

HOBERTMAN & POLLACK, P.C.

ATTORNEYS AT LAW
ONE STATE STREET, HARTFORD, CONNECTICUT 06103
(203) 549-1000
TELECOPIER (203) 724-3921

HARVEY HOBERTMAN
ELLIOTT B. POLLACK
RICHARD F. BANBURY
WILLIAM BARNETT
HOWARD L. SIEGEL
MARC B. FRIEDMAN
MICHAEL J. RUBERTO
RICHARD P. HEALEY
JULIA L. AURIGEMMA
MICHAEL FELDMAN
BRIAN T. GARRITY
JUDY K. WEINSTEIN

BERTIN C. EMMONS
NEAL C. MIZNER
LEE A. SPIELMAN
THOMAS B. MITCHELL
NADINE KLINE YOUNG
RAFAEL A. SANTIAGO
OSCAR M. PARENTE
GARY M. KRASNA
INA A. FORMAN
VICTOR R. PERPETUA
JOSEPH P. BERNARDO
KENNETH B. KATZ

COUNSEL
HOWARD A. ROSEMAN
WARREN K. NOVICK
SANDY SEIDMAN
MILTON W. HORWITZ
(1900-1982)
OCT 16 3 00 PM '86
NOTION OF EXAMINATION UNIT

No. 6-289A030

RECORDATION NO. 15077 Filed & Recorded

Date OCT 16 1986

OCT 16 1986 3-3 0 PM

October 14, 1986

Fee \$ 10.00

INTERSTATE COMMERCE COMMISSION

ICC Washington, D.C.

Secretary, Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, DC 20423

Re: Secured Party: The Connecticut Bank and Trust Company,
N.A.
Debtor: Agtrans Corporation

Dear Sir or Madam:

Enclosed herewith please find an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. This document is a Loan and Security Agreement, a primary document, dated October 9, 1986.

The names and addresses of the parties to the document are as follows:

Secured Party:
The Connecticut National Bank and Trust Company, N.A.
One Thames Plaza
Norwich, Connecticut 06360

Debtor:
Agtrans Corporation
P. O. Box 666
Mason's Island
Mystic, Connecticut 06355

A description of the equipment covered by the document is as follows:

Forty (40) open top hopper railroad cars bearing A.A.R. Nos. SONX1001 through SONX1040, inclusive.

Interstate Commerce Commission
October 14, 1986
Page 2

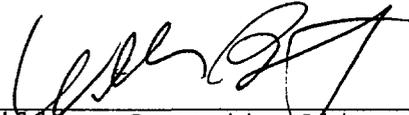
A fee of \$10.00 is enclosed. Please return the recorded documents to:

William Barnett, Esq.
Hoberman & Pollack, P.C.
One State Street
Hartford, Connecticut 06103

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

Loan and Security Agreement between The Connecticut Bank and Trust Company, N.A., One Thames Plaza, Norwich, Connecticut 06360, and Agtrans Corporation, P. O. Box 666, Mason's Island, Mystic, Connecticut 06355, dated October 9, 1986, and covering forty (40) open top hopper railroad cars bearing A.A.R. Nos. SONX1001 through SONX1040, inclusive.

Very truly yours,



William Barnett, Attorney for
The Connecticut Bank and Trust
Company, N.A.

WB/gwg
Enclosures

cc: The Connecticut Bank and Trust Company, N.A.
David H. Flynn, Esq.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

10/20/86

William Barnett, Esq.
Hoberman & Pollack, P.C.
One State Street
Hartford, Connecticut 06103

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 10/16/86 at 3:30pm, and assigned re-
recording number(s).

15077

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

EXHIBIT "E"

THE CONNECTICUT BANK AND TRUST COMPANY, N.A.

AND

AGTRANS CORPORATION

OCTOBER 9, 1986

CLOSING AGENDA

1. Financing Statement - Secretary of State, Connecticut.
2. UCC Search Information.
3. ICC Search Information.
4. Term Promissory Note - \$500,000.
5. Loan and Security Agreement.
6. Certificate of Good Standing - Connecticut.
7. Copy of Certificate of Incorporation.
8. Copy of Bylaws.
9. Secretary's Certificate.
10. Consent of Stockholders.
11. Fire and Extended Coverage Insurance.
 - a. Evidence of Insurance.
 - b. Loss Payee Endorsement.
12. Guaranty - Leonard R. McLaughlin.
13. Copy of Lease to Sonoco Service, Inc.
14. Assignment of Lease Proceeds.
15. Agreement re Use of Rails.
16. Agreement re Sale of Cars.
17. Arrangements for Recordation with ICC.
18. Fee Reimbursement Authorization.
19. Opinion of Counsel for Borrower.
20. Payment of Transaction Fee.

RECORDATION NO. 15077 Filed & Recorded

OCT 16 1986 3-30 PM

INTERSTATE COMMERCE COMMISSION

I hereby certify that I have have compared the attached copy to the original executed Loan and Security Agreement and have found the attached copy to be complete and identical in all respects to the original document.

