

RECORDATION NO. 20394-A FILED

DEC 28 '06 -3 0 8 PM

ALVORD AND ALVORD
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SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
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December 28, 2006

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 Memorandum of Lease Termination No. 1, dated as of December 11, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease previously filed with the Board under Recordation Number 20394.

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

Lessor: PNC Leasing Corp.
Two PNC Plaza,
620 Liberty Square Avenue
Pittsburgh, PA 15265

Lessee: Duluth, Missabe and Iron Range Railway Company
135 Jamison Lane
Monroeville, PA 15146

Mr. Vernon A. Williams
December 28, 2006
Page 2

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

3 locomotives: DMIR 410, DMIR 413 and DMIR 414.

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

Memorandum of Lease Termination No. 1.

Also enclosed is a check in the amount of \$34.00 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/sem
Enclosures

(Schedule of Leased Equipment (OBSL) No. 00966-001)

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE TERMINATION NO. 1
 dated as of December 11, 2006 between **PNC Equipment Finance, LLC** ("PNC") and **Duluth, Missabe and Iron Range Railway Company** ("DMIR").

WHEREAS, **PNC Leasing Corp** (predecessor-in-interest to PNC) as lessor and DMIR as lessee entered into: (i) a Master Lease Agreement dated December 10, 1996 (the "Master Lease"), (ii) a Schedule of Leased Equipment (OBSL) No. 00966-001 dated December 10, 1996 (the "Schedule No. 1") to the Master Lease and (iii) a Supplement to Schedule of Leased Equipment (OBSL) No. 00966-001 dated December 10, 1996 (the "Supplement No. 1") to Schedule No. 1 (the Master Lease (to the extent it pertains to Schedule No. 1 only), Schedule No. 1 and Supplement No. 1 being collectively, the "Lease No. 1") covering three (3) EMD model SD40-3 six-axle 3,000 horse-power diesel-electric locomotives marked **DMIR 410, DMIR413 and DMIR 414** (the "Equipment No. 1"); and

WHEREAS, to evidence Lease No. 1, on December 10, 1996 at 3:35 P.M. a Memorandum of Lease dated December 10, 1996 was filed with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the *United States Code* and assigned primary recordation number 20394.

IN WITNESS WHEREOF, PNC and DMIR wish to show for the public record that as of the date first above written:

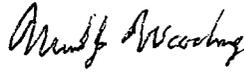
- 1) The Lease No. 1 was terminated;
- 2) PNC sold the Equipment No. 1 to DMIR;

and accordingly, have caused this Memorandum to be executed by their officers thereunto duly authorized.

PNC EQUIPMENT FINANCE, LLC,

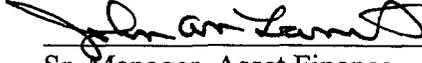
**DULUTH, MISSABE AND IRON
RANGE RAILWAY COMPANY,**

By:
Its:



Sr. Vice President

By:
Its:

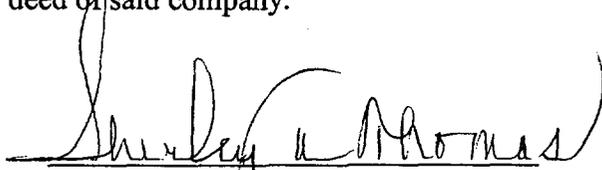


Sr. Manager, Asset Finance

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF ALLEGHENY)

*In the matter of a Memorandum
dated as of December 11, 2006.*

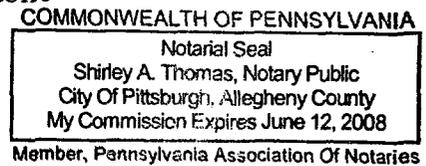
On this 12TH day of December, 2006, before me personally appeared MICHAEL J. WOODRING, to me personally known, who, being by me duly sworn, says that (he) she is SENIOR VICE PRESIDENT of PNC Equipment Finance, LLC that the foregoing instrument was signed on behalf of said company by authority of its Board of Directors, and (he) she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



Notary Public

My commission expires: JUNE 12, 2008

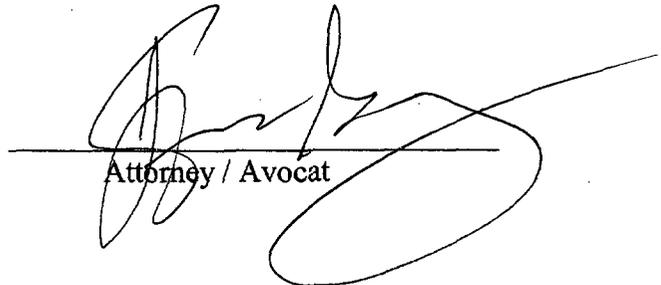
[Notarial Seal]



PROVINCE OF QUEBEC)
DISTRICT OF MONTREAL)

*In the matter of a Memorandum
dated as of December 11, 2006.*

On this 19th day of December, 2006, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is duly authorized to state that the foregoing instrument was signed on behalf of Duluth, Missabe and Iron Range Railway Company 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.



Attorney / Avocat

Bar #: 188726-2

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated:

12/28/06



Robert W. Alvord