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RECORDATION NO. Filed 1425

LAW OFFICES

DONALD J. FLANAGAN
310 SOUTH STREET

DEC 9 1982-2 22 PM

MORRISTOWN, NEW JERSEY 07960 INTERSTATE COMMERCE COMMISSION

DONALD J. FLANAGAN

ROBERT P. McGEARY
JOHN M. DeMARCO *
TOBI S. BERK

* N.Y. BAR ONLY

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RECORDATION NO. Filed 1425

AREA CODE 201
267-0424
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RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

December 3, 1982

Mrs. Mildred R. Lee
Interstate Commerce Commission
12th Street and Constitution Ave. N.W.
Room 2303
Washington, DC 20423

13863 C
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DEC 9 1982-2 22 PM

INTERSTATE COMMERCE COMMISSION

13863 F
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DEC 9 1982-2 22 PM

Dear Mrs. Lee:

As per my telephone conversation with you on this date I am enclosing an original and a copy of the following documents to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code under the same recordation number:

INTERSTATE COMMERCE COMMISSION

1. Continental Sale Agreement
2. Bill of Sale
3. Lease between RAI-ONE MORTGAGE CORPORATION and CONTINENTAL TANK CAR CORPORATION
4. Security Agreement in the Nature of a Chattel Mortgage
5. RAI-ONE Promissory Note

The addresses of the parties to the documents are as follows:

LESSOR: RAI-ONE MORTGAGE CORPORATION
230 Park Avenue
Suite 2500
New York, New York 10169

LESSEE: CONTINENTAL TANK CAR CORPORATION
200 North Avenue East
Westfield, New Jersey 07091

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Mrs. Mildred R. Lee
Page 2
December 3, 1982

A description of the equipment covered by the documents follows:

<u>No. of Cars</u>	<u>D.O.T. Classification</u>	<u>Reporting Marks and Numbers</u>	<u>Description</u>
18	111 A 100 W2	*SFTX 21401 thru SFTX 21418	14,600 Gal. sulphuric acid tank cars rebuilt in 1978, 100 ton roller bearing trucks
1	103 AW	SFTX 507	13,090 Gal. sulphuric acid tank car recondi- tioned in 1977, 70 ton roller bearing trucks
3	111 A 100 W1	SFTX 31136, SFTX 31137, SFTX 31138	11,000 Gal. molten sulphur tank cars, 16 lines exterior coils, 70 ton roller bearing trucks
9	105 A 300 W	CNTX 2000 thru CNTX 2008	20,600 Gal. pressure tank cars used for mercaptan service, 70 ton roller bearing truck

* 18 Cars were reconditioned; painted, and double shelf couplers applied during 1982

A short summary of the lease to appear in the index follows:

1. "Lease between RAI-ONE MORTGAGE CORPORATION, with an office at 230 Park Avenue, Suite 2500, New York, New York 10169, as Lessor, and CONTINENTAL TANK CAR CORPORATION, with an office at 200 North Avenue East, Westfield, New Jersey 07091, as Lessee, dated October 29, 1982 and covering 31 railroad tank cars weighing 70-100 tons, number SFTX 21401 thru 21418, SFTX 507, SFTX 31136 thru 31138 and CNTX 2000 thru CNTX 2008.

Mrs. Mildred R. Lee
Page 3
December 3, 1982

The summary of each of the other documents is the same substituting only the name of the document.

We request that these documents be recorded together and cross-indexed with a similar set of documents being submitted for recording this date under separate cover, relating to a simultaneous transaction concerning the same equipment between RAI-ONE MORTGAGE CORPORATION, 230 Park Avenue, Suite 2500, New York, New York 10169 as SELLER/LESSEE and VEGA ASSOCIATES, with an address at Suite 201, 310 South Street, Morristown, New Jersey 07960 as PURCHASER/LESSOR.

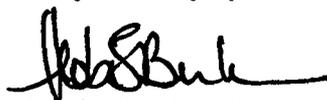
A fee of \$200 is enclosed. As per our telephone conversation, please return any overpayment. Please return the original of the documents to:

Tobi S. Berk
c/o Donald J. Flanagan
310 South Street, Suite 201
Morristown, New Jersey 07960

If you require any additional information, please contact me at the above address.

Thank you for your assistance in this matter.

Very truly yours,



Tobi S. Berk

TSB:smc
Encs.