Dated at Hartford, Connecticut, this 14th day of October, 1986.



William Barnett, Notary Public
My Commission Expires: March 31, 1989

OCT 16 1986 3-3 0 PM

LOAN AND SECURITY AGREEMENT
INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT made and entered into this 9th day of October, 1986, by and between **THE CONNECTICUT BANK AND TRUST COMPANY, N.A.**, a national banking association with an office at One Thames Plaza, Norwich, Connecticut 06360 (hereinafter referred to as "**Secured Party**") and **AGTRANS CORPORATION**, a Connecticut corporation with an office and place of business at P. O. Box 666, Mason's Island, Mystic, Connecticut 06355, (hereinafter referred to as "**Debtor**").

1. The Loan. Subject to all terms and conditions of this Agreement, Secured Party agrees to lend up to Five Hundred Thousand (\$500,000) Dollars to Debtor, said loan to be evidenced by the promissory note in the form of **EXHIBIT "D"** annexed hereto. Upon request for the advance of the loan hereunder, Debtor shall furnish Secured Party with:

a. A statement executed by the chief executive officer of Debtor advising Secured Party that Debtor is not in default under this Agreement, that Debtor does not know of any event which but for the passage of time or the giving of notice would create a default under this Agreement, and that Sonoco Services, Inc. is not in default under a certain lease between Debtor and Sonoco Services, Inc. dated July 21, 1986.

b. A copy of the bills of sale obtained or to be obtained in connection with the specific railroad cars being purchased.

The advance hereunder shall be conditioned upon receipt by Secured Party of the various items listed on **EXHIBIT "E"** annexed hereto and made a part hereof. In consideration of Secured Party agreeing to make the above-referenced funds available to Debtor, Debtor agrees to pay a transaction fee of one-quarter (1/4) point, said fee to be payable at closing.

2. Security Interest. Debtor hereby grants to Secured Party a security interest in the property set forth on **EXHIBIT "A"** annexed hereto (hereinafter referred to as the "**Collateral**"), to secure the payment and performance of all Obligations of Debtor to Secured Party. "**Obligations**" shall mean any and all loans and advances made by Secured Party prior to, on or after the date of this Agreement to or for the account of Debtor, and any and all interest, commissions, obligations, liabilities, indebtedness, charges and expenses now or hereafter chargeable against Debtor by Secured Party or owing by Debtor to Secured Party, whether any of the foregoing are direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising, no matter how or when arising and whether under any present or future agreement or instrument between Debtor and Secured Party or otherwise, and the performance and fulfillment by Debtor of all of the terms, conditions, promises, covenants and

provisions contained in this Security Agreement or in any note or notes secured hereby or in any present or future agreement or instrument between Debtor and Secured Party.

DEBTOR HEREBY WARRANTS, COVENANTS AND AGREES:

3. Debtor has the corporate power to execute, deliver and carry out this Agreement and to incur the Obligations, and has taken all necessary corporate action to authorize the execution, delivery and performance by Debtor of this Agreement and the incurring of the Obligations.

4. Except as contemplated by this Agreement, the execution and delivery of this Agreement and compliance by Debtor with any of the terms and provisions or of any of the other agreements or instruments referred to herein or in any thereof, will not, on the date hereof, violate any provision of any existing law or regulation or any writ or decree of any court or governmental instrumentality or of the charter or bylaws of Debtor or any agreement or instrument to which Debtor is a party or which is binding upon it or its assets, and will not result in the creation or imposition of any lien, security interest, charge or encumbrance of any nature whatsoever upon or in any of its assets except as contemplated by this Agreement, and no consent of any other party (including stockholders of Debtor) and no consent, license, approval or authorization of, or registration or declaration with, any governmental bureau or agency is required in connection with the execution, delivery, performance, validity, and enforceability of this Agreement.

5. Debtor has good and marketable title to all Collateral, and none of said Collateral is subject to any mortgage, pledge, lease, trust, bailment, lien, security interest, encumbrance, charge or title retention or other security agreement or arrangement of any character whatsoever other than those listed on EXHIBIT "B" annexed hereto, and, to the extent that this Agreement states that the Collateral is to be acquired after the date hereof, will be the owner of the Collateral free from any adverse lien, security interest or encumbrance except as set forth on EXHIBIT "B"; and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

6. Debtor will make punctual payment of all monies and will faithfully and fully keep and perform all of the terms, conditions, covenants, and agreements contained on Debtor's part to be paid, kept, or performed hereunder, and will be bound in all respects as debtor under this Agreement; and will make punctual payment of all monies and will faithfully and fully keep and perform all of the terms, conditions, covenants and agreements on its part to be paid, kept or performed under the terms of any lease or mortgage of the premises where the Collateral is located or is to be located wherein Debtor is lessee or mortgagor, and will promptly notify Secured Party in the event of any default on

the part of Debtor or receipt by Debtor of any notice of alleged default under any such lease or mortgage.

