

13866 C  
RECORDATION NO. 13866 Filed 1982

DEC 10 1982 - 11 35 AM

LAW OFFICES

INTERSTATE COMMERCE COMMISSION DONALD J. FLANAGAN  
310 SOUTH STREET

MORRISTOWN, NEW JERSEY 07960

2-344A092  
13866  
RECORDATION NO. 13866 Filed 1982

DEC 10 1982 - 11 35 AM

DONALD J. FLANAGAN

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

\* N.Y. BAR ONLY

INTERSTATE COMMERCE COMMISSION CODE 201

267-0424

TELEX: 642049

13866 A  
RECORDATION NO. 13866 Filed 1982

DEC 10 1982 - 11 35 AM

No. 13866  
Date DEC 10 1982  
Fee \$ 200.00  
RECORDATION NO. 13866 Filed 1982

December 3, 1982

DEC 10 1982 - 11 35 AM ICC Washington, D.C.

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

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

13866 B  
RECORDATION NO. 13866 Filed 1982

DEC 10 1982 - 11 35 AM

INTERSTATE COMMERCE COMMISSION

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:

1. RAI-ONE Sale Agreement
2. Bill of Sale
3. Lease between VEGA ASSOCIATES and RAI-ONE MORTGAGE CORPORATION
4. Security Agreement in the Nature of a Chattel Mortgage
5. Tankcar Promissory Note

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

LESSOR: VEGA ASSOCIATES  
Suite 201  
310 South Street  
Morristown, New Jersey 07960

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

RECEIVED  
DEC 10 11 29 AM '82  
FEE OPERATION BR.

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 VEGA ASSOCIATES, with an office at Suite 201, 310 South Street, Morristown, New Jersey 07960, as Lessor, and RAI-ONE MORTGAGE CORPORATION, with an office at 230 Park Avenue, Suite 2500, New York, New York 10169, 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 CONTINENTAL TANK CAR CORPORATION, 200 North Avenue East, Westfield, New Jersey 07091 as SELLER/LESSEE and RAI-ONE MORTGAGE CORPORATION, 230 Park Avenue, Suite 2500, New York, New York 10169 as PURCHASER/LESSOR.

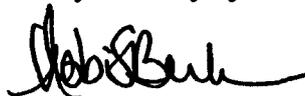
A fee of \$200 is enclosed. As per our telephone conversation, please return any overpayment. Please return the original of the documents to:

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.

**Interstate Commerce Commission**  
Washington, D.C. 20423

12/10/82

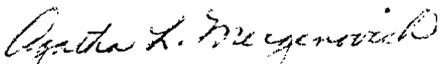
OFFICE OF THE SECRETARY

Tobi S. Berk  
Donald J. Flanagan  
310 South Street  
Morristown, N.J. 07960

Dear Ms. Berk:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/10/82** at **11:35am**, and assigned re-  
recording number(s). **13866, 13866-A, 13866-B, 13866-C, 13866-D**

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

RAI - ONE SALE AGREEMENT

DEC 10 1982 - 11 35 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT dated as of the 29<sup>th</sup> day of October, 1982, between VEGA ASSOCIATES, a Delaware limited partnership ("Purchaser"), having an address at Suite 201, 310 South Street, Morristown, New Jersey, 07960 and RAI-ONE MORTGAGE CORPORATION, a Delaware corporation ("RAI-ONE"), having an address at 230 Park Avenue, Suite 2500, New York, New York 10169.

*Seller*

W I T N E S S E T H :

WHEREAS, RAI-ONE is the owner of the railroad cars described in Exhibit A, attached hereto and made a part hereof (collectively, the "Cars").

WHEREAS, RAI-ONE desires to sell the Cars to Purchaser and Purchaser desires to purchase the Cars from RAI-ONE and simultaneously RAI-ONE desires to lease the Cars from Purchaser and Purchaser desires to lease the Cars to RAI-ONE under a separate written agreement of lease ("Lease").

NOW THEREFORE, in consideration of \$10.00 and other good and valuable consideration, the parties agree as follows:

Section 1. The Transaction

Subject to and in accordance with this Agreement, RAI-ONE will sell the Cars to Purchaser by delivery of a bill of sale in exchange for the purchase price hereinafter set forth. Simultaneously therewith, the Purchaser and RAI-ONE shall execute and deliver the Lease for the Cars substantially in the form of Exhibit B, attached hereto and made a part hereof.

