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ELIAS C ALVORD (1942)
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OF COUNSEL
URBAN A LESTER

Kim Bartman

November 1, 1999

RECORDATION NO 20394-B FILED
NOV 1 '99 2-15 PM

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 an Assignment and Assumption Agreement, dated as of September 30, 1999, 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

Assignor PNC Vehicle Leasing, LLC
(successor to PNC Leasing Corp)
Two PNC Plaza
620 Liberty Avenue
Pittsburgh, PA 15265

Assignee PNC Bank
PNC Leasing, LLC
Two PNC Plaza
620 Liberty Avenue
Pittsburgh, PA 15265

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

set forth in the document previously filed therein

Also enclosed is a check in the amount of $26 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,

Kim L. Bartman
for Robert W Alvord

RWA/kb
Enclosures

RECORDATION NO 20394-B FILED
NOV 1 '99 2-15PM

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is dated as of 11:59 p.m., on September 30, 1999, among PNC VEHICLE LEASING, LLC, a Delaware limited liability company and successor by merger to PNC LEASING CORP, a Pennsylvania Corporation ("Assignor"), PNC BANK, National Association, a national banking association ("Bank") and PNC LEASING, LLC, a Delaware limited liability company ("Assignee").

W I T N E S S E T H:

WHEREAS, by Agreement and Plan of Merger dated September 27, 1999, PNC LEASING CORP. ("Corp") merged with and into Assignor and succeeded to all right, title, and interest of Corp in and to the Master Lease Agreement as hereinafter defined or referenced; and

WHEREAS, Corp (prior to its merger into Assignor), Assignor and Assignee were and are wholly-owned subsidiaries of Bank and part of a single consolidated group for federal income tax purposes, and

WHEREAS, the parties hereto desire to effect (a) the transfer by Assignor to Bank and from Bank to Assignee of all the right, title, and interest of Assignor (except as reserved below) in, under, and with respect to, among other things, (i) the Master Lease Agreement dated as of December 10, 1996, among Assignor and DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY as Lessee, relating to equipment described in Schedules attached thereto (the "Lease Agreement") (including without limitation any indemnity payments payable to Assignee directly or indirectly thereunder), and (b) the assumption by Assignee of the obligations of Assignor accruing thereunder; and

WHEREAS, such documents permit such transfer upon satisfaction of certain conditions heretofore or concurrently herewith being complied with;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto do hereby agree as follows:

1. Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Lease Agreement for all purposes.

2. (a) Assignor has sold, assigned, conveyed, transferred and set over, and does hereby sell, assign, convey, transfer and set over, unto Bank as of the date hereof all of Assignor's present and future right, title, and interest in, under and with respect to the Lease Agreement, together with all other documents and instruments evidencing any of such right, title and interest, except such rights of Assignor as have accrued to Assignor prior to the date hereof (including specifically, but without limitation, the right to receive any amounts due or accrued to Assignor

under the Lease Agreement with respect to expenses incurred or events occurring prior to such date).

(b) Bank has sold, assigned, conveyed, transferred and set over, and does hereby sell, assign, convey transfer and set over, unto Assignee as of the date hereof all of Bank's present and future right, title, and interest in, under and with respect to the Lease Agreement, together with all other documents and instruments evidencing any of such right, title and interest, except such rights of Bank as have accrued to Bank prior to the date hereof (including specifically, but without limitation, the right to receive any amounts due or accrued to Bank under the Lease Agreement with respect to expenses incurred or events occurring prior to such date).

3. Assignee hereby assumes all of the duties and obligations of Assignor, whenever accrued (other than duties and obligations of Assignor required to be performed by it as of the date hereof under the Lease Agreement, or any other contract, agreement or other instrument relating to the Lease Agreement) pursuant to each document or instrument hereby assigned, and hereby confirms, for the express benefit of Assignor, Bank and the Lessee, that it shall be deemed a party to such document or instrument and bound by all the terms thereof (including the representations, warranties, agreements, and obligations of Assignor set forth therein) as if therein named the Lessor.