7. The Collateral will be kept at the locations set forth on **EXHIBIT "C"** annexed hereto. Debtor will not remove the Collateral from said locations without prior written consent of Secured Party.

8. Debtor's places of business are set forth on **EXHIBIT "C"**, and Debtor will immediately notify Secured Party in writing of any change in or discontinuance of Debtor's place or places of business.

9. If any or all of the Collateral is attached to or may be attached to the real estate, prior to the perfection of the security interest granted hereby, Debtor will, on demand of Secured Party, furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is or may be prior to Secured Party's interest.

10. No financing statement covering any Collateral or any additions, accessions, proceeds or products thereof or thereto is on file in any public office, except as set forth on **EXHIBIT "B"** annexed hereto, and, at the request of Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing and recording the same in all public offices wherever filing and/or recording is deemed by Secured Party to be necessary or desirable.

11. Debtor will not sell, exchange or otherwise dispose of the Collateral, or any part thereof or any interest therein without the express written authorization of Secured Party; in the event of the sale, exchange or other disposition of the Collateral or any part thereof or any interest therein (and no such sale, exchange or other disposition is hereby authorized or consented to), the security interest of Secured Party shall nevertheless continue in said Collateral (including all proceeds, cash and non-cash) notwithstanding said sale, exchange or other disposition; all of said proceeds shall remain Collateral hereunder and shall be transferred and paid over to Secured Party immediately following said sale, exchange, or other disposition, and shall be applied at the option of Secured Party either to installments due hereunder or referred to herein in their inverse order of maturity or to the payment of any monies payable under this Agreement, or to any Obligation of Debtor to Secured Party; and the receipt by Secured Party of all or any part of said proceeds shall not be deemed or construed to be an authorization or consent of Secured Party to such sale, exchange or other disposition of said Collateral.

12. Debtor will have and maintain insurance at all times with respect to all Collateral against risks of fire (including

so-called extended coverage), theft and such risks as Secured Party may reasonably require, containing such terms, in such form, and for such periods, and written by such companies as may be reasonably satisfactory to Secured Party, such insurance to be payable to Secured Party and Debtor as their interests may appear; each policy of insurance shall have a loss payee endorsement providing:

a. That loss or damage, if any, under the policy, shall be payable to Secured Party, as secured party, as its interest may appear;

b. That the insurance as to the interest of Secured Party shall not be invalidated by any act or neglect of the insured or owner of the property described in said policy, nor by any foreclosure, or other proceeding, or notice of sale relating to said property, nor by any change in the title of ownership of said property, nor by the occupation of the premises where the property is located for purposes more hazardous than are permitted by said policy;

c. That, if the policy is cancelled at any time by the insurance carrier, in such case the policy shall continue in force for the benefit of Secured Party for not less than thirty (30) days after written notice of cancellation to Secured Party from the insurance carrier; and

d. That the policy will not be reduced or cancelled at the request of the insured nor will said loss payee endorsement be amended or deleted without thirty (30) days prior written notice to Secured Party from the insurance carrier.

Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions; and Secured Party may act as attorney for Borrower in obtaining, adjusting, settling and cancelling such insurance and receiving and endorsing any drafts. Debtor hereby assigns to Secured Party any and all monies which may become due and payable under any policy insuring the Collateral covered by this Security Agreement, including return of unearned premiums, and hereby directs any insurance company issuing any such policy to make payment directly to Secured Party and authorizes Secured Party, at its option, (i) to apply such monies in payment on account of any Obligation hereunder, whether or not due, or (ii) to return said funds to Debtor for the purpose of replacement of the Collateral, and (iii) to remit any surplus to Debtor. Anything herein to the contrary notwithstanding, so long as Debtor is not in default to Secured Party, Secured Party will return said funds to Debtor to the extent necessary for replacement or repair of the Collateral.

13. Debtor will keep the Collateral free from any lien, security interest or encumbrance and in good order and repair, and will not waste or destroy the Collateral or any part thereof;

Borrower will not use the Collateral in violation of any statute or ordinance; and Secured Party may examine and inspect the Collateral at any time during normal business hours, wherever located; and Debtor will notify Secured Party in the event of material loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral or the making of any levy, seizure or attachments thereof or thereon, or the placing of any lien or liens thereon or generally on the property of Debtor by the United States of America or any federal, state or local governmental agency or authority.

14. Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Security Agreement or upon any note or notes evidencing the Obligations of this Security Agreement. At its option, in its sole and absolute discretion, Secured Party may discharge taxes, liens, or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral, including but not limited to payments on premises leased by Debtor. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Secured Party may, in its sole and absolute discretion, and without notice to Debtor, make payment of same or any part thereof. Each amount so paid by Secured Party shall be secured by all Collateral held by Secured Party. Nothing herein contained shall obligate Secured Party to make such payment nor shall the making of one or more such payments constitute (i) an agreement on Secured Party's part to take any further or similar action or (ii) a waiver of any default by Debtor under the terms thereof or of this Security Agreement. Anything herein to the contrary notwithstanding, Secured Party will not pay taxes without giving Debtor ten (10) days' prior written notice of its intention to do so. Furthermore, Secured Party will not pay such taxes so long as they are properly being contested by Debtor and so long as Debtor maintains appropriate reserves or accruals in connection therewith.

