

2-2604018

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266
FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 17938 FILED 1423

SEP 16 1992 1 55 PM
INTERSTATE COMMERCE COMMISSION

NEW NO.

September 16, 1992

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are an original and a duly certified copy of a Security Agreement (Chattel Mortgage) dated as of September 9, 1992, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

Secured Party: Continental Bank, N.A.
(formerly Continental Illinois National Bank
and Trust Company of Chicago)
231 LaSalle Street
Chicago, Illinois 60697

Debtor: The Belt Railway Company of Chicago
6900 South Central Avenue
Bedford Park, Illinois 60638

MOTOR OPERATING UNIT
SEP 16 1 45 PM '92

A description of the railroad equipment covered by the enclosed document is contained in Schedule I attached to the Security Agreement.

Also enclosed is a check in the amount of \$16 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Counterparts - [Signature]

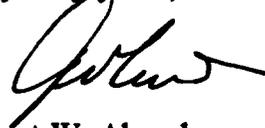
Mr. Sidney L. Strickland, Jr.
September 16, 1992
Page Two

Kindly return one stamped copy of the enclosed documents to Robert W. Alvord, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary documents to appear in the Commission's Index is:

Security Agreement (Chattel Mortgage) between The Belt Railway Company of Chicago, debtor, and Continental Bank, N.A. covering certain railroad cars and locomotives described in Schedule I attached thereto.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

RECORDED IN 17938 FILED 145

SEP 16 1992 - 1 55 PM

INTERSTATE COMMERCE COMMISSION

I, ROBERT W. ALVORD, being duly sworn do hereby certify that the attached "Security Agreement (Chattel Mortgage)" dated as of September 9, 1992, executed by The Belt Railway Company of Chicago consisting of two pages (including the acknowledgment page) is a true and complete copy of the original thereof.



ROBERT W. ALVORD

DISTRICT of Columbia, D.C.

Subscribed and sworn to before me this 16th day of September, 1992


NOTARY PUBLIC, D.C.

My commission expires 8-14-97

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INDIANA STATE COMMERCE COMMISSION

SECURITY AGREEMENT (Chattel Mortgage)

The undersigned, for value received, hereby mortgages to CONTINENTAL BANK N.A., a national banking association having its principal office at 231 South LaSalle Street, Chicago, Illinois 60697 (herein called the "Bank"), and hereby grants to the Bank a security interest in, the railroad cars and locomotives owned by the undersigned and described on Schedule I hereto, and all accessories, parts and other property now or hereafter affixed thereto or used in connection therewith, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and additions, improvements, accessories and accumulations thereto (hereinafter collectively called the "Equipment"), and all proceeds of any of the foregoing, to secure the payment of all Liabilities. "Liabilities" means all obligations of the undersigned to the Bank howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, including, without limitation, all obligations of the undersigned under or in connection with the Credit Agreement, dated as of September 9, 1992, between the undersigned and the Bank (hereinafter, as the same may be amended or otherwise modified from time to time, called the "Credit Agreement"; capitalized terms used but not otherwise defined herein are used herein as defined in the Credit Agreement).

Until Default (as defined herein), the undersigned may have possession of the Equipment and use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on any of the Equipment.

The undersigned hereby warrants and agrees that: (1) to the extent, if any, it shall have advised the Bank that any of the Equipment is being acquired with any of the proceeds of the Note, such proceeds may be disbursed by the Bank directly to the seller of such Equipment; (2) it will immediately give written notice to the Bank of any change in the location of its chief executive office or chief place of business; (3) it has, or forthwith will acquire, full title to the Equipment, and will at all times keep the Equipment free of all liens and claims whatsoever, other than the security interest hereunder; (4) no financing statement (other than any which may have been filed on behalf of the Bank or filed in connection with liens permitted pursuant to Section 9.10 of the Credit Agreement) covering any of the Equipment is on file in any public office, and it will from time to time, on request of the Bank, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Bank) and do such other acts and things, all as the Bank may request, to establish and maintain a valid security interest in the Equipment (free of all other liens and claims whatsoever) to secure the payment of the Liabilities (and