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT IN THE NATURE OF A CHATTEL MORTGAGE

AGREEMENT MADE as of the 27th day of October, 1982, between RAI-ONE MORTGAGE CORPORATION, a Delaware corporation, having its principal office at 230 Park Avenue, Suite 2500, New York, New York 10169 (the "Purchaser") and CONTINENTAL TANK CAR CORPORATION, a Delaware corporation, having its principal office at 200 North Avenue East, Westfield, New Jersey 07091 (the "Seller").

WHEREAS, in consideration of the payment of TEN DOLLARS (\$10.00), lawful money of the United States, paid by each to the other in consideration of the undertakings hereinafter set forth, and other good and valuable consideration,

IT IS HEREBY AGREED that:

1. THE NOTE

Undertaking. To induce the Seller to enter into a purchase agreement dated as of October , 1982, (as now and hereafter modified, the "Agreement") with the Purchaser for the sale to Purchaser of the railroad tank cars listed on Exhibit A herto (the "Equipment"), and to induce the Seller to accept as partial payment for the Equipment a promissory note in the principal amount of \$1,096,000 as provided for by the Agreement and all documents delivered in connection with the Agreement (the "Documents"), and full and complete performance of all obligations under the Documents, (all of the aforesaid obligations, the "Obligations"), the Purchaser hereby grants to and creates in the Seller, a security interest in the Equipment, together with all accessions, additions, and improvements to, and substitutions and replacements for the Equipment.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 General. The Purchaser hereby makes the representations and warranties and enters into the covenants provided for in this Paragraph 2. Unless otherwise specified, all representations and warranties shall be true and all covenants shall be met in accordance with their terms, at the time this agreement is executed and at all times thereafter until the Obligations are fully paid.

2.2 General Representations.

The Purchaser represents to the Seller that:

A. The Equipment is used primarily in business and the Seller has a first lien thereon; and

B. Except for the security interest granted hereby and existing liens or encumbrances on the Equipment, the Purchaser will keep the Equipment free from any adverse lien, security interest and encumbrance and in good order and repair and will not waste or destroy the same or any part thereof; the Purchaser will not use any such Equipment in violation of any statute or ordinance; and

C. The Purchaser will pay promptly when due all taxes and assessments upon such Equipment, or for its use or operation; and

D. The Purchaser shall not use such Equipment except in the ordinary course of its business, substantially in the same manner as presently conducted, nor sell the same, without prior written consent of the Seller.

E. This Security Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms without defense, setoff or counterclaim;

2.3 Covenants. The Purchaser covenants with the Seller that it will do all of the following:

A. Pay and discharge when due all taxes and other obligations, or cause the same to be paid or discharged.

B. Promptly notify the Seller in writing of its opening of any new places of business or closing of any existing places of business.

C. Sign such financing statements or other documents in form satisfactory to the Seller which the Seller may at any time desire to file in order to protect of perfect its security interest in the Equipment and reimburse the Seller for the costs of filing the same and execute and deliver to the Seller any instrument, document, assignment or other writing which may be necessary or convenient to the Seller to carry out the terms of the Security Agreement and to perfect its security interest in the Equipment.

D. Deliver to the Seller with reasonable promptness such data as the Seller may reasonably request.

E. Promptly notify the Seller of the occurrence of an Event of Default and take such action with respect thereto as the Seller directs.

2.4 Negative Covenants. The Purchaser covenants with the Seller that it will not do any of the following:

A. Create any mortgage, pledge, hypothecation, assignment, encumbrance, charge or other lien or security interest upon any of the Equipment on Exhibit A except to the Seller in compliance with the terms of this Security Agreement and those existing on the Equipment upon the purchase of the same by Purchaser pursuant to the Agreement.

B. Sell the Equipment without the prior written approval of Seller, which sale shall be subject to this Security Agreement.

3. DEFAULTS.

3.1 Defaults. If any one or more of the following events (each, an "Event of Default") occurs, the entire unpaid balance of the principal and interest of the Note may, at the Seller's option, become immediately due and payable without notice, namely:

A. Any representation or warranty made herein or in the Documents, or in connection with the making of the Note or any certificate, statement or report made in compliance with this Security Agreement or the Agreement is false in any respect when made or when required to be true hereunder or by the Documents.

B. Failure by the Purchaser to make any payment of interest or principal or other payment upon the Note.

C. Failure by the Purchaser to perform or observe any term, condition, or covenant of this Security Agreement or the Agreement, or any document now or hereafter executed in connection herewith or with the Agreement.

D. Any adjudication that the Purchaser is insolvent or bankrupt, or the filing of a petition by or against it for relief under any provisions of any statute or law relating to bankruptcy, or the making of any assignment for the benefit of creditors, or the appointment of a receiver or trustee for all or any part of its property.