The Cars presently are and may in the future be utilized by end-users other than RAI-ONE pursuant to leases or other agreements, and the Purchaser purchases the Cars subject and subordinate to (i) such agreements existing as of the date of the purchase, (ii) a security agreement in the nature of a chattel mortgage from Continental Tank Car Corporation ("Continental") to The Central Jersey Bank & Trust Company ("Central Jersey"), dated February 14, 1979, as amended on May 19, 1982, in the amount of \$280,000, payable in 60 consecutive monthly installments with the final payment due on February 20, 1984, which agreement shall have an outstanding principal balance of not to exceed \$168,276.27 at Closing, and which shall not be in default at Closing, (iii) a security agreement in the nature of a chattel mortgage from RAI-ONE to Continental, dated as of October 29, 1982, in the principal amount of \$1,096,000 payable over a period of 20 years, which agreement shall not be in default at the Closing, and (iv) a lease between RAI-ONE and Continental for a period of 20 years. Although the Cars will be purchased subject to such agreements, Continental shall remain liable for and make all payments required pursuant to its agreement with Central Jersey, and RAI-ONE and Continental shall each remain liable for the performance of all obligations required by such agreements and associated documents.

### 1.1. Purchase Price

The Purchase Price for the Cars shall be \$1,200,000. All expenses with respect to the transaction, including, without limitation, all brokerage fees, recording fees, transfer taxes and other taxes paid in connection with the sale of the Cars to Purchaser, including the recording of any mortgages and leases, counsel fees, including counsel fees of RAI-ONE not exceeding \$5,000, and disbursements and any mortgages of Purchaser shall be paid by Purchaser.

### 1.2. Payment of Purchase Price

On the Closing date, as defined in Section 2, Purchaser will pay for the Cars (i) by executing and delivering to RAI-ONE a security agreement in the nature of a chattel mortgage substantially in the Form of Exhibit C, attached hereto and made a part hereof, and (ii) a promissory note in the principal amount of \$1,200,000, representing the balance of the total purchase price, due October 1, 2002, and bearing interest at the rate of 18% per annum ("Note"). The Note will be substantially in the form of Exhibit D, attached hereto and made a part hereof. To secure payment of the Note, Purchaser agrees to deliver to Continental the personal liability agreements from the partners of Purchaser.

The above purchase price for the Cars does not include federal, state or local sales, use, excise or similar taxes or assessments applicable to the Cars. Purchaser hereby assumes the obligation for such tax or assessments and, except as may

otherwise be specifically prohibited by law, agrees to pay the same on demand in addition to the purchase price of the Cars.

Section 2. Closing.

The Closing for the sale of the Cars shall take place in accordance herewith at such place as the parties may agree on or about October 30, 1982 ("Closing Date").

Section 3. Representations and Warranties.

3.1 Representations and Warranties of RAI-ONE.

On the date hereof and on the Closing Date, RAI-ONE represents and warrants to, covenants and agrees with, Purchaser as follows:

(a) The Cars will be properly maintained and in good working order and repair, except as otherwise provided in Section 5.

(b) RAI-ONE owns, and by this Agreement will convey to Purchaser, good and marketable title to the Cars free and clear of any and all leases, liens, claims and encumbrances other than those listed on Exhibit E, attached hereto and made a part hereof. There are no agreements, leases, purchase options, liens or encumbrances affecting the Cars which are not disclosed on Exhibit E.

(c) RAI-ONE is a corporation duly and validly organized and existing in good standing under the laws of the state of Delaware and has all corporate power and authority to own its properties and carry on its business in the place where such properties are located and such business is conducted.

(d) RAI-ONE has the power and authority to enter into this Agreement and to execute and deliver all other instruments and documents in connection with the transactions herein referred to and to carry out the sale and transfer of the Cars to Purchaser and the transactions contemplated hereunder and thereunder. (This Agreement, and all such other instruments and documents are hereinafter referred to collectively as the "Documents"). There is no action, suit, or proceeding pending against RAI-ONE before or by any court, administrative agency or other governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery or performance by RAI-ONE of any of the Documents.

(e) The execution and delivery of the Documents by RAI-ONE and the performance by it of its obligations thereunder, including, without limitation, the conveyance of the Cars and the acceptance of the purchase price in exchange therefor, have been duly authorized by all necessary corporate action of RAI-ONE and do not violate or conflict with (i) any provision of RAI-ONE's Certificate of Incorporation or By-Laws, (ii) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority, or (iii) any agreement to which RAI-ONE is a party or by which RAI-ONE is bound.

