

HOOLEY, BUTLER, DIFRANCESCO & KELLY

COUNSELLORS AT LAW

190 ELM STREET

NEALE F HOOLEY
GERALD C KELLY
WILLIAM B BUTLER
DONALD T DIFRANCESCO

WESTFIELD, NEW JERSEY 07091-0669

MAILING ADDRESS - P O BOX 669

TELEPHONE 233-4400
AREA CODE 201
TELECOPIER 233-4465

MILTON A FELLER
OF COUNSEL

16713
RECORDATION NO. FILED 1425

JAN 9 1990 -4 05 PM

INTERSTATE COMMERCE COMMISSION

December 27, 1989

Interstate Commerce Commission
Interstate Commerce Commission Building
12th Street and Constitution Avenue, NW
Washington, D. C. 20423

0-000A037

Re: Continental Tank Car
Corporation

Gentlemen:

Enclosed you will find an executed copy of a Security Agreement in the Nature of a Chattel Mortgage for recording. Also enclosed is an additional copy of page 1; please fill in the recording information on this page and return to us in the envelope herein provided.

We enclose our check Not to Exceed \$²⁵50 to cover recording fees. Please call us if an additional amount is required; otherwise, please fill in the amount of the check on the copy of this letter and return to us.

Thank you.

Sincerely,

Neale F. Hooley

kc
Enc.

DEC 27 1989

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REGISTRATION NO. FILED 1989

JAN 9 1990 4 05 PM

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We enclose our check Not to Exceed \$⁵⁰ to cover recording fees. Please call us if an additional amount is required; otherwise, please fill in the amount of the check on the copy of this letter and return to us.

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12/27/89

Interstate Commerce Commission
Washington, D.C. 20423

3/5/90

OFFICE OF THE SECRETARY

Neale F. Hooley
Hooley Butler, DiFrancesco & Kelly
190 Elm Street
Westfield, New Jersey 07091-0669

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/9/90 at 4:05pm and assigned recordation number(s). 16713

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

SECURITY AGREEMENT IN THE NATURE
OF A CHATTEL MORTGAGE

RECORDATION NO 16713 FILED 1428

JAN 9 1990 -4 05 PM
INTERSTATE COMMERCE COMMISSION

AGREEMENT made as of the 15th day of December, 1989, among THE CENTRAL JERSEY BANK AND TRUST COMPANY, a banking institution with offices at Route 9, Freehold, New Jersey ("Creditor") and the following parties, all of whom have a common office address of 200 North Avenue, East, Westfield, New Jersey, and who will be sometimes hereinafter collectively referred to as "Continental/Thomas": H. EMERSON THOMAS, GORDON B. THOMAS, H. EMERSON THOMAS, JR. and CONTINENTAL TANK CAR CORPORATION.

WHEREAS, Continental Tank Car Corporation ("Continental") has this date executed a Loan Agreement with Creditor whereby the latter has advanced or otherwise credited the aggregate sum of \$1,694,000.00 to Continental or its accounts, respectively; and

WHEREAS, in accordance with the aforesaid Loan Agreement Continental is required to provide collateral to Creditor during the term of such Loan Agreement and the Note issued by Continental to Creditor thereunder;

WHEREAS, each of the parties constituting Continental/Thomas as such terms is defined in this Agreement, is a director, officer, shareholder or wholly-owned subsidiary of Continental.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Security Interest

To induce the Creditor to enter into a Loan Agreement of even date herewith, pursuant to which Creditor is obligated to advance or otherwise credit Continental's account in the aggregate sum of \$1,694,000.00 (the "Loan Agreement"), Continental/Thomas hereby jointly and severally grant Creditor a security interest in their various respective rights and interest in and under the instruments set forth and identified in Schedule A to this Agreement (the "Collateral"), including without limitation all right(s) and interest(s) which Continental/Thomas and/or any one or more of the parties identified as the same hold and enjoy by virtue of Security Agreements in the Nature of Chattel Mortgages, Preferred Ship Mortgages, Notes, Leases, charters, Assignments of Leases, Assignments of Charters or Assignments of Personal Liability Agreements received from or executed by any one or more of the following parties: Elliot J. Seley, Darcy Associates, Rai-One Mortgage Corporation, Rai-Two Mortgage Corporation, Rai-Three Mortgage Corporation or Rai-Four Mortgage Corporation. Creditor hereby acknowledges its receipt of a copy of each of the instruments underlined in Schedule A attached hereto.