15. A physical listing of all inventory and equipment wherever located shall be provided to Secured Party annually and at such other time or times as Secured Party may reasonably request.

16. From time to time, Debtor will execute, deliver, acknowledge, file, record or register, or cause to be filed, recorded or registered, any and all notices, amendments, statements, certificates, documents or other instruments, and take any and all other action which may be deemed necessary by Secured Party hereunder to create, perfect or protect the security interest of Secured Party in the Collateral.

17. Debtor agrees to pay all reasonable counsel fees and reasonable expenses which Secured Party may incur in connection with documenting, protecting, enforcing or releasing any of its

rights against Debtor, any security held by Secured Party, or against any guarantor or endorser. Debtor specifically authorizes Secured Party to pay all such reasonable fees and reasonable expenses and further agrees to reimburse Secured Party thereof, upon demand.

18. At the request of Secured Party, Debtor shall provide Secured Party with schedules describing all Receivables, as defined in EXHIBIT "A", created or acquired by Debtor during the period specified in such request and shall, upon default hereunder and the failure to cure said default, at the request of Secured Party, execute and deliver written assignments of such material Receivables to Secured Party, provided, however, that its failure to execute and deliver such schedules and/or assignments shall not affect or limit Secured Party's security interest or other rights in and to Receivables. At the request of Secured Party, together with each schedule, Debtor shall furnish copies of customers' invoices or the equivalent, and original shipping or delivery receipts for all merchandise sold and Debtor warrants the genuineness thereof. Debtor further warrants that all Receivables are and will be bona fide existing obligations created by the sale and delivery of merchandise or the rendition of services to customers in the ordinary course of business, free of liens, encumbrances and security interests and unconditionally owed to Debtor without defense, offset or counterclaim. Each schedule shall further include a list indicating the aging of all Receivables previously reported to Secured Party, collections of all Receivables previously reported to Secured Party, and all cash sales made by Debtor during the prior month. In addition to said schedules, Debtor will notify Secured Party in the event any customer or account debtor disputes liability or makes any claim with respect to any Receivable or in the event Debtor has received notice of the bankruptcy of an account debtor.

19. In consideration of \$1.00 by Secured Party to Debtor in hand paid and other good and valuable consideration, receipt of which Debtor hereby acknowledges, Debtor hereby leases to Secured Party and Secured Party hereby hires from Debtor, for a term which shall last as long as there shall be any present or future indebtedness or Obligation of whatever nature owing from Debtor to Secured Party, all of Debtor's books of account, ledgers and cabinets in which there are reflected or maintained the Receivables now or hereafter assigned by Debtor to Secured Party and all supporting evidence and documents relating thereto in the form of written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes and other evidences of indebtedness, insurance certificates and the like. Secured Party and its representatives shall at all times during normal business hours have and be entitled to free and undisturbed access to such books of account, ledgers and cabinets and may examine and audit the contents thereof and make excerpts therefrom. All additional books of account, ledgers and cabinets in which there may hereafter be reflected or maintained assigned Receivables and

supporting evidence or documents pertaining thereto shall also and without further act be subject to the provisions of this paragraph.

20. Debtor will at all times hereafter maintain a standard and modern system of accounting in accordance with generally accepted accounting principles and will deliver to Secured Party within ninety (90) days after the end of each of Debtor's fiscal years a reasonably detailed balance sheet and a reasonably detailed profit and loss statement covering Debtor's operations for such fiscal year compiled by an independent certified public accountant satisfactory to Secured Party and within forty-five (45) days after the end of each of Debtor's fiscal quarters, copies of any interim financial reports or statements prepared by or for Debtor; and Debtor shall promptly notify Secured Party of such other information concerning its affairs as Secured Party may reasonably request, from time to time, and shall promptly notify Secured Party of any material adverse change in its financial condition.

21. Upon default of Debtor hereunder, Secured Party may notify customers or account debtors or any third parties who are in any way indebted to Debtor, at any time, whether or not Debtor is in default under this Agreement, that Receivables have been assigned to it or of its security interest therein, collect them directly and charge the collection costs and expenses to Debtor's account, but, unless and until Secured Party instructs Debtor to the contrary, Debtor shall make collections of all Receivables.

22. Upon default by Debtor hereunder, with respect to any deposits or property of Debtor in Secured Party's possession or control, now or in the future, Secured Party shall have the right to set off all or any portion thereof, at any time, against any Obligations hereunder, even though unmatured, without prior notice or demand to Debtor.

23. Debtor will comply with all rules and regulations of the Interstate Commerce Commission or any other regulatory body governing the use of railroad cars.

AND IT IS MUTUALLY AGREED THAT:

24. Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement and not inconsistent with any policy of insurance thereon.

