

Earl C. Opperthausen
General Counsel

John C. Danielson
General Attorney

Allan M. Charlton
Trial Attorney

Dennis W. Krakow
Trial Attorney

John A. Ponitz
Attorney

Mary P. Sclawy
Attorney



Grand Trunk Western Railroad Co

Law Department

131 West Lafayette Boulevard
Detroit, Michigan 48226
(313) 962-2260

No. 0-133A110

Date MAY 12 1980

Fee \$ 50.00

11776

RECORDATION NO. Filed 1425

ICC Washington, D. C.

MAY 12 1980-2 22 PM

May 8, 1980

File: 35 K

INTERSTATE COMMERCE COMMISSION

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

RECEIVED
MAY 12 2 25 PM '80
T.C.C.
FEE OPERATION BR.

Dear Mrs. Mergenovich:

Enclosed for recordation pursuant to Section 11303 of the Interstate Commerce Act are the original counterpart of the following document and a facsimile copy of the original counterpart:

Agreement dated the 8th day of February, 1980 between Kellogg Company (the "Lessor") and Grand Trunk Western Railroad Company (the "Lessee").

The addresses of the parties to the aforesaid Agreement are:

Lessor: Kellogg Company
Porter Street
Battle Creek, Michigan 49016

Lessee: Grand Trunk Western Railroad
Company
131 West Lafayette Boulevard
Detroit, Michigan 48226

The equipment covered by the aforesaid Agreement consists of Seventy-Five (75) 40 foot 6 inch 55 ton capacity--plug doors--designated XF-cars, Type A120, bearing Road Numbers GTW 517000 through 517074, inclusive.

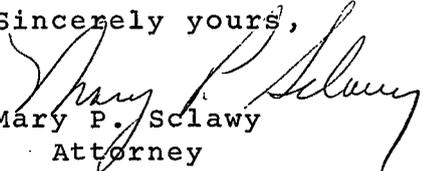
All said equipment bears markings indicating that ownership is in the Lessor.

Mrs. Agatha L. Mergenovich
Secretary, I.C.C.
May 8, 1980. - File: 352-K
Page Two

Enclosed is our check number 173450 in the amount of \$50.00 for the required recordation fee. Please accept for recordation the original counterpart of the enclosed agreement, stamp the facsimile counterpart with your recordation number and return it to me.

The undersigned is attorney for the Lessee mentioned in the enclosed agreement and has knowledge of the matters set forth therein.

Sincerely yours,


Mary P. Sclawy
Attorney

MPS:bjm
cc: Neil Nyberg, Esq., Kellogg Company

Interstate Commerce Commission
Washington, D.C. 20423

5/16/80

OFFICE OF THE SECRETARY

Mary P. Sclawy, Atty.
Grand Trunk Western RR. Co.
131 West Lafayette Boulevard
Detroit, Michigan 48226

Dear **Ms. Sclawy:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **5/12/80** at **2:30pm**, and assigned re-
recording number(s). **11776 & 11777**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

11776

RECORDATION NO. Filed 1425

MAY 12 1980 - 2 22 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT dated this 8th day of February, 1980, by and between KELLOGG COMPANY, a corporation of Delaware, hereinafter called "Kellogg" and GRAND TRUNK WESTERN RAILROAD COMPANY, a corporation of Michigan hereinafter called "Grand Trunk".

WITNESSETH:

1. Kellogg agrees to sub-lease to the Grand Trunk and the Grand Trunk agrees to accept and use exclusively upon the terms and conditions herein set forth the following described cars, leased to Kellogg by Chicago Freight Car Leasing Company, Park Ridge, Illinois, and to pay Kellogg upon receipt of such cars for the use of each such cars the following service charges:

<u>Number of Cars</u>	<u>Type of Car</u>	<u>Lease Rate Per Car Day</u>
Seventy-Five (75) GTW 517000 through GTW 517074	40 Foot 6 Inch-55 Ton Capacity-Plug Doors- Designated XF- Car Type A120	\$3.75 Per Car Per Day for Term of Contract Five (5) Years Subject to Revision Upon Contract Renewal

Kellogg warrants that the above described cars comply with the Association of American Railroads' requirements for interchange, and are certificated as "rebuilt" cars by the Association of American Railroads.