2. REPRESENTATIONS AND WARRANTIES

Continental/Thomas represent to the Creditor that:

A. Each of the items of Equipment which is subject to or identified in any of the instruments set forth and identified in Schedule A attached hereto (the "Equipment") is in proper operating condition as of the date of this instrument and is used primarily for business purposes.

B. This Security Agreement constitutes a legal, valid and binding obligation enforceable jointly and severally against Continental/Thomas in accordance with its terms without defense, setoff or counterclaim.

C. Each of the representations and warranties of Continental Tank Car Corporation set forth in the Loan Agreement be and they hereby are affirmed in full by Continental/Thomas with the same force and effect as though set forth at length herein.

2.1 COVENANTS

Continental/Thomas jointly and severally covenant with the Creditor that they will each do all of the following:

A. Sign such financing statements or other documents in form satisfactory to the Creditor which the Creditor may at any time desire to file in order to protect or perfect its security interest in the documents set forth in Exhibit A attached hereto and reimburse the Creditor for the costs of filing the same and execute and deliver to the Creditor 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 hereunder.

B. Not create or execute any mortgage, pledge, lease, assignment, encumbrance, charge or other lien as security interest in, on or with respect to the Collateral or to cause the termination of any right which has been assigned to the Creditor hereunder other than with the approval of Creditor and in compliance with the terms of this Agreement.

3. DEFAULTS AND REMEDIES

A. The occurrence of any one or more of the events set forth and identified in Section 4.1 of the Loan Agreement following the appropriate grace period, if any, provided therein, shall automatically constitute and be considered a default for the purposes of this instrument.

B. Upon the occurrence of an event of default as defined above Creditor shall enjoy each of the remedies and rights which are identified and set forth in Section 4.2 of the Loan Agreement with the same force and effect as though set forth at length herein.

4. MISCELLANEOUS

4.1 Waivers

Continental/Thomas jointly and severally hereby waive notice of any notice of presentment, demand for payment, protest and notice of nonpayment of the same as well as all defenses, setoffs and counterclaims which might decrease their risk hereunder and all notices required by law. Continental/Thomas jointly and severally further agree that the right of Creditor to sell, dispose of or otherwise utilize any other portion of the Collateral in order to satisfy in full all obligations of Continental under the Loan Agreement and the Note issued in connection therewith is absolute. No delay or failure by the Creditor to exercise any right or privilege hereunder 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 Creditor hereunder.

4.2 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 Creditor's rights under the remaining portion of this Security Agreement or such Note.

4.3 Notices

Notices to the parties hereto shall be effective when physically delivered or sent to the respective parties hereto by first class, certified mail, return receipt requested, postage prepaid at the addresses set forth in the introduction to this Security Agreement. Continental/Thomas hereby designate H. Emerson Thomas as their representative to receive all notices sent to them by the Creditor under this Agreement.

4.4 Additional Security

The Indebtedness secured by this instrument is secured, in addition, by an Assignment of the Charter Rights of even date herewith executed by Continental in favor of the Creditor with respect to certain barge charter lease rights enjoyed by the former, it being the express intention of Continental/Thomas that the aggregate interest of Creditor in the collateral securing the Note shall be limited to the right of payment of principal and interest under the Note and such other costs, expenses or charges as are permitted the Creditor under such Assignment of Charter Rights and this Security Agreement.

