglas)

On this _____ day of _____, 2005, before me, a notary public, personally appeared _____, to me personally known, who being by me duly sworn says that he is the _____ of UNION PACIFIC RAILROAD COMPANY and that said instrument was executed 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.

(Notarial Seal)

_____
Notary Public

My Commission Expires:

State of)
) ss
County of)

On this 3RD day of January, 2005, before me, a notary public, personally appeared BEATA HRYNIEWICKA, to me personally known, who being by me duly sworn says that he or she is the ASSISTANT TREASURER of THE BANK OF NEW YORK and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

_____
Notary Public

My Commission Expires

State of)
) ss
County of)

ROBERT HIRSCH
Notary Public, State of New York
No. 01HI6076679
Qualified In Rockland County
Commission Expires July 1, 2006

On this _____ day of _____, 2005, before me, a notary public, personally appeared _____, to me personally known, who being by me duly sworn says that he or she is the _____ of BNY MIDWEST TRUST COMPANY and that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

_____
Notary Public

My Commission Expires

Exhibit A

SCHEDULE OF TERMINATED EQUIPMENT

Description	Quantity	Road Number
EMD/MP15 Locomotives	10	UP1335-UP1344, both inclusive
EMD/GP15 Locomotives	15	UP1555-UP1569, both inclusive
EMD/GP38-2 Locomotives	55	UP1800-UP1828, both inclusive, UP2076, UP2078, UP2084, UP2087-UP2090, both inclusive, UP2092, UP2094, UP2096, UP2097, UP2099, UP2101, UP2103, UP2108, UP 2111-UP2120, both inclusive, UP2344

Exhibit B

ORIGINAL SURFACE TRANSPORTATION BOARD FILINGS

Description	Date Filed	Recordation Number
(1) Indenture and Security Agreement dated as of March 31, 1994	April 8, 1994	18765
(2) Lease Agreement dated as of March 31, 1994	April 8, 1994	18764
(3) Lease and Indenture Supplement No. 1, dated as of April 8, 1994	April 8, 1994	18765-A
(4) Lease and Indenture Supplement No. 1, dated as of April 8, 1994	April 8, 1994	18764-A
(5) Amendment No. 1 to Lease Agreement dated as of June 1, 1994	July 6, 1994	18764-B
(6) Lease and Indenture Supplement No. 3, dated as of December 21, 1994	December 1, 1995	18764-C 18765-B
(7) Memorandum of Successor Owner Trustee (The Bank of New York)	December 29, 1997	18764-D 18765-C

ORIGINAL REGISTRAR GENERAL OF CANADA FILINGS

Description	Date Filed	Canadian Document Key
(1) Indenture and Security Agreement dated as of March 31, 1994	April 8, 1994	9768
(2) Lease Agreement dated as of March 31, 1994	April 8, 1994	9767
(3) Lease and Indenture Supplement No. 1, dated as of April 8, 1994	April 8, 1994	9766
(4) Amendment No. 1 to Lease Agreement dated as of June 1, 1994	Not deposited with Registrar General of Canada	
(5) Lease and Indenture Supplement No. 3, dated as of December 21, 1994	Not deposited with Registrar General of Canada	