(f) The Documents constitute the valid and binding obligations of RAI-ONE enforceable against it in accordance with their respective terms, subject, however, to laws of general application affecting creditors' rights.

(g) RAI-ONE is not subject to any restriction or agreement (including, without limitation, those listed on Exhibit E) which, with or without the giving of notice, the passage of time, or both, prohibits or would be violated by, the execution, delivery and consummation of the Documents and transactions therein referred to. No consents are necessary for such execution, delivery or consummation by RAI-ONE, other than the consents described in Section 4.3.

(h) All sales, use, property or other taxes, licenses, tolls, inspection or other fees, bonds, permits or certificates which were or may be required to be paid or obtained in connection with the original acquisition of the Cars by RAI-ONE or upon the leasing or utilization thereof under any existing leases or agreements have been, or when due will promptly be, paid in full (or adequate provision for such payment has or shall have been made) or obtained.

(i) RAI-ONE has made available to Purchaser a true, correct and complete copy of each and every documents delivered to or by RAI-ONE in connection with the purchase of the Cars by RAI-ONE and the leasing or utilization of the Cars under each existing lease or agreement and all documents creating or relating to the existing liens, including, without limitation, notes, loan agreements, security agreements, note purchase agreements and financing statements.

(j) RAI-ONE has complied with all its obligations and performed all of its duties and responsibilities in connection with the transactions and documents listed on Exhibit E, and no event of default, or any event which after notice or lapse of time would constitute an event of default, exists with respect to such transactions and documents.

(k) EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, OR IN THE BILL OF SALE, THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, CONCERNING THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE EXISTING LEASES OR THE CARS, THEIR CONDITION, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

### 3.2 Representations and Warranties of Purchaser.

On the date hereof and on the Closing Date, the Purchaser represents and warrants to, and covenants and agrees with, RAI-ONE as follows:

(a) Purchaser is a limited partnership duly and validly organized and existing in good standing under the laws of the state of Delaware and has all power and authority to carry on its business where such business is conducted.

(b) Purchaser has the power and authority to enter into the Documents and to carry out the transactions contemplated thereunder. There is no action, suit or proceeding pending against Purchaser before or by any court, administrative agency or any governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery, or performance by Purchaser of any of the documents.

(c) The execution and delivery of the Documents by Purchaser, and the performance of its obligations thereunder have been duly authorized by all necessary action of Purchaser, and do not violate or conflict with (i) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority, or (ii) any agreement to which Purchaser is a party or by which Purchaser is bound.

(d) The Documents constitute the valid and binding obligations of Purchaser enforceable against it in accordance with their respective terms, subject, however, to laws of general application affecting creditors' rights.

(e) Purchaser is not subject to any restriction or agreement which, with or without the giving of notice, the passage of time, or both, prohibits or would be violated by, the execution, delivery and consummation of the Documents or the transactions therein referred to. No consents are necessary for such execution, delivery and consummation by Purchaser.

#### Section 4. Conditions of Closing.

4.1 Documents. The following documents on the Closing Date shall have been duly authorized, executed and delivered by the parties hereto, shall be in full force and effect and no default shall exist thereunder, and each party shall have received a fully executed copy thereof:

(a) A bill of sale conveying the Cars to Purchaser, subject only to the exceptions set forth on Exhibit E;

(b) A Lease covering the Cars, dated as of October , 1982, between Purchaser, as lessor, and RAI-ONE, as lessee, substantially in the form of Exhibit B;

(c) A security agreement in the nature of a chattel mortgage from Purchaser, substantially in the form of Exhibit C;

(d) A Note, in the principal amount of \$1,200,000, payable in 240 installments, and bearing interest at the rate of 18% per annum, substantially in the form of Exhibit D;

(e) The Personal Liability Agreements from the partners of Purchaser, substantially in the form of Exhibit F.

#### 4.2 RAI-ONE Certificate.

RAI-ONE shall have delivered to Purchaser an officer's Certificate dated the Closing Date, substantially in the form of Exhibit G hereto.

#### 4.3 Existing Mortgages.

RAI-ONE shall deliver at the Closing an estoppel letter from each holder of an existing mortgage on any of the Cars stating (a) that no event of default, or any event which after notice or lapse of time would constitute an event of default, exists, (b) that there is no objection to the transfer of title to the applicable Cars to Purchaser, and (c) the unpaid principal amount of the mortgage then outstanding plus accrued and unpaid interest.