4. In furtherance of the within Assignment, Assignor and Bank hereby constitute and appoint Assignee, its successor and assigns, the true and lawful attorney of Assignor and Bank, with full power of substitution, in the name of Assignee or in the name of Assignor but on behalf of and for the benefit of and at the expense of Assignee, to collect for the account of Assignee all items sold, transferred or assigned to Assignee pursuant hereto; to institute and prosecutes in the name of Assignor or otherwise, but at the expense of Assignee, all proceedings which Assignee may deem proper in order to collect, assert, or enforce any claim, right, or title of any kind in or to the items sold, transferred or assigned; to defend and compromise at the expense of Assignee any and all actions, suites, or proceedings as to title to or interest in any of the property acquired by Assignee; and to do all such acts and things in relation thereto at the expense of Assignee as assignee shall reasonably deem advisable. Assignor hereby acknowledges that this appointment in coupled with an interest and is irrevocable by Assignor in any manner or for any reason or by virtue of any dissolution of Assignor.

5. Assignor hereby covenants and agrees to pay over to Assignee, if and when received following the date hereof, any amounts (including any sums payable as interest in respect thereof) paid to or for the benefit of Assignor that, under Section 2 hereof, belong to Assignee, and Assignee hereby covenants and agrees to pay over to Assignor, if and when received following the date hereof, any amounts (including any sums payable as interest in respect thereof) paid to or for the benefit of Assignee that, under Section 2 hereof, belong to Assignor.

6. Assignor and Bank shall, at any time and from time to time, upon the request of Assignee, promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Assignee may reasonably request to obtain the full benefits of this Assignment and of the right and powers herein granted.

7. (a) Assignee further represents and warrants, for the Lessee that:

(i) Organization; Authority; Legal and Binding Obligations. Assignee is a limited liability company duly organized, validly existing and in good standing under the law of Delaware and has the power and authority to execute, deliver, and perform this Agreement and to perform each of the Operative Documents to which it hereby becomes a party, that this Agreement has been duly authorized by all necessary action by it, does not require any member approval, or approval or consent of, or notice to, any trustee or holders of indebtedness or obligations of Assignee (except such as has already been obtained), that this Agreement has been duly executed and delivered by it and, assuming due authorization, execution, and delivery by each other party thereto, this Agreement and the Operative Documents to which it hereby becomes a party constitute its legal, valid, and binding obligations, enforceable against it in accordance with their respective terms and that the execution, delivery, and performance by Assignee of this Agreement and the performance by Assignee of each of the Operative Documents to which Assignee hereby becomes a party do not violate its articles or certificate of organization or its operating agreement or any indenture, mortgage, contract, or other agreement to which it or its assets or properties are bound.

(ii) Securities Representation. Assignee is acquiring its interest in the Equipment for investment and not with a view to any resale or distribution thereof, but subject, nevertheless, to any requirement of law that the disposition of its property remain within its control at all times, and that neither it nor anyone authorized by it to act on its behalf has directly or indirectly offered any interest in the Equipment or any similar security for sale to, or solicited any offer to acquire any of the same from anyone.

(iii) Liens. Upon the assumption hereunder by Assignee of Assignor's right, title, and interest, there will be no Lessor's Liens attributable to Assignee on the Equipment or any interest therein.

(iv) Governmental Consents. Neither the execution nor delivery of this Agreement or performance under this Agreement or any of the Operative Documents nor the consummation of or performance under any of the transactions contemplated thereby, by Assignee, requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of, any Federal, state, or foreign governmental authority or agency, including any judicial body, or the taking of any other action under any Applicable Law, except such as have been obtained.

(v) No Violation. The transfer to Assignee of all of Assignor's right, title, and interest as Lessor and the making of Assignee's investment in the Equipment will not violate any provision of any Applicable Law (including the Employee Retirement Income Security Act of 1974, as amended), and will not create a relationship which would be in violation thereof.