2. This Agreement shall be binding upon the parties hereto, their respective successors, assigns and legal representatives and shall remain in full force and effect with regard to each of the cars for a period ending on July 8, 1981, subject to cancellation by either party, upon the giving of sixty (60) days' written notice prior to July 8, 1980 to such other party.

In the event any of such cars as aforesaid require extensive changes in design, in order to be suitable for transportation at any time during the course of this Agreement, the lease charge per day for those cars shall be subject to renegotiation by both parties.

3. Kellogg agrees to deliver each of the cars as soon as possible after the execution of this agreement to Grand Trunk at Battle Creek, Michigan, and Grand Trunk agrees to pay the per car charge on each of the above described cars from the date such car has been delivered until each such car is returned to Kellogg at or after the termination of this agreement.

4. Grand Trunk agrees to pay Kellogg the aforesaid per car charge on or before the last day of each calendar month, covering the rentals which shall have accrued during the immediately preceding calendar month, during the life of this agreement and until such time thereafter as all cars have been returned to Kellogg and all rentals therefor have been paid.

Payment shall be made by mail to Kellogg, Battle Creek, Michigan, and payment shall be effective when received by Kellogg.

5. Grand Trunk agrees to keep records pertaining to the interchange movements of such cars. Grand Trunk agrees to furnish to Kellogg data required by Kellogg to keep an accurate record of said cars.

6. Grand Trunk shall notify Kellogg as soon as possible following knowledge of destruction or heavy damage to any of the cars as defined in the Association of American Railroads Code of Rules governing the condition of and repairs to freight and passenger cars. Kellogg agrees to pay for the maintenance and repair of all herein sub-leased cars to the extent required by the standards of the railroad companies and existing Association of American Railroads' rules. No repairs, other than running repairs, as contemplated in the Association of American Railroads' rules, shall be made to any of the cars by Grand Trunk for Kellogg account without Kellogg's prior consent. If any of the cars become unfit for service, other than for running repairs, the per car charge payable by Grand Trunk to Kellogg shall cease from date of notification to Kellogg until

such car is repaired or until another similar car shall have been placed in the service of Grand Trunk by Kellogg in substitution thereof. In the event any of the herein sub-leased cars are destroyed or badly damaged while on Grand Trunk's line, settlement shall be made therefor as provided in the Association of American Railroads Code of Rules for the interchange of traffic, which is made a part hereof, and the per car charge shall cease to accrue against Grand Trunk on the day per diem would cease under said Association of American Railroads' rules. In the event any of the herein sub-leased cars is badly damaged or destroyed off the Grand Trunk line, Grand Trunk shall make settlement directly with the foreign line damaging or destroying such car or cars as provided in the Association of American Railroads Code of Rules for the interchange of traffic. Grand Trunk will reimburse Kellogg said amount as full settlement for said car. The per car charge shall cease on the day per diem would cease under said Association of American Railroads' rules. Kellogg shall have the right but shall not be obligated to replace any of such cars, but in the event it exercises such right, the per diem charge shall commence from the date of delivery of the replacement car to the Grand Trunk at Battle Creek.

7. No liability shall attach to Kellogg for injury, damage or loss of any kind whatsoever in connection with the use of said cars under this agreement whether it be to persons or property or to the vehicles, and Grand Trunk agrees to hold Kellogg harmless from and against any claims or payments which Kellogg may be required to pay as a result thereof. Nothing contained in this paragraph 7 shall be construed to release Kellogg from any claim or liability resulting from negligence or willful or wanton misconduct of Kellogg.

8. If Grand Trunk shall fail to perform or abide by any of its obligations hereunder for a period of sixty (60) days after receipt of notification thereof, Kellogg at its election

