LAW OFFICES OF
HUBER LAWRENCE & ABELL
99 PARK AVENUE
NEW YORK, N.Y. 10016
AREA CODE 212
682-6200
CABLE ADDRESS "CAUTELA"

NORMAN ABELL
GREGORY J. BLASI
LEONARD BLUM
WILLIAM J. CRONIN
JOHN D. DRAGHI
KENNETH M. JASINSKI
FREDERIC H. LAWRENCE
FRANK J. MILLER
HOWARD M. SCHMERTZ
RODERICK SCHUTT
NORMAN W. SPINDEL

COUNSEL
GERSHON A. ARONSON
JOHN A. FARRELL

RECORDATION NO. 14045 Filed 1425
JUN 14 1983 -11 25 AM
INTERSTATE COMMERCE COMMISSION

June 9, 1983

C-165A171
No. JUN 14 1983
Date
Fee $ 50.00
ICC Washington, D. C.

Ms. Agatha Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Room 2303
Washington, D. C. 20423

Dear Secretary Mergenovich:

Enclosed please find an original and counterpart of the primary document described below, to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

The document, entitled "Security Agreement in the Nature of a Chattel Mortgage" is a security agreement covering twenty-five (25) tankcars, dated as of August 31, 1982, between POLARIS ASSOCIATES, a Delaware corporation, as Debtor, and RAI-ONE MORTGAGE CORPORATION, a Delaware corporation, as Secured Party. The addresses of the parties to the document are as follows:

DEBTOR: POLARIS ASSOCIATES
49 Fanok Road West
Convent Station, New Jersey 07961

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

A description of the equipment covered by this document follows:

Number of Cars	Type and Description	Identification Numbers
25	33,000 gallon jumbo pressurized tankcars with 100 ton roller bearing trucks	SFTX 945, 946, 947, 948, 949, 950, 951, 952, 953, 955, 956 CNTX 1201, 1202, 1204, 1206, 1209, 1211, 1218, 1219, 1220, 1301, 1307, 1309, 1311, 1317

A short summary of this document to appear in the index follows:

"Security Agreement in the Nature of a Chattel Mortgage between POLARIS ASSOCIATES, with an address at 49 Fanok Road West, Covenant Station, New Jersey 07961, as Debtor, and RAI-ONE MORTGAGE CORPORATION, with an address at 230 Park Avenue, Suite 2500, New York, New York 10169, as Secured Party, dated as of August 31, 1982, and covering 25 33,000 gallon jumbo pressurized tankcars with 100 ton roller bearing trucks, marked with the following identification numbers:

SFTX 945, 946, 947, 948, 949, 950, 951, 952, 953, 955, 956

CNTX 1201, 1202, 1204, 1206, 1209, 1211, 1218, 1219, 1220, 1301, 1307, 1309, 1311, 1317"

A fee of $50.00 is enclosed. Please return the original to:

Taras G. Borkowsky, Esq.
Huber Lawrence & Abell
99 Park Avenue
New York, New York 10016

Thank you for your help in this matter.

Very truly yours,

Taras G. Borkowsky

Taras G. Borkowsky
Attorney For RAI-ONE
MORTGAGE CORPORATION

TGB:srp
Enclosures

RECORDATION NO. 14045 Filed 1425
JUN 14 1983 - 11 35 AM
INTERSTATE COMMERCE COMMISSION

EXHIBIT C

SECURITY AGREEMENT IN THE NATURE OF A CHATTEL MORTGAGE

AGREEMENT MADE as of the 31st day of August, 1982, between POLARIS ASSOCIATES, a Delaware limited partnership, having its principal office at 49 Fanok Road West, Convent Station, New Jersey, 07961 (the "Purchaser") and RAI-ONE MORTGAGE CORPORATION, a Delaware corporation, having its principal office at 230 Park Avenue, New York, New York 10169 (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 August 31, 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 hereto (the "Equipment"), and to induce the Seller to accept as partial payment for the Equipment a promissory note in the principal amount of $1,500,000 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 Representations and Covenants.

The Purchaser represents to and covenants with 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; and 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 or 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 this 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 whatever, 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 York.

5.2 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 York 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 portions 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 above written.

POLARIS ASSOCIATES

WITNESS:

Donna M. Sweeney

By: Donald J. Flanagan, General Partner

(Seal)

ATTEST:

Richard M. Darcy
Asst., Secretary

RAI-ONE MORTGAGE CORPORATION

By: Allen Hart, Vice President

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 31st day of August, 1982, before me personally appeared Allen Hart, to me personally known, who, being by me duly sworn, says that he is the Vice President of RAI-One Mortgage 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.

William J. Cronin
Notary Public
My Commission Expires: 3-30-83

WILLIAM J. CRONIN
Notary Public, State of New York
No. 31-4610636
Qualified in Nassau County
Commission Expires March 30, 1983

STATE OF New York)
: ss.:
COUNTY OF New York)

On this 31st day of August, 1982, before me personally came Donald J. Flanagan, to me personally known, who, being by me duly sworn, did depose and say that he resides at 49 Fanok Road West, Convent Station, New Jersey 07961, that he is the General Partner of Polaris Associates, a Delaware limited partnership, the partnership named in and which executed the foregoing instrument; and that he signed his name thereto as General Partner on behalf of the Partnership.

William J. Cronin
Notary Public
My Commission Expires: 3-30-83

WILLIAM J. CRONIN
Notary Public, State of New York
No. 31-4610636
Qualified in Nassau County
Commission Expires March 30, 1983

EXHIBIT A

DESCRIPTION OF TANKCARS

No. of Cars	Department of Transportation Classification	Reporting Marks and Numbers	Description
11	112 J 340 W	SFTX 945, 946, 947, 948, 949, 950, 951, 952, 953, 955, 956	33,000 gallon jumbo pressurized tankcars with 100 ton roller bearing trucks
14	112 J 340 W	CNTX 1201, 1202, 1204, 1206, 1209, 1211, 1218, 1219, 1220, 1301, 1307, 1309, 1311, 1317	