(b) Bank further represents and warrants, for the express benefit of Lessee that:

(i) Organization; Authority; Legal and Binding Obligations. Bank is a national banking association duly organized, validly existing and in good standing under the law of the United States and has the power and authority to execute, deliver, and perform this Agreement and to perform each of the Operative Documents to which it hereby becomes a party, that this Agreement has been duly authorized by all necessary action by it, does not require any shareholder approval, or approval or consent of, or notice to, any trustee or holders of indebtedness or obligations of Bank except such as has already been obtained), that this Agreement has been duly executed and delivered by it and, assuming due authorization, execution, and delivery by each other party thereto, this Agreement and the Operative Documents to which it hereby becomes a party constitute its legal, valid, and binding obligations, enforceable against it in accordance with their respective terms and that the execution, delivery, and performance by Bank of this Agreement and the performance by Bank of each of the Operative Documents to which Bank hereby becomes a party do not violate its articles or certificate of association or its by-laws or any indenture, mortgage, contract, or other agreement to which it or its assets or properties are bound.

(ii) Liens. Upon the assumption hereunder by Bank of Assignor's right, title, and interest, there will be no Lessor's Liens attributable to Bank on the Equipment or any interest therein.

(iii) Governmental Consents. Neither the execution nor delivery of this Agreement or performance under this Agreement or any of the Operative Documents nor the consummation of or performance under any of the transactions contemplated thereby, by Bank, requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of, any Federal, state, or foreign governmental authority or agency, including any judicial body, or the taking of any other action under any Applicable Law, except such as have been obtained.

(iv) No Violation. The transfer to Bank of all of Assignor's right, title, and interest as Lessor and the making of Bank's investment in the Equipment will not violate any provision of any Applicable Law (including the Employee Retirement Income Security Act of 1974, as amended), and will not create a relationship which would be in violation thereof.

8. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart by signed by both parties so long as each party shall sign at least one counterpart.

10. The parties agree that agreements, representations, and warranties contained in Sections 3 and 7 hereof are for the express benefit of the Lessee, and that the Lessee may enforce the obligations of the assignee hereunder as if the Lessee were a party hereto.

IN WITNESS WHEREOF, the parties hereto, through their respective officers thereunto duly authorized, have duly executed this Assignment as of the day and year first above written.

PNC VEHICLE LEASING, LLC

By _____
RICHARD L. TINGLE, JR., Vice President

PNC BANK, NATIONAL ASSOCIATION

By _____
MICHAEL J. WOODRING, Vice President

ATTEST:

By _____
Name: JOHN M. HOLOWCHAK
Title: ASST. VICE PRESIDENT

PNC LEASING, LLC

By _____
Name: MICHAEL J. WOODRING
Title: VICE PRESIDENT

COMMONWEALTH OF PENNSYLVANIA)
)ss.:
COUNTY OF ALLEGHENY)

On this 28th day of September, 1999, before me personally appeared RICHARD L. TINGLE, JR., to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC VEHICLE LEASING, LLC, a Delaware limited liability company, and that said instrument was signed on behalf of said company by authority of its Board of Managers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Notary Public

[Notarial Seal]

My Commission Expires

Notarial Seal
Notary Public
Allegheny County
Jan 1, 2000

COMMONWEALTH OF PENNSYLVANIA)
)ss.:
COUNTY OF ALLEGHENY)

On this 28th day of September, 1999, before me personally appeared MICHAEL J WOODRING, to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC BANK, NATIONAL ASSOCIATION a national banking association, and that the instrument was signed on behalf of said association 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 association.

Notary Public

[Notarial Seal]

My Commission Expires

Notarial Seal
Eric W. Larkins, Notary Public
[illegible], Allegheny County
[illegible] Expires Jan 1, 2000
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA)
)ss.:
COUNTY OF ALLEGHENY)

On this 29th day of September, 1999, before me personally appeared MICHAEL J. WOODRING, to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC LEASING, LLC, a Delaware limited liability company, and that the instrument was signed on behalf of said company by authority of its Board of Managers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Notary Public

[Notarial Seal}

My Commission Expires

Notarial Seal
Eric W. Larkins, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Jan 1, 2000
Member, Pennsylvania Association of Notaries