#### Section 5. Indemnity.

Purchaser agrees to indemnify and save harmless RAI-ONE against any and all claims, demands or damages, including without limitation reasonable attorneys' fees, arising out of

or caused by any violations of the securities laws attributable to Purchaser.

RAI-ONE will indemnify Purchaser and protect, defend, and hold it harmless from and against any and all loss, cost, damage, injury or expense, including, without limitation, reasonable attorneys' fees, wheresoever and howsoever arising which Purchaser may incur by reason of any material breach by RAI-ONE of any of the representations by, or obligations of, RAI-ONE set forth in the Documents. In the event any claim or action relating to the Cars or any transaction contemplated hereunder is made or instituted by a third person against Purchaser, Purchaser shall notify RAI-ONE promptly after the receipt of notice by Purchaser that such claim was made or that such action was commenced. RAI-ONE shall be entitled to participate in the defense of any such claim or action, and the same shall not be settled without its prior written consent (which consent shall not be unreasonably withheld) unless RAI-ONE shall deny Purchaser's right to indemnification.

Section 6. Miscellaneous.

6.1 Survival. The representations and warranties made herein shall survive the execution and delivery of this Agreement and the consummation of the transactions described therein.

6.2 Successors and Assigns. The rights and obligations of the parties hereunder shall inure to the benefit of, and be binding and enforceable upon, the respective successors, assigns, and transferees of either party.

6.3 Notices. Any notice, request, or other communication to either party by the other hereunder shall be given in writing and shall be deemed given on the earlier of the date the same is (i) personally delivered with receipt acknowledged, or (ii) mailed by certified mail, return receipt requested, postage prepaid and addressed to the party for which it is intended at the address set forth in this Agreement together with a copy to one addressee as may be designated by a party by notice hereunder. The place to which notices or copies of notices are to be given to either party may be changed from time to time by such party by written notice to the other party.

6.4. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of New Jersey applicable to contracts made and to be performed therein without giving effect to the principles of conflict of law thereof.

6.5 Captions. Captions used herein are inserted for reference purposes only and shall not affect the interpretation or construction of this Agreement.

6.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

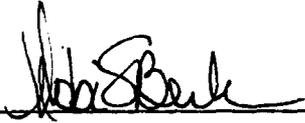
6.7 Amendments. This Agreement may be amended or varied only by a document, in writing, of even or subsequent date hereof, executed by Purchaser and RAI-ONE.

7.8 Further Assurances. Each party hereto shall execute and deliver all such further instruments and documents as may reasonably be requested by the other party in order to fully carry out the intent and accomplish the purposes of the Documents and the transactions referred to therein, including, without limitation, any instruments or documents required by the holder of any lien.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

VEGA ASSOCIATES

WITNESS:



By:   
Donald J. Flanagan,  
General Partner

RAI-ONE MORTGAGE CORPORATION

(SEAL)

Attest:

  
ASSY, Secretary

By:   
Allen Hart, Vice President

STATE OF *New Jersey* )  
COUNTY OF *Morris* ) ; ss.:

On this *29th* day of October, 1982, before me personally appeared *Allen Sart*, to me personally known, who, being by me duly sworn, says that he is the *Vice President* of RAI-ONE Mortgage Corporation, a Delaware corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and 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.

*Susan G. LaPlatte*  
Notary Public  
My Commission Expires ~~July 9, 1986~~  
SUSAN G. LA PLATTE  
A Notary Public of New Jersey  
My Commission Expires July 9, 1986

STATE OF *New Jersey* )  
COUNTY OF *Morris* ) ; ss.:

On this *29th* day of October, 1982, before me personally came Donald J. Flanagan, to me personally known, who, being by me duly sworn, did depose and say that he has his principal offices at 310 South Street, Morristown, New Jersey 07960, that he is a General Partner of Vega Associates, a Delaware limited partnership, the partnership named in and which executed the foregoing instrument; and that he signed his name thereto as a General Partner on behalf of the Partnership.

*Susan G. LaPlatte*  
Notary Public  
My Commission Expires ~~July 9, 1986~~  
SUSAN G. LA PLATTE  
A Notary Public of New Jersey  
My Commission Expires July 9, 1986

10/22/82

EXHIBIT A

DESCRIPTION OF TANK CARS

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

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