any carbon, photographic or other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement); (5) it will not sell, transfer, lease or otherwise dispose of any of the Equipment or any interest therein except with the prior written consent of the Bank; (6) it will at all times keep the Equipment in first class order and repair, excepting any loss or damage or destruction which is fully covered by proceeds of insurance; (7) it will at all times keep the Equipment insured against loss, damage, theft and other risks, in such amounts and by such companies and under such policies and in such form, all as shall reasonably be satisfactory to the Bank, which policies shall provide that loss thereunder shall be payable to the Bank as its interest may appear (and the Bank may apply any proceeds of such insurance which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as the Bank may determine) and such policies or certificates thereof shall, if the Bank so requests, be deposited with the Bank; and (8) the Bank may examine and inspect the Equipment or any thereof, wherever located, at any reasonable time or times. The Bank may from time to time, at its option, perform any agreement of the undersigned hereunder which the undersigned shall fail to perform and take any other action which the Bank deems necessary for the maintenance or preservation of any of the Equipment or its interest therein, and the undersigned agrees to forthwith reimburse the Bank for all expenses of the Bank in connection with the foregoing, together with interest thereon at the Index Rate from time to time in effect plus 2% per annum from the date incurred until reimbursed by the undersigned.

The occurrence of (i) any Event of Default or (ii) any Unmatured Event of Default under Section 11.1.4 of the Credit Agreement shall constitute a "Default" (as such term is used herein). Whenever a Default shall be existing, the Bank may exercise from time to time any rights and remedies available to it under applicable law. The undersigned agrees, in case of Default, that (i) notwithstanding any other provision of this Agreement or the Credit Agreement, it will not sell, transfer, lease or otherwise dispose of any of the Equipment or any interest therein without the prior written consent of the Bank, (ii) it will assemble, at its expense, all the Equipment at a convenient place acceptable to the Bank, and (iii) it will pay all costs of the Bank of collection of the Note and all other Liabilities, and enforcement of rights hereunder, including reasonable attorneys' fees and legal expenses. Without limiting the foregoing, upon Default the Bank may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing or process of law of any kind, (a) enter upon any premises where any of the Equipment may be located and take possession of, remove, keep and store, or use and operate such Equipment, (b) sell any or all of the Equipment, free of all rights and claims of the undersigned therein and thereto, at any public or private sale, and (c) bid for and

purchase any or all of the Equipment at any such sale. The undersigned hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies upon Default. If any notification of intended disposition of any of the Equipment is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five days before such disposition, postage prepaid, addressed to the undersigned either at the address shown below, or at any other address of the undersigned appearing on the records of the Bank. Any proceeds of any of the Equipment may be applied by the Bank to the payment of expenses in connection with the Equipment, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Bank toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The neuter pronoun, when used herein, shall include the masculine and feminine and also the plural. No amendment, modification or waiver of, or any consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing, and signed and delivered by the party to be bound thereby, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

All rights, powers and remedies of the Bank expressed herein are in addition to all other rights, powers and remedies possessed by it, including, without limitation, those provided by applicable law.

The provisions of Section 13.3 of the Credit Agreement shall apply as to the giving of notices hereunder.

This Agreement shall in all respects be a continuing Agreement and shall remain in full force and effect until expiration or termination of the Commitment and final payment in full of all Liabilities.

This Agreement has been delivered at Chicago, Illinois and shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such

prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be binding upon the undersigned and the Bank and their respective successors and assigns and shall inure to the benefit of the undersigned, the Bank and the successors and assigns of the Bank.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the 9th day of September, 1992.

THE BELT RAILWAY COMPANY
OF CHICAGO

By

Title

James E. Martin
President

Address: 6900 South Central Avenue
Bedford Park, Illinois 60638

STATE OF ILLINOIS

COUNTY OF COOK

)
) SS.
)

I, Ruth A. Taylor, a notary public in and for said County, in the State of aforesaid, DO HEREBY CERTIFY that James E. Martin personally known to me to be a President of THE BELT RAILWAY COMPANY OF CHICAGO, an Illinois corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as President of said corporation, pursuant to authority, given by the Board of Directors of said corporation, as such person's free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

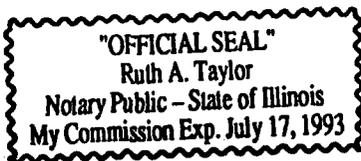
GIVEN under my hand and notarial seal this 9th day of Sept., 1992.



