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SURFACE TRANSPORTATION BOARD

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February 21, 2007

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. 2, dated as of January 16, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease No. 2 previously filed with the Board on January 15, 1997 at 2:45 p.m. under Recordation Number 20394-A. [Note: at the time of this filing, the Memorandum of Lease No. 2 has not been scanned.]

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

Lessor: PNC Equipment Finance, LLC
f/k/a 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
February 21, 2007
Page 2

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

2 locomotives: DMIR 411 and DMIR 412.

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,



Robert W. Alvord

RWA/sem
Enclosures

FEB 21 '07 -1 08 PM

(Schedule of Leased Equipment (OBSL) No. 00966-002)

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE TERMINATION NO. 2
dated as of January 16, 2007 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. 00966-002 dated January 15, 1997 (the "Schedule No. 2") to the Master Lease and (iii) a Supplement to Schedule of Leased Equipment (OBSL) No. 00966-002 dated January 15, 1997 (the "Supplement No. 2") to Schedule No. 2 (the Master Lease (to the extent it pertains to Schedule No. 2 only), Schedule No. 2 and Supplement No. 2 being collectively, the "Lease No. 2") covering two (2) EMD model SD40-3 six-axle 3,000 horse-power diesel-electric locomotives marked **DMIR 411 and DMIR 412** (the "Equipment No. 2"); and

WHEREAS, to evidence Lease No. 2, on January 15, 1997 at 2:45 P.M. a Memorandum of Lease dated January 15, 1997 was filed with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the *United States Code* and assigned secondary recordation number 20394-A.

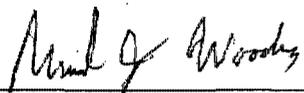
IN WITNESS WHEREOF, PNC and DMIR wish to show for the public record that as of the date first above written:

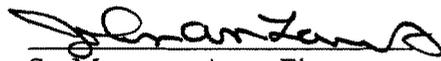
- 1) The Lease No. 2 was terminated;
- 2) PNC sold the Equipment No. 2 to DMIR;

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,

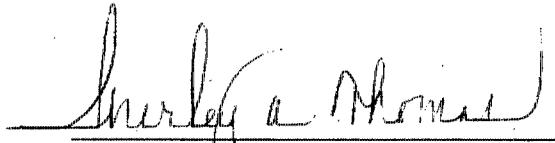
By: 
Its: **Michael J. Woodring**
Senior Vice President

By: 
Its: **Sr. Manager, Asset Finance**

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF ALLEGHENY)

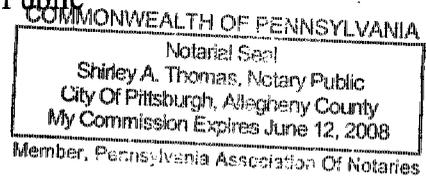
*In the matter of a Memorandum
dated as of January 16, 2007.*

On this 19TH day of January, 2007, 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

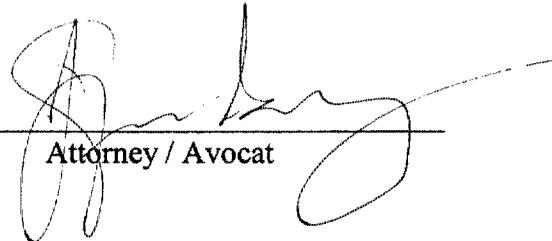


[Notarial Seal]

PROVINCE OF QUEBEC)
DISTRICT OF MONTREAL)

*In the matter of a Memorandum
dated as of January 16, 2007.*

On this 13th ^{Febr} day of January, 2007, 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