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October 25, 1996

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

2520190030030

**Subject: The Belt Railway Company of Chicago
Employer Identification Number: 36-6000256**

Dear Sir:

In accordance with Section 2520.104-23 of ERISA, we hereby notify you that The Belt Railway Company of Chicago maintains The Belt Railway Company of Chicago Supplemental Retirement Plan ("Plan"). The Plan is an unfunded pension plan which has been established primarily for the purpose of providing compensation for a select group of management or highly compensated employees. The Plan is the only such plan maintained by The Belt Railway Company of Chicago and covers one (1) employee. The address of The Belt Railway Company of Chicago is as follows:

6900 South Central Avenue
Bedford Park, IL 60638

Please call me at 312-704-2401 with any questions.

Sincerely,

A handwritten signature in cursive script that reads 'Bernard G. Peter'.

Bernard G. Peter
Consultant

cc: Patrick J. O'Brien, The Belt Railway Company of Chicago
Kathryn A. Garrity, Watson Wyatt Worldwide

Enclosure

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THE BELT RAILWAY COMPANY OF CHICAGO

SUPPLEMENTAL RETIREMENT PLAN

(Effective January 1, 1996)

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**The Belt Railway Company of Chicago
Supplemental Retirement Plan
(Effective January 1, 1996)**

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**THE BELT RAILWAY COMPANY OF CHICAGO
SUPPLEMENTAL RETIREMENT PLAN
(Effective January 1, 1996)**

**ARTICLE I
Establishment**

- 1.1 Establishment and Purpose. The Belt Railway Company of Chicago (the "Company") hereby establishes The Belt Railway Company of Chicago Supplemental Retirement Plan (the "Plan"), effective January 1, 1996 (the "Effective Date"). The purpose of the Plan is to place each Participant in the same position as every other participant in The Belt Railway Company of Chicago Pension Plan for Non-Schedule Employees, as amended, ("Pension Plan") by providing each Participant in the Plan with the benefits the Participant would have received under the Pension Plan except for the limitations on compensation and benefits imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code of 1986, as amended, ("Code"), or any successor thereto. Also, it is the intent of the Company that the Plan be funded through a "Rabbi Trust", as provided in Section 4.1 of the Plan and that the Plan will be 100% funded through the "Rabbi Trust" at the later of (a) the end of the third year of each Participant's participation in the Plan, or (b) the date on which such Participant becomes 100% vested; and that the Plan will continue to be 100% funded for such a Participant's subsequent years of participation.

In addition, it is the Company's intent that each Participant in the Plan will be 100% vested in his Accrued Benefit under the Plan after his completion of five years of Service with the Company and once vested no subsequent action by the Company or the Participant will change his status of being 100% vested.

Furthermore, it is the intent of the Company that the Company will not gross up a Participant for any tax that might become due from a Participant under the Plan, but that the Company always will provide for enough money to pay the benefits due under this Plan regardless of the form of benefit selected by the Participant.

The Plan is intended to benefit a select group of management or highly compensated employees of the Company.

- 1.2 Applicability. The provisions of the Plan shall apply only to a person who terminates employment with the Company on or after the Effective Date and shall not apply to any person not in the active employment of the Company on or after the Effective Date.

ARTICLE II
Participation

- 2.1 Eligibility and Participation. Each person, who is both a participant in the Pension Plan and whose accrued benefit under the Pension Plan is reduced by the limitation on compensation imposed by Section 401(a)(17) of the Code or by the limitations on benefits imposed by Section 415 of the Code and has been named by the Board of Directors of the Company as an eligible employee by having his or her name set forth in Appendix A to the Plan, shall become a Participant in the Plan. (Each person who becomes a Participant shall be referred to hereinafter as a "Participant.") The Board of Directors shall in its sole and absolute discretion determine those persons eligible to participate and shall take appropriate action to have Appendix A appropriately revised as necessary.
- 2.2 Duration. Any person who became a Participant shall continue to be a Participant as long as he is entitled to benefits hereunder.

ARTICLE III
Benefit; Payment

3.1 Accrued Benefit.

(a) If at any time any benefit otherwise payable under the provisions of the Pension Plan in respect of a Participant, including any benefit payable with respect to the Participant's spouse or other beneficiary entitled thereto, shall be reduced by reason of the limitations on maximum benefits under Section 415 of the Code, and/or the limitation on the amount of compensation of a Participant that may be considered under Section 401(a)(17) of the Code, the Participant or his spouse or other beneficiary shall be entitled to receive a retirement benefit, subject to the terms and conditions of the Plan, equal to the excess, if any, of --

- 1) the amount of benefit under the Pension Plan, calculated without regard to the limitations imposed by Sections 401(a)(17) and 415 of the Code; over
- 2) the amount of the benefit under the Pension Plan as limited by Sections 401(a)(17) and 415 of the Code.

(The benefit determined under this Section 3.1 shall be referred to hereinafter as the "Accrued Benefit.")

(b) The Accrued Benefit under the Plan shall be paid only if, and under the condition that, the benefit under the Pension Plan described in subsection 3.1(a)(2) be and is paid to the Participant, his surviving spouse, or other beneficiary; and the forfeiture, for any cause, including death, of the benefit under the Pension Plan as described in subsection 3.1(a)(2) above shall cause the forfeiture of the Accrued Benefit under the Plan.