Notary Public

My Commission Expires:

July 17, 1993



SCHEDULE I

BELT RR LOCOMOTIVE FLEET

MODEL	MP	ACQUIRED	MODEL	HP	ENGINE	TR MOTORS	DR. BEAR	AIR EQUIP	AIR COMP	WEIGHT	MARKET VALUE
430	EPD	05-07-51	GP-7	1500	567-B 16 CYL	D-27	FRICTION	6BL	MXO	246,910	\$ 40,000
471	EPD	04-28-58	GP-7	1500	567-2E 16 CYL	D-27	FRICTION	6BL	MXO	246,480	\$ 50,000
472	EPD	11-20-51	GP-7	1500	567-3C 16 CLY	D-27	FRICTION	6BL	MXO	247,080	\$ 50,000
473	EPD	11-20-51	GP-7	1500	567-3C 16 CYL	D-27	FRICTION	6BL	MXO	247,110	\$ 50,000
477	EPD	08-18-52	GP-7	1500	567-3C 16 CYL	D-27	FRICTION	6BL	MXO	247,860	\$ 50,000
480	EPD	06-12-56	GP-9	1750	567-C 16 CYL	D-37	ROLL BEAR	6BL	MXO	246,190	\$ 70,000
481	EPD	10-22-56	GP-9	1750	567-C 16 CYL	D-37	ROLL BEAR	6BL	MXO	244,670	\$ 70,000
490	EPD	09-14-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,950	\$200,000
491	EPD	09-14-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,950	\$200,000
492	EPD	09-16-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,950	\$200,000
493	EPD	09-16-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,500	\$200,000
494	EPD	09-21-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,950	\$200,000
495	EPD	09-21-72	GP-3B-2	2000	645-E 16 CYL	D-77	ROLL BEAR	26L	WBO	281,950	\$200,000
508	EPD	11-21-47	TR-2	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	257,350	\$ 4,000
509	EPD	11-13-49	TR-2	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,920	\$ 4,000
502	EPD	09-27-58	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,940	\$ 4,000
503	EPD	09-26-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,760	\$ 4,000
504	EPD	09-28-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,970	\$ 4,000
505	EPD	09-28-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,770	\$ 4,000
506	EPD	09-29-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	257,330	\$ 4,000
510	EPD	11-21-49	TR-2	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	257,350	\$ 4,000
511	EPD	11-13-49	TR-2	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,920	\$ 4,000
512	EPD	09-27-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	256,940	\$ 4,000
513	EPD	09-28-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	246,760	\$ 4,000
514	EPD	09-28-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	25,6970	\$ 4,000
515	EPD	09-29-50	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	246,770	\$ 4,000
516	EPD	06-27-51	TR-4	1200	567-AC 12 CYL	D-27	FRICTION	6BL	MXE	257,330	\$ 4,000
520	EPD	06-27-51	SM-9	1200	567-BC 12 CLY	D-27	FRICTION	6BL	MXO	246,770	\$ 65,000
521	EPD	06-26-51	SM-9	1200	567-B 12 CYL	D-27	FRICTION	6BL	MXO	246,890	\$ 60,000
522	EPD	10-23-51	SM-9	1200	567-BC 12 CYL	D-27	FRICTION	6BL	MXO	247,190	\$ 65,000
523	EPD	10-23-51	SM-9	1200	567-B 12 CYL	D-27	FRICTION	6BL	MXO	246,390	\$ 60,000
524	EPD	07-15-43	SM-1200	1200	567-C 12 CYL	D-57	FRICTION	26L	WBO	247,900	\$ 70,000
525	EPD	07-15-43	SM-1200	1200	567-C 12 CYL	D-57	FRICTION	26L	WBO	248,680	\$ 70,000
526	EPD	07-17-43	SM-1200	1200	567-C 12 CYL	D-57	FRICTION	26L	WBO	248,560	\$ 70,000
530	EPD	07-27-67	SM-1500	1500	645-E 12 CYL	D-77	ROLL BEAR	26L	WBO	260,320	\$150,000
531	EPD	04-03-68	SM-1500	1500	645-E 12 CYL	D-77	ROLL BEAR	26L	WBO	260,130	\$150,000
532	EPD	04-02-68	SM-1500	1500	645-E 12 CYL	D-77	ROLL BEAR	26L	WBO	261,120	\$150,000
533	EPD	04-26-75	MP-15	1500	645-E 12 CYL	D-77	ROLL BEAR	26L	WBO	278,800	\$175,000
536	EPD	04-26-75	MP-15	1500	645-E 12 CYL	D-77	ROLL BEAR	26L	WBO	280,880	\$175,000

TOTAL

\$2,896,000

GEAR RATIO: 65/12 all units

MULTIPLE UNITS: 500 to 506 are the controlling units and 510 to 516 are the trailing units.

HIGH HOODS: All GP 7 & 9 units have high hoods on lead end.

BRC #	Builder	Model	Horaspsvwr
600	Alco	S-8	800
601	Alco	C-424	2400
602	Alco	C-424	2400
603	Alco	C-424	2400
604	Alco	C-424	2400
605	Alco	C-424	2400