4. REMEDIES.

4.1 Remedies. Upon the occurrence of any Event of Default, the Purchaser will immediately repay, upon demand, all of the amounts then due under the Note, and in addition to its rights at law, under the UCC or hereunder or under any other document, the Seller may:

A. Without further notice or demand or legal process take possession of the Equipment, all records and items relating to the Equipment and;

B. Sell the Equipment, but the Seller shall give the Purchaser reasonable notice of the time and place of any public sale of its Equipment or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice of the sale or other intended disposition is mailed, by certified mail, postage prepaid, to the Purchaser at its address specified hereunder at least ten days prior to the time of such sale or disposition. At such sale the Seller may sell the Equipment for cash or upon credit or otherwise, at such prices and upon such terms as it deems advisable and the Seller may bid or become purchaser at such sale, free of the right of redemption, which is hereby waived. The Seller may adjourn such sales at the time and place fixed therefor without further notice or advertisement, and may sell the Equipment as an entirety or in separate lots as it deems advisable, but the Seller shall not be obligated to sell all or any part of the Equipment at the time and place fixed for such sale if it determines not to do so.

4.2 Proceeds. The proceeds of any sale or other disposition of the Equipment shall be applied as follows:

A. To the payment of the expenses of such sale; and

B. To the payment of the expense of retaking, keeping and storing the Equipment, including any attorneys' fees expended incidental thereto (15% if not prohibited by law); and then,

C. To the payment of the Note, in the case of any deficiency, the Purchaser shall pay same to the Seller with interest as provided for in the Note, and in the case of a surplus such surplus shall be provided to the Purchaser.

5. MISCELLANEOUS.

5.1 Definitions. For the purpose of this Security Agreement the following terms shall have the meanings indicated:

A. Equipment. The tank cars described in Exhibit A.

B. Event of Default. As defined in Paragraph 3 hereof.

C. First Lien. A fully perfected first lien against good and marketable absolute or fee simple title to the Equipment in question, free of all liens and encumbrances whatsoever, other than those acceptable to Seller, perfected by recording, filing or otherwise, so that such lien is prior and paramount to the lien or claim of any other party, except liens existing on the date of purchase of the Equipment.

D. UCC. As of any time, the Uniform Commercial Code then in effect in the State of New Jersey.

E. Waivers, Etc. The Purchaser hereby waives notice of any notice of presentment, demand for payment, protest and notice of protest of non-payment of the same and notice of any facts which might increase the Purchaser's risk hereunder and all notices required by law, all defenses, setoffs and counterclaims. The Purchaser hereby further agrees that its obligation to pay the Note is absolute and shall in no way be impaired by the invalidity, illegality or unenforceability of all or part of this Security Agreement or the Agreement or any document now or hereafter executed in connection therewith, or the failure of the Seller to protect or perfect all or any part of the Equipment; and the Seller is hereby authorized to surrender, in whole or in part, the Note or release anyone obligated for the payment therefor. No delay or failure by the Seller to exercise any right or privilege shall operate as a waiver of such or of any other right or privilege and no waiver shall be valid unless in writing and signed by the Seller.

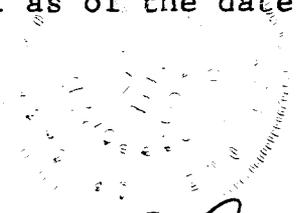
5.3 Construction. This Security Agreement shall be construed under New Jersey law, and federal law to the extent applicable, and references to the plural shall include the singular and others and references to the singular shall include the plural as the context requires. The invalidity, illegality or unenforceability of one or more provisions of this Security Agreement or the Note shall in no way affect the Seller's rights under the remaining portion of this Security Agreement or such Note.

5.4 Notices. Notices to the Seller and the Purchaser shall be effective when mailed to one of its officers by first class, certified mail, return receipt requested, postage prepaid at the addresses set forth in the introduction to this Security Agreement.

5.5 Counterparts. This Security Agreement may be executed in counterparts each of which shall be deemed to be an original and when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

(SEAL)
ATTEST:


Francis J. [Signature]
Asst Secretary

RAI-ONE MORTGAGE CORPORATION

By: Allen Hart
Allen Hart, Vice President

(SEAL)
ATTEST:

Ruey L. Wilson
Secretary

CONTINENTAL TANK CAR CORPORATION

By: Gordon B. Thomas
Gordon B. Thomas, Vice President