may either (a) terminate this agreement immediately or (b) withdraw said cars from the service of Grand Trunk and deliver the same, or any thereof, to others upon such terms as Kellogg may see fit, and, in either case, Grand Trunk shall be liable to Kellogg for all rentals hereunder, less any rentals received by Kellogg from others for any of the cars. Kellogg may, at its option, terminate this agreement (a) in the event that bankruptcy, reorganization, arrangement, or insolvency proceedings or other proceedings for relief under bankruptcy or similar law for the relief of debtors shall be instituted by or against Grand Trunk, or (b) in the event that Grand Trunk shall make any assignment for the benefit of creditors or shall permit or there shall occur any involuntary transfer of its interest hereunder or of all, or substantially all, of its property by bankruptcy, the appointment of a receiver or trustee, execution, any other judicial or administrative decree or process, or otherwise, unless in every such case such proceedings shall be dismissed or such assignment, transfer, decree or process shall within sixty (60) days from the filing or other effective date thereof be nullified or otherwise rendered ineffective. In the event that Kellogg fails for a period of sixty (60) days after receipt of notification thereof to perform any of its obligations hereunder, Grand Trunk may forthwith terminate this agreement.

9. Grand Trunk agrees to return said cars to Kellogg at a point on Grand Trunk's rails designated by Kellogg and reasonably acceptable to Grand Trunk at the expiration or termination of this agreement, free from all liens and charges whatsoever, in the same or as good condition, order and repair as received, ordinary wear and tear excepted and subject to the provisions of paragraph 6 hereof, and with all the same kind and character of devices, appliances or appurtenances with which said cars were equipped at time of delivery to Grand Trunk. However, the preceding sentence shall not be binding upon Grand Trunk for any car or cars which have been destroyed during the life of this

agreement, and which are referred to more specifically in paragraph 6 above.

10. Kellogg expressly agrees that Grand Trunk may use the cars subject to this lease freely in interchange service throughout the continental United States and Canada and that Grand Trunk may collect from other railroads and retain any and all car hire charges applicable to these cars.

11. It is understood and agreed that the cars to be furnished by Kellogg to Grand Trunk hereunder may at the time of delivery thereof to Grand Trunk be subject to the provisions of an equipment trust or lease and may thereafter be subjected to one or more other equipment trust or lease agreements by Kellogg. It is further understood that the cars will be stencilled or plated from time to time at Kellogg's expense to set forth the ownership of such cars by the trustee, trustees, lessor or lessors under such equipment trust or lease agreements and that this agreement is and shall at all times be subject to the rights of the trustee, trustees, lessor or lessors, under such equipment trust or lease agreements.

12. Unless the written consent of Kellogg shall be first obtained, Grand Trunk shall not assign this agreement or any of its rights or interests hereunder, not sub-lease any car or part thereof, nor permit any of its rights or interests hereunder to become subject to any lien, charge, or encumbrance of any kind.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement in two counterparts, each of which shall be deemed an original, as of the date and year first above written.

KELLOGG COMPANY

BY

R. L. Sullivan

Executive Vice President, Logistics

ATTEST:

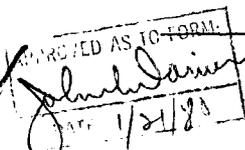
Ruby L. Sam

Assistant Secretary

GRAND TRUNK WESTERN RAILROAD COMPANY

ATTEST:

R. A. Walker



W. H. Crane

STATE OF MICHIGAN)
) ss.:
COUNTY OF WAYNE)

On this 8th day of February, 1980, before me personally appeared W. H. Cramer, to me personally known, who being by me duly sworn, says that he is a Vice President of GRAND TRUNK WESTERN RAILROAD COMPANY, that the seal affixed hereto is the corporate seal of said corporation, that the foregoing instrument was signed 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.


J. Isabelle Matusko

Notary Public, Wayne County, Michigan
Notary Public, Oakland County, Michigan
Acting in Wayne County, Michigan
My Commission expires: ~~March 14, 1983~~

(Corporate Seal)

(Notarial Seal)

STATE OF MICHIGAN)
) ss.:
COUNTY OF CALHOUN)

On this 8th day of February, 1980, before me personally appeared R. L. Burrows, to me personally known, who being by me duly sworn, says that he is Executive Vice President - Logistics of the KELLOGG COMPANY; that the seal affixed hereto is the corporate seal of said corporation, that the foregoing instrument was signed 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.

Dayle J. Boston

DAYLE J. BOSTON
Notary Public, Calhoun County, Mich.
My Comm. Expires June 29, 1983

Notary Public, Calhoun County,
Michigan

My Commission expires: _____

(Corporate Seal)

(Notarial Seal)