3.2 Time and Method of Payment. The Accrued Benefit will commence to be paid at the same time as the benefit provided by the Pension Plan except as provided below. The Accrued Benefit may be paid in any of the forms provided by the Pension Plan. The normal form of payment of the Accrued Benefit is the same as provided by the Pension Plan. If the Accrued Benefit is paid prior to the Participant's Pension Plan Normal Retirement Age (i.e., age 65) or if the benefit is paid in a form other than the Pension Plan's normal form of benefit (i.e., single life annuity), the same actuarial equivalent factors that would be applicable in calculating the Pension Plan benefit shall be applicable in calculating the Accrued Benefit under this Plan.

If the Participant dies before commencing benefit payments from this Plan and his spouse is eligible to receive a benefit from the Pension Plan his spouse will receive a benefit from this Plan based on the Participant's Accrued Benefit under this Plan at his date of death. The spouse's benefit will be paid in the same form, at the same time, and reduced in the same manner as under the Pension Plan.

Notwithstanding the foregoing provisions of this Section 3.2, a Participant, a former Participant or, if the Participant dies before commencing payment, his spouse, may make an election to receive the actuarial equivalent lump sum of the benefit otherwise payable under this Plan, or modify or rescind an election previously made to receive his benefit in a lump sum amount, at least 30 days prior to the later of (a) the termination of his employment or (b) the date benefit payments commence. Said election may not be changed within 30 days prior to the date benefits are to commence. In determining the actuarial equivalent lump sum amount under this Section 3.2, the Company will use (1) an interest rate factor equal to the 30-year Treasury constant maturities for the November immediately preceding the Plan Year of distribution provided in the Federal Reserve Statistical Release plus 1% and (2) a mortality factor based on the 1983 Group Annuity Mortality Table (male) or such other mortality table as is designated by the United States Secretary of the Treasury under Section 417(e) of the Internal Revenue Code, whichever table produces the greatest benefit in conjunction with the interest rate in (1) above.

ARTICLE IV

Funding

- 4.1 Funding. Neither the Participant nor any other person shall acquire by reason of the Plan any right in or title to any assets, funds or property of the Company whatsoever including, without limiting the generality of the foregoing, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside in anticipation of a liability hereunder. Any benefits which become payable hereunder shall be payable from the general assets of the Company, but the Company intends to establish a "Rabbi Trust" for use in providing all or part of the benefits payable under the Plan. The assets of such a trust would be subject to the claims of the Company's creditors in the event of the insolvency or bankruptcy of the Company. The Participant shall have only a contractual right to the amounts, if any, payable hereunder unsecured by any asset of the Company. Nothing contained in the Plan constitutes a guarantee by the Company that the assets of the Company shall be sufficient to pay any benefit to any person.

ARTICLE V
Amendment, Administration

- 5.1 Amendment and Termination. The Company intends the Plan to be permanent, but reserves the right at any time to modify, amend, or terminate the Plan, provided that the Company shall not cancel, reduce, or otherwise adversely affect the amount of benefits of any Participant accrued as of the date of any such modification, amendment, or termination, without the consent of the Participant.
- 5.2 Administration. The Plan shall be administered by the Board of Directors of the Company, which shall be authorized to interpret the Plan, to adopt rules and practices concerning the administration of the Plan, to resolve questions concerning the eligibility for the amount of the Accrued Benefit, and to delegate all or any portion of its authority hereunder to a committee of the Board of Directors or to designated officers or employees of the Company.
- 5.3 Deduction of Taxes from Amounts Payable. The Company may deduct from the amount to be distributed such amount as the Company, in its sole discretion, deems proper for the payment of income, employment, death, succession, inheritance, or other taxes with respect to benefits under the Plan.
- 5.4 Indemnification. The Company shall indemnify and hold harmless each employee, officer, or director of the Company to whom is delegated duties, responsibilities, and authority with respect to the Plan against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him (including but not limited to reasonable attorney fees) which arise as a result of his actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Company. Notwithstanding the foregoing, the Company shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.
- 5.5 Expenses. The expenses of administering the Plan shall be paid by the Company.

ARTICLE VI
Miscellaneous


- 6.1 Interests not Transferable. Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of a Participant prior to actually being received by the person entitled to the benefit under the terms of the Plan, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable hereunder shall be void. The Company shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any person entitled to benefits hereunder. If any person shall attempt to, or shall alienate, sell, transfer, assign, pledge, or otherwise encumber his benefits under this Plan, or if by any reason of his bankruptcy or other event happening at any time, such benefit would devolve upon any other person or would not be enjoyed by the person entitled thereto under the Plan, the Board of Directors of the Company, in its discretion, may terminate the interest in any such benefits of the person entitled thereof under the Plan and hold or apply them to or for the benefit of such person entitled thereto under the Plan or his spouse, children, or other dependents, or any of them, in such manner as the Board of Directors of the Company may deem proper.
- 6.2 Contract of Employment. Nothing contained herein shall be construed to constitute a contract of employment between a Participant and the Company.
- 6.3 Headings. The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 6.4 Invalidity. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Plan shall be construed and enforced as if such provisions, to the extent invalid or unenforceable, had not been included.
- 6.5 Law Governing. The Plan shall be construed and enforced according to the laws of Illinois other than its laws respecting choice of law.

IN WITNESS WHEREOF, the Company has executed this Plan this 31st day of
JULY, 19 96.

THE BELT RAILWAY COMPANY OF
CHICAGO

By: 
Vice President and General Counsel

Attest:


Secretary

**The Belt Railway Company of Chicago
Supplemental Retirement Plan**

**APPENDIX A
Eligible Employees**

The Employees listed below compose a select group of management or highly compensated Employees of the Company who have been named by the Board of Directors as Eligible Employees for purposes of the Plan.

Name of Employee

Date of Board Action

Ronald L. Batory