25. Debtor shall be in default under this Security Agreement upon the happening of any one of the following events or conditions:

a. Non-payment when due of any monies required to be paid under any agreement or instrument between Debtor and Secured Party and the expiration of ten (10) days thereafter or default in

the keeping or performance of any of the terms, conditions, covenants or agreements contained on Debtor's part to be kept or performed hereunder or under any other agreements between Debtor and Secured Party and the failure to cure, if curable, any such default within thirty (30) days.

b. Any representation, warranty or statement made to Secured Party by or on behalf of Debtor proves to have been false when made or furnished.

c. Material loss, theft, substantial damage, destruction, sale or encumbrance of any of the Collateral or the making of any levy, seizure or attachment thereof or thereon, or the placing of any lien or liens thereon or generally on the property of Debtor by the United States of America or any federal, state or local governmental agency or authority, and the failure to cure any default created above, if curable, within fifteen (15) days.

d. Death or incompetency of (and the failure to provide a replacement satisfactory to Secured Party within thirty (30) days), dissolution of, termination of existence of, insolvency of, business failure of, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws (which, in the event of an involuntary insolvency proceeding, remains undischarged for a period of thirty (30) days or more) by or against, Debtor or any guarantor for Debtor.

e. Default by any guarantor or endorser of the Obligations of Debtor, under any Obligations from guarantor or endorser to Secured Party.

Upon the happening of any event of default specified above, Secured Party shall have the right to declare all Obligations immediately due and payable and in addition to its rights hereunder, all of the remedies of a secured party under the Uniform Commercial Code, and, further, Secured Party may sell and deliver any or all Receivables and any or all other security and collateral held by Secured Party or for Secured Party at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as Secured Party deems advisable, at Secured Party's sole discretion, subject to the commercially reasonable requirements of the Uniform Commercial Code. In the event Debtor commits a breach of any provision of this Agreement, in addition to all other sums due Secured Party, Debtor will pay Secured Party all costs and expenses incurred by Secured Party, including an allowance for attorneys' fees, to obtain or enforce payment of Receivables or Obligations, or in the prosecution or defense of any action or proceeding either against Secured Party or against Debtor concerning any matter arising out of or connected with this Agreement or the Receivables or Obligations and all supplements and amendments hereto, if any. Any requirement of reasonable notice shall be met if such notice is mailed postage prepaid to Borrower at its address as set forth herein at least fifteen (15)

days before the time of sale or other disposition. Secured Party may be the purchaser at any such sale, if it is public, and, in the event Secured Party is the purchaser, Secured Party shall have all the rights of a good faith, bona fide purchaser for value from a secured party after default. The proceeds of sale shall be applied first to all costs and expenses of sale, including attorneys' fees, and second to the payment (in whatever order Secured Party elects) of all Obligations, and any remaining proceeds shall be applied in accordance with the provisions of Part 5 of Article 9 of the Uniform Commercial Code. Debtor shall remain liable to Secured Party for any deficiency.

26. Upon default, Secured Party shall have the right to take possession of its Collateral and to maintain such possession on Debtor's premises or to remove the Collateral or any part thereof to such places as it may desire. If Secured Party exercises its right to take possession of its Collateral, Debtor will, upon Secured Party's demand, assemble the Collateral and make it available to Secured Party at a place reasonably convenient to both parties.

27. No course of dealing between Debtor and Secured Party and no failure to exercise or delay in exercising on the part of Secured Party any right, power or privilege under the terms of this Agreement or under the terms of any other agreements, instruments or other documents between Secured Party and Debtor shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege. The rights and remedies provided herein or in any other agreement are cumulative and not exclusive of or in derogation of any rights or remedies provided in and thereof, by law or otherwise.

28. All rights of Secured Party in, to and under this Agreement and in and to the Collateral shall pass to and may be exercised by any assignee thereof. Debtor agrees that, in the event of an assignment of this Agreement and notice of such assignment to Debtor, the liability of Debtor to a holder for value of the Agreement shall be immediate and absolute and not affected by any claim against Secured Party as a defense, counterclaim or setoff to any action for the unpaid balance owed under this Agreement or for possession, brought by said holder.

29. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns, and all Obligations of Debtor shall bind the respective heirs, executors, administrators, successors and assigns of Debtor.

30. All Collateral described in this Agreement shall remain collateral as security for the performance of all Obligations of Debtor under this Agreement until all monies required to be paid under this Agreement have been paid in full and all Obligations on the part of Debtor to be paid, kept and performed under this Agreement have been paid, kept and performed.

31. All agreements, representations, and warranties made herein, in any agreement and in any statements, notices, invoices, certificates, schedules, consignments, designations, documents or other instruments delivered to Secured Party in connection with this Agreement or any other agreement shall survive the making of the loan and advances hereunder.

32. The acceptance of any check, draft or money order tendered in full or partial payment of any Obligation hereunder is conditioned upon and subject to the receipt of final payment in cash.