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

ATTEST:

Barbara A. Sarno
BARBARA A. SARNO
Assistant Secretary

THE CENTRAL JERSEY BANK AND TRUST COMPANY,

By: [Signature]
Richard S. Pinnell, Vice President

ATTEST:

Gordon B. Thomas, Secretary
Gordon B. Thomas, Secretary

CONTINENTAL TANK CAR CORPORATION,

By: [Signature]
H. Emerson Thomas, President

[Signature]
H. Emerson Thomas

[Signature]
Gordon B. Thomas

[Signature]
H. Emerson Thomas, Jr.

STATE OF NEW JERSEY, COUNTY OF UNION,

SS..

I CERTIFY that on December 15, 1989, .

H. Emerson Thomas, H. Emerson Thomas, Jr., and Gordon B. Thomas,

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed the attached document; and
- (b) signed, sealed and delivered this document as his or her act and deed.



LUCY L WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 4/26/92



STATE OF NEW JERSEY, COUNTY OF UNION,

SS..

I CERTIFY that on December 15, 1989,

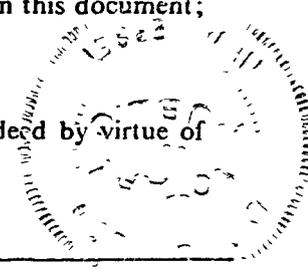
personally came before me and this person acknowledged under oath, to my satisfaction, that:

H. Emerson Thomas

- (a) this person signed, sealed and delivered the attached document as President of Continental Tank Car Corporation the corporation named in this document;
- (b) the proper corporate seal was affixed. and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.

Lucy Wilson

LUCY L WILSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 4/26/92



STATE OF NEW JERSEY, COUNTY OF UNION,

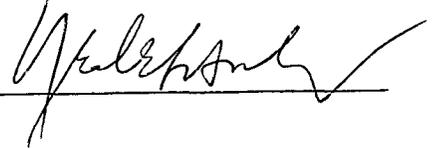
SS.:

I CERTIFY that on December 15, 1989, .

Richard S. Pinnell,

personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed, sealed and delivered the attached document as ~~Executive~~ Vice President of The Central Jersey Bank and Trust Company, the corporation named in this document;
- (b) the proper corporate seal was affixed; and
- (c) this document was signed and made by the corporation as its voluntary act and deed by virtue of authority from its Board of Directors.



NEALE F. HOOLEY
AN ATTORNEY AT LAW OF NEW JERSEY

Schedule A

List of Equipment serving as Collateral and existing
Leases relating thereto.

<u>Lessee</u>	<u>Car Nos.</u>	<u>No. of Cars</u>	<u>Expiration</u>
There is no item 1 in this listing			
2. Akzo Chemicals Inc. E.A. Stec, Transp.Operators.Mgr. 300 So. Riverside Plaza Chicago, IL 60606	SFTX 21403-21406 incl. SFTX 21408, 21410-21414 incl. SFTX 21416-21418 incl.	13 14,600 gal. sulphuric acid cars	06/30/91
3. Ashland Oil Inc. Bob Sutton P O Box 391 Ashland, KY 41114	CNTX 1206, 1208, 1210, 1214, 1306, 1308, 1311, 3113, 1317, 1320, 5011, 5013, 5015, 5022, 5023, 5029, 5032, 5041, 5042, SFTX 960	20 33,000 gal. pressure tank cars	09/14/90
4. Cal Gas Corporation Grag Greer P O Box 28397 Sacramento, CA 95828	CNTX 1216, 1217, 1303, 1314, 1315	5 33,000 gal. pressure tank cars	07/30/90
5. Carbonaire Inc. Mike Meining P O Box 163 Palmerton, PA 18071	SFTX 946-948 incl.SFTX 950- 951, 953, 957, 961-963 incl., SFTX 966, 970	12 33,000 gal. pressure tank cars	01/31/92
6. Commonwealth Propane Harry Hanger P O Box 35800 Richmond, VA 23235-0800	CNTX 5024, 5036	2 34,000 gal. pressure tank cars	06/30/92
7. E.I.DuPont DeNemours & Co. S. D. Williams,Maters.&Logistics 1007 Market Street Wilmington, DE 19898	SFTX 21401, 21402, 21407, 21409, 21415	5 14,600 gal. sulphuric acid	09/30/96
8. Echo Petroleum Corp. Shon Cochran 9034 E.Easter Pl. Suite 100 Englewood, CO 80112	CNTX 5016, 5017, 5025, 5027, 5028, 5034	6 34,000 gal. pressure tank cars	05/31/90
9. E.I.L. Petroleum Inc. Bob Weinberg 20 Crossways Park N. Suite 302 Woodbury, NY 11797	CNTX 1203, 1205, 1309, 1319, 1323, 5010, 5014, 5021, 5026 SFTX 945, 955	7 4 33,000/34000 gal. pressure tank cars	07/31/90 03/01/90

