

7924-6

RECORDATION NO. Filed & Recorded.

MAY 12 1975 -1 35 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE dated as of March 15, 1975, by and between UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation (hereinafter called the Company), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee (hereinafter called the Trustee), under an Agreement and Indenture (Security Agreement) dated as of March 15, 1975 (hereinafter called the Indenture), by and among the Company and the Trustee.

WHEREAS, the Company and

KELLOGG COMPANY

(hereinafter called the Lessee) have entered into a Lease Agreement dated March 4, 1974 (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the 50 units of railroad equipment (hereinafter called Units) described in the Lease, which has been filed and recorded with the Interstate Commerce Commission and bears Recordation Number 7616, an executed counterpart of the Lease being delivered to the Trustee concurrently herewith; and

WHEREAS, this Assignment of Lease is being made pursuant to Section 4.1 of the Indenture to secure the payment and performance by the Company of all obligations of the Company arising under the Indenture (all such obligations being hereinafter called the Liabilities);

Now, THEREFORE, in consideration of the sum of \$10 duly paid by the Trustee to the Company and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. As security for the payment and performance of the Liabilities, the Company hereby assigns, transfers, and sets over unto the Trustee all the Company's right, title and interests as lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Company as lessor under the Lease, including without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease and the right to make all waivers and agree-

any of the Noteholders shall have 90 days after such written notice to cure or begin and diligently prosecute the cure of such default. Lessee hereby agrees the performance of any such duty, covenant, condition or warranty (express or implied) by the Trustee or any Noteholder shall constitute satisfaction of Company's obligation with respect thereto.

3. Upon the full discharge and satisfaction of the Liabilities, the assignment made hereby shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Company.

4. The Company warrants and covenants that (a) the execution and delivery by the Company of the Lease and this Assignment have each been duly authorized, and the Lease and this Assignment are and will remain the valid and binding obligations of the Company in accordance with their terms; (b) the Company has not executed any other assignment of the Lease or of its right to receive all payments under the Lease and the Lease will continue to be free and clear of any and all claims, liens, agreements, security interests or other encumbrances (except this Assignment and except to the extent the Company is contesting the validity of the same in good faith by appropriate proceedings), (c) notwithstanding this Assignment, the Company will conform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by it and (d) to the knowledge of the Company, it has performed all obligations on its part to be performed under the Lease on or prior to the date hereof.

Unless the Lease is a lease specifically described Exhibit A of the Indenture, the Company will, concurrently with the execution and delivery of this Assignment, deliver to the Trustee the favorable opinion of the lessee's counsel stating with respect to the Lease the matters set forth in paragraph 20 of the leases specifically described in Exhibit A of the Indenture and the opinion of Messrs. Rosenthal and Schanfield, counsel for the Company, or an opinion of other counsel satisfactory to the Trustee, to the effect that this Assignment has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms except to the extent limited by laws affecting

creditors' rights generally and that the Lease and the Assignment have been duly filed and recorded in accordance with Section 20c of Interstate Commerce Act or any successor provisions and no other filing or recordation thereof is necessary for the protection of the rights of United or the Trustee in any State of the United States of America or the District of Columbia.

5. The Company covenants and agrees with the Trustee that in any suit, proceeding or action brought by the Trustee under the Lease for any Rental, or to enforce any provisions of the Lease, the Company will save, indemnify and keep the Trustee harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee or its successors, arising out of a breach by the Company of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Company. Any and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against the Trustee or any party or parties in whom any of the rights of the Company under the Lease shall vest by reason of the successive assignments or transfers.

6. The Company will from time to time execute all such financing statements and supplemental instruments as the Trustee may from time to time reasonably request in order to confirm or further assure the assignment made hereby and the provisions hereof.

7. The Trustee may assign all or any of its rights under the Lease, including the right to receive any payments due or to become due to it from the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder.

8. Notwithstanding anything to the contrary contained in Section 1 of this Assignment, the Company agrees that it will not, without the prior written consent of the Trustee, enter into any agreement amending, modifying or terminating the Lease and that any amendment, modification or termination thereof without such consent shall be void.

9. All provisions of Article Seven of the Indenture shall apply to and shall govern the rights, duties, immunities and obligations of the Trustee under this Assignment.

10. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the Company and the Trustee have caused this instrument to be signed in their respective names by their respective officers thereunto duly authorized, as of the date first above written.

UNITED STATES RAILWAY LEASING COMPANY

by *Ralph E Bell*
Vice President.

ATTEST: *Carl P. Leah*
Assistant Secretary

[CORPORATE SEAL]

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee,

by *W. M. Kemp*
~~SECOND~~ Vice President

Attest: *Donald J. Hart*
Trust Officer

Received, Approved and Accepted

Kellogg Company (Lessee)
by *Thomas R. Lykes*
Vice President (Title)

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

On this 5th day of May, 1976, before me personally appeared Ralph E. Bell, to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY LEASING COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Barbara J. Ludea
Notary Public

[NOTARIAL SEAL]

My Commission expires July 1, 1976

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

On this 6th day of MAY, 1975, before me personally appeared M. J. Kruger, to me personally known, who, being by me duly sworn, says that he is a SECOND Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that the seal affixed to the foregoing instrument is the corporate seal of said banking corporation, that said instrument was signed and sealed on behalf of said national banking 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 corporation.

R. E. Donovan
Notary Public R. E. Donovan

[NOTARIAL SEAL]

My Commission expires April 26, 1976

STATE OF Michigan
COUNTY OF Calhoun^{SS.}

On this 7th day of May, 1975, before me personally appeared
Thomas R. Sykes, to me personally known, who,
being by me duly sworn, says that he is a Vice President of
Kellogg Company, that the seal affixed to the fore-
going instrument is the corporate seal of said corporation, that said
instrument was signed and sealed on behalf of said corporation by
authority of its Board of Directors and he acknowledged that the execu-
tion of the foregoing instrument was the free act and deed of said
corporation.

Dorothy J. Howard
Notary Public

[NOTARIAL SEAL]

My Commission expires August 6, 1978