33. Secured Party may have rights against Debtor, now or in the future, in its capacity as secured party, creditor, or in any other capacities. Such rights may include the right to deprive Debtor of or affect the use of or possession or enjoyment of Debtor's property; and in the event Secured Party deems it necessary to exercise any of such rights prior to the rendition of a final judgment against Debtor, or otherwise, Debtor may be entitled to notice and/or hearing under the Constitution of the United States and/or State of Connecticut, Connecticut statutes (to determine whether or not Secured Party has a probable cause to sustain the validity of Secured Party's claim), or the right to notice and/or hearing under other applicable state or federal laws pertaining to prejudgment remedies, prior to the exercise by Secured Party of any such rights. Debtor expressly waives any such right to prejudgment remedy notice or hearing to which Debtor may be entitled; provided, however, that this waiver shall not include a waiver of such rights as Debtor shall have to prior notice of the proposed disposition of Collateral by Secured Party. Specifically and without limiting the generality of the foregoing, Debtor recognizes that Secured Party has and shall continue to have an absolute right to effect collection of any of the Receivables or Collateral with respect to which Secured Party holds a security interest without the necessity of according to Borrower any prior notice or hearing, subject to the terms of this Agreement. This shall be a continuing waiver and remain in full force and effect so long as Debtor is obligated to Secured Party.

34. All terms used in this Agreement and in all documents referred to herein and which have been defined in Articles 1, 2 or 9, Uniform Commercial Code, shall be interpreted and construed in light of the sections, the definitions, the "official comment", and the definitional and substantive cross-references of the Uniform Commercial Code.

35. This Agreement may not be amended orally.

36. All exhibits referred to herein and annexed hereto are hereby incorporated in this Agreement and made a part hereof.

AND DEBTOR HEREBY REPRESENTS TO SECURED PARTY:

37. That it is solvent, is able to pay its debts as they mature, and intends to pay, keep and perform its Obligations hereunder.

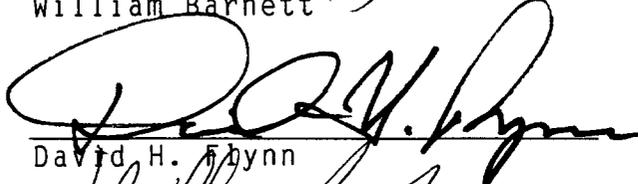
38. That the undersigned has full and lawful authority to bind Debtor to this Agreement.

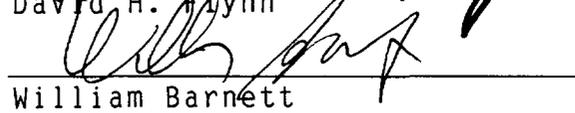
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by the proper and duly authorized officers as of the day and year first above written.

WITNESS:


David H. Flynn


William Barnett


David H. Flynn


William Barnett

THE CONNECTICUT BANK AND TRUST
COMPANY, N.A.

By: 
William C. Horn, Jr.
Its Senior Vice President
Duly Authorized

AGTRANS CORPORATION

By: 
Leonard R. McLaughlin
Its ~~President~~
Duly Authorized

STATE OF CONNECTICUT:
: ss.: Hartford
COUNTY OF HARTFORD :

On this 9th day of October, 1986, before me, personally appeared William C. Horn, Jr. to me personally known, who being by me duly sworn, says that he is the Senior Vice Pres. of THE CONNECTICUT BANK AND TRUST COMPANY, N.A., that the seal affixed to the foergoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public
My Commission Expires: March 31, 1989

STATE OF CONNECTICUT:
: ss.: Hartford
COUNTY OF HARTFORD :

On this 9th day of October, 1986, before me, personally appeared Leonard R. McLaughlin to me personally known, who being by me duly sworn, says that he is the President of AGTRANS CORPORATION, that the seal affixed to the foergoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public
My Commission Expires: March 31, 1989

EXHIBIT "A"

COLLATERAL

(a) all of Debtor's now owned and hereafter acquired, present and future, accounts, contract rights, chattel paper, documents, and instruments, including without limitation all obligations to Debtor for the payment of money, whether arising out of Debtor's sale of goods or rendition of services or otherwise, and including without limitation all of Debtor's rights in any present or future lease of railroad cars between Debtor and Soneco Services, Inc., (all hereinafter called "Accounts, Etc.");

(b) all of Debtor's rights, remedies, security and liens, in, to and in respect of the Accounts, Etc., present and future, including without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to the Accounts, Etc., deposits or other security for the obligation of any debtor or obligor in any way obligated on or in connection with any Accounts, Etc., and credit and other insurance;

(c) all of Debtor's right, title and interest, present and future, in, to and in respect of all goods relating to, or which by sale have resulted in, Accounts, Etc., including without limitation all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing any Accounts, Etc., and all returned, reclaimed or repossessed goods;

(all of the assets described in paragraphs "(a)", "(b)" and "(c)" above are hereinafter called "Receivables")