	<u>Lessee</u>	<u>Car Nos.</u>	<u>No. of Cars</u>	<u>Expiration</u>
10.	Hudson Tank Terminals D. J. C. Pender P O Box 2519 Newark, NJ 07114	CNTX 23002, 23003, 23004, 23007, 23013, 23014, 23016, 23018, 23019, 23021, 23022, 23026, 23029	13 23,800 gal. genl. service tank cars	12/31/95
11.	National Aramonia Co. Gregg Tanner Tacony & VanKirk St. Philadelphia, PA 19135	SFTX 949, 952, 954, 956, 964 965	6 33,000 gal. pressure tank cars	12/31/89
12.	Oxy Ngl, Inc. Wanda Crow P O Box 300 Tulsa, OK 74102	CNTX 1209, 1211, 1213, 1215, 1218, 1219, 1220, 1301, 1302, 1304, 1316	11 33,000 gal. pressure tank cars	08/31/90
13.	Pennwalt Corporation Frank Lex 3 Parkway Philadelphia, PA 19102	CNTX 2001, 2002, 2005, 2008 CNTX 2000, 2003, 2004, 2006, 2007	4 5 20,000 gal. pressure mercaptan cars	Storage M/M
14.	Procter & Gamble Paul Garver P O Box 599 Cincinnati, OH 45201	CNTX 23001, 23005, 23008, 23010, 23012, 23017, 12020, 23027	8 23,800 gal. genl. service tank cars	12/31/91
15.	Quantum Chemical Corp. USI Division Bob Schultz P O Box 429596 Cincinnati, OH 45249-9596	CNTX 1212, 1310, 1318, 1322	4 33,000 gal. pressure tank cars	10/01/90
16.	Seaview Petroleum Michael Dzewitt P O Box 231 Blue Bell, PA 19422	CNTX 23006, 23009, 23011, 23015, 23023, 23024, 23025, 23028	8 23,800 gal. genl. service tank cars	12/31/90
	Suburban Propane Gas Cliff Hopler P O Box 206 Whippany, NJ 07981	CNTX 1001-1007 incl. CNTX 1009-1011 incl. SFTX 901-903 incl.	13 30,800 gal. pressure tank cars	03/31/90
	Transportation Equipment Jed Helmkamp P O Box 775 Weimar, TX 78962	CNTX 1201, 1202, 1204, 1207, 1321, 5040, SFTX 959	7 33,000 gal. pressure tank cars	08/15/90
	Woodgate Petroleum John McKenzie P O Box 538 Stephens City, VA 22655	CNTX 1305, 1307, 1312, 5012, 5018, 5020, 5031, 5033, 5035, 5037, 5038, SFTX 958	12 33,000/34000 gal. pressure tank cars	10/31/90

165 Tank Cars

10 Barges