

RECORDATION NO. 19851-N FILED
SEP 06 '06 11:59 AM
SURFACE TRANSPORTATION BOARD

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September 6, 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 an Memorandum of Lease Termination No. 2, dated as of July 3, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Equipment Lease Agreement previously filed with the Commission under Recordation Number 19851 and the Amendment, Schedule No. 2 and Bill of Sale filed with the Board under Recordation Numbers 19851-C, 19851-D and 19851-E, respectively..

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

Lessor: GE Capital Phoenixcor, Inc., (successor to
Heller Financial Leasing Inc.)
120 Long Ridge Road
Stamford, CT 06927

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

Mr. Vernon A. Williams
September 6, 2006
Page 2

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

2 locomotivesTERMINATED: DMIR 405 and DMIR 408.

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

Memorandum of Lease Termination No. 2.

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,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

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(Equipment Lease Schedule No. 2)

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE TERMINATION NO. 2

dated as of July 3, 2006 between **GE Capital Phoenixcor, Inc.** ("GE") and **Duluth, Missabe and Iron Range Railway Company** ("DMIR").

WHEREAS, Helm Financial Corporation as seller issued a Bill of Sale dated as of June 12, 1996 (the "Bill of Sale"), in favor of **Heller Financial Leasing, Inc.** ("Heller") (predecessor-in-interest to GE) as purchaser, covering two (2) EMD model SD40-3 six-axle 3,000 horse-power diesel-electric locomotives marked **DMIR 405 and DMIR 408** (the "Equipment No. 2");

WHEREAS, Heller (predecessor-in-interest to GE in respect of the Equipment No. 2 and the Lease No. 2 (as defined below)) as lessor and DMIR as lessee entered into: i) Master Equipment Lease Agreement dated as of December 28, 1995 (the "Master Lease"), ii) Equipment Lease Schedule No. 2 dated as of June 12, 1996 (the "Schedule No. 2") to the Master Lease and iii) Amendment to Master Equipment Lease Agreement dated as of June 12, 1996 (the "Amendment") to the Master Lease (the Master Lease (to the extent it pertains to Schedule No. 2 only), the Schedule No. 2 and the Amendment (to the extent it pertains to Schedule No. 2 only) being collectively, the "Lease No. 2"); and

WHEREAS, i) on December 28, 1995 at 4:35 P.M., the Master Lease was filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) pursuant to 49 U.S.C. S11303 (now S11301) and assigned recordation number 19851 and ii) on June 12, 1996 at 12:30 P.M., the Amendment, the Schedule No. 2 and the Bill of Sale were similarly filed and assigned recordation numbers 19851-C, 19851-D and 19851-E, respectively.

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

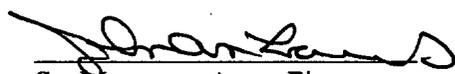
- 1) The Lease No. 2 was terminated;
- 2) GE sold the Equipment No. 2 to DMIR;

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

GE CAPITAL PHOENIXCOR, INC.,

DULUTH, MISSABE AND IRON RANGE RAILWAY COMPANY,

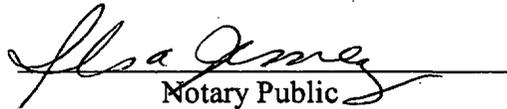
By: 
Its: manager

By: 
Its: Sr. Manager, Asset Finance

STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD)

*In the matter of a Memorandum dated
as of July 3, 2006.*

On this 28th day of August, 2006, before me personally appeared Gary Larese, to me personally known, who, being by me duly sworn, says that he / she is _____ of GE Capital Phoenixcor, Inc. 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

**ILSA JIMENEZ
NOTARY PUBLIC**

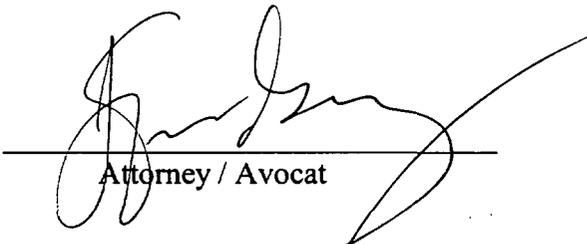
My commission expires ~~MY COMMISSION EXPIRES FEB. 28, 2007~~

[Notarial Seal]

PROVINCE OF QUEBEC)
)
DISTRICT OF MONTREAL)

*In the matter of a Memorandum dated
as of July 3, 2006.*

On this 30th day of August, 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