(d) all inventory of whatsoever name, nature, kind or description now owned and hereafter acquired, present and future, by Debtor, wherever located, including without limitation all contract rights with respect thereto and documents representing the same, all goods held for sale or lease or to be furnished under contracts of service, finished goods, work in process, raw materials, materials used or consumed by Debtor, parts, supplies, and all wrapping, packaging, advertising and shipping materials and any documents relating thereto, and all labels and other devices, names and marks affixed or to be affixed thereto for purposes of selling or of identifying the same or the seller or manufacturer thereof, and all right, title and interest of Debtor therein and thereto, including but not limited to forty (40) open top hopper railroad cars bearing Serial Nos. SONX1001 through SONX1040, inclusive, (all hereinafter called "Inventory");

(e) all machinery, equipment, furniture, fixtures, tools, parts, supplies and motor vehicles, now owned and hereafter acquired, present and future, by Debtor of whatsoever name,

nature, kind or description, wherever located, and all additions and accessions thereto and replacements or substitutions therefor, including but not limited to forty (40) open top hopper railroad cars bearing Serial Nos. SONX1001 through SONX1040, inclusive, (all hereinafter called "Equipment");

(f) all of Debtor's right, title and interest, present and future, in and to (i) all letters patent of the United States or any other country, all right, title and interest therein and thereto, and all registrations and recordings thereof, including without limitation applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, and State thereof or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Debtor, and (ii) all reissues, continuations, continuations-in-part or extensions thereof and all licenses thereof ("(i)" and "(ii)" collectively called "Patents");

(g) all of Debtor's right, title and interest, present and future, in and to (i) all trademarks, trade names, trade styles, service marks, prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including without limitation applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Debtor, (ii) all reissues, extensions or renewals thereof and all licenses thereof ("(i)" and "(ii)" collectively called "Trademarks"), and (iii) the goodwill of the business symbolized by each of the Trademarks, and all customer lists and other records of Debtor relating to the distribution of products bearing the Trademarks;

(h) all other general intangibles of every kind and description of the Debtor, including without limitation Federal, State and local tax refund claims of all kinds, whether now existing or hereafter arising;

(i) all of Debtor's deposit accounts, whether now owned or hereafter created, wherever located;

(j) all monies, securities, instruments, cash and other property of Debtor and the proceeds thereof, now or hereafter held or received by, or in transit to, Secured Party from or for Debtor, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all of Debtor's deposits (general or special, balances, sums, proceeds and credits of Debtor with Secured Party at any time existing;

(k) all books, records, customer lists, ledger cards, computer programs, computer tapes, disks, printouts and records,

and other property and general intangibles at any time evidencing or relating to any of the foregoing, whether now in existence or hereafter created;

(all of the assets described in paragraphs "(h)", "(i)", "(j)" and "(k)" hereinafter called "Additional Collateral")

(1) any and all products and proceeds of any of the foregoing, in any form (including, without limitation, any insurance proceeds or claims by Debtor against third parties, for loss or damage to or destruction of any and all of the foregoing collateral and any claims by Debtor against third parties for infringement of the Trademarks or the Patents.

All terms used herein are used as defined in the Uniform Commercial Code.

EXHIBIT "B"

LIENS, ENCUMBRANCES, ETC.

None.

EXHIBIT "C"

LOCATION OF COLLATERAL

P. O. Box 666
Mason's Island
Mystic, Connecticut 06355

All railroad cars will be used upon the Providence and Worcester line in the State of Connecticut.

EXHIBIT "D"

TERM PROMISSORY NOTE

\$500,000

Hartford, Connecticut
October 9, 1986

FOR VALUE RECEIVED, **AGTRANS CORPORATION**, a Connecticut corporation (hereinafter called "**Maker**"), promises to pay to the order of **THE CONNECTICUT BANK AND TRUST COMPANY, N.A.**, a national banking association (hereinafter called "**Lender**"), at its office at One Thames Plaza, Norwich, Connecticut 06360, or at such other place as the holder of this note shall from time to time designate, the principal sum of **FIVE HUNDRED THOUSAND (\$500,000) DOLLARS**, with interest from the date hereof on the unpaid balance at the rate hereinafter set forth until all sums due hereunder have been fully paid.

Payments of principal and interest shall be made in sixty (60) equal successive monthly installments, as follows: Fifty-nine (59) equal monthly installments of principal and interest, each in the amount of Ten Thousand Five Hundred Sixty-Two and 12/100 (\$10,562.12) Dollars, commencing November 1, 1986 and continuing on the first day of each successive month thereafter through and including September 1, 1991, with the sixtieth (60th) and final installment being due and payable on October 1, 1991, said final installment being equal to the outstanding balance of all principal and accrued interest. Interest shall be charged at a per annum rate equal to nine and three-quarters (9-3/4%) percent.

This note may be prepaid by Maker at any time upon payment of the following premiums: (i) In the event of prepayment during the first (1st) year, five (5%) percent of the outstanding balance; (ii) in the event of prepayment during the second (2nd) year, four (4%) percent of the outstanding balance; (iii) in the event of prepayment during the third (3rd) year, three (3%) percent of the outstanding balance; (iv) in the event of prepayment during the fourth (4th) year, two (2%) percent of the outstanding balance; and (v) in the event of prepayment during the fifth (5th) year, one (1%) percent of the outstanding balance.

All payments will be applied first to interest and then to principal.

Said sums shall be payable together with all lawful taxes and assessments levied thereon, or upon this note, or upon the holder hereof with respect to the same, and together with the reasonable fees of the attorney of the said holder of this note and all costs and expenses if this note is placed in the hands of an attorney for collection or in any proceeding instituted to collect said sums, to foreclose, or to protect or sustain the lien of any security which may be given to secure the payment of this note, or in any litigation or controversy arising from or connected with this note and any mortgage or security agreement securing the same.

The happening of any of the following events or conditions shall be a default under this note:

1. Failure to make when due any payment of principal or interest or any sum due hereunder when the same shall be due and payable, and the expiration of ten (10) days thereafter.

2. Any representation or warranty made to Lender by the undersigned proves to have been untrue in any material respect as of the date hereof, or any statement, certificate or data furnished by the undersigned proves to have been untrue in any material respect as of the date as of which the facts therein set forth were stated or certified.

3. Default by the undersigned in the payment or performance of any obligation on its part to be paid or performed, or breach by the undersigned of any representation, warranty, term, covenant, or condition of or under any agreements between Lender and the undersigned, or in any documents or instruments referred to in said agreements, and the failure to cure, if curable, any such breach or failure to perform within thirty (30) days.

4. Any material loss, theft, substantial damage, destruction, sale, exchange, or other disposition, or any encumbrance of any of the collateral securing this note, or the making of any levy, seizure, or attachment thereof or thereon, or the placing of any lien or liens thereon or generally on the property of the undersigned by the United States of America or any federal, state or local governmental agency or authority, and the failure to cure any default created above, if curable, within fifteen (15) days.

5. Death or incompetency of (and the failure to provide a replacement satisfactory to Lender within thirty (30) days thereafter), dissolution of, termination of existence or insolvency of, business failure of, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws (which, in the event of an involuntary insolvency proceeding, remains undischarged for a period of thirty (30) days or more) by or against, the undersigned, or any guarantor, endorser, or surety of the undersigned.

6. Default by Soneco Services, Inc. under any of its obligations to Lender.

7. Default by Soneco Services, Inc. under a certain lease of railroad cars between Soneco Services, Inc. and Maker.

Upon the happening of any event of default specified above, the whole of said indebtedness, both principal and interest, and including any other sums which may become due hereunder, shall, at the option of the holder of this note, immediately become due and payable automatically, and without presentment, demand, protest, notice of protest, or other notice or notice of dishonor of any

kind, all of which are hereby expressly waived by the undersigned and the endorsers.

Every Maker, endorser and guarantor of this note, or the obligations represented hereby, agrees that no delay or failure on the part of the holder in exercising any power, privilege, remedy, option or right hereunder shall operate as a waiver thereof or of any other power, privilege, remedy or right; nor shall any single or partial exercise of any power, privilege, remedy, option or right hereunder preclude any other or future exercise thereof or the exercise of any other power, privilege, remedy, option or right. The rights and remedies expressed herein are cumulative, and may be enforced successively, alternately, or concurrently and are not exclusive of any rights or remedies which holder may or would otherwise have under the provisions of all applicable laws, and under the provisions of all agreements between the undersigned and the Lender or between any endorser and the Lender.

Every Maker, endorser and guarantor of this note, or the obligations represented hereby, waives demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this note, assents to any extension or postponement of the time of payment or any other indulgence and/or to the addition or release of any party or person primarily or secondarily liable.

The Maker gives Lender a lien and right of setoff for all the Maker's liabilities upon and against the Maker's deposits, credits and property now or hereafter in the possession or control of Lender or in transit to it. Said Lender may, at any time, apply the same or any part thereof to Maker's liability, though unmatured, without notice and without first resorting to any other collateral.

The Maker and any endorser or guarantor hereof hereby represents, covenants and agrees that the proceeds of the loan evidenced by this note shall be used for general commercial purposes.

THE MAKER AND ANY ENDORSER OR GUARANTOR HEREOF HEREBY WAIVES ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER IN CONNECTION WITH ANY AND ALL PREJUDGMENT REMEDIES TO WHICH THE HOLDER HEREOF MAY BE ENTITLED UNDER ANY PROVISION OF FEDERAL OR STATE LAW.

This note is secured by security interests in Maker's accounts receivable, etc., inventory, and machinery and equipment, and the holder of this note is entitled to the benefits of said security interests.

AGTRANS CORPORATION

By: _____

Its
Duly Authorized

The foregoing promissory note is hereby unconditionally endorsed by the undersigned.

Leonard R. McLaughlin