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PAULA T. YELLMAN
DAVID H. FLYNN

1:5119

DEC 12 1986 11:50 AM

INTERSTATE COMMERCE COMMISSION

December 2, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

RE: Lessor: Agtrans Corporation
Lessee: Soneco Service, Inc.

Dear Sir or Madam:

Enclosed please find two original sets of the document described below, to be recorded pursuant to title 49, Section 11303 of the United States Code. This document is a Lease Agreement, a primary document, dated July 1, 1986.

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

Lessor: Agtrans Corporation
P.O. Box 666
Mason's Island
Mystic, Connecticut 06360

Lessee: Soneco Service, Inc.
185 South Road
P.O. Box S
Groton, Connecticut 06340

6-339A018
No.

Date DEC 5 1986

Fee \$ 10.00

ICC Washington, D.C.

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

Forty (40) open top hopper railroad cars bearing A.A.R. Nos. SONX 1001 through SONX 1040, inclusive.

Secretary, Interstate
Commerce Commission
December 2, 1986
Page 2

REID and RIEGE, P.C.

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

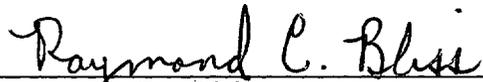
Raymond C. Bliss, Esquire
Reid and Riege, P.C.
One State Street, 18th Floor
Hartford, Connecticut 06103

A short summary of the document which should appear in the Index is as follows:

Lease Agreement between Agtrans Corporation, P.O. Box 666, Mason's Island, Mystic, Connecticut 06360 and Soneco Service, Inc., 185 South Road, P.O. Box S, Groton, Connecticut 06340, dated July 1, 1986 and covering forty (40) open top hopper railroad cars bearing A.A.R. Nos. SONX 1001 through SONX 1040, inclusive.

Respectfully yours,

REID and RIEGE, P.C.



Raymond C. Bliss,
Attorney for Agtrans Corporation

RCB:dcp

Enclosures

cc: Leonard R. McLaughlin

Interstate Commerce Commission
Washington, D.C. 20423

12/15/86

OFFICE OF THE SECRETARY

Raymond C. Bliss, Esq.
Reid And Riege, P.C.
One State Street, 18th Fl.
Hartford, Conn. 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 12/12/86 at 11:50am, and assigned re-
recording number (s). 15119

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

LEASE AGREEMENT

DEC 12 1986 11-50 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, effective as of July 1, 1986, by and between AGTRANS CORPORATION, a Connecticut corporation having its principal place of business at 185 South Road, Groton, Connecticut 06340, ("Lessor") and SONECO SERVICE, INC., a Connecticut corporation having its principal place of business at 185 South Road, Groton, Connecticut 06340 ("Lessee").

WITNESSETH

1. Equipment. The Lessor hereby leases to the Lessee railroad equipment with the serial numbers set forth in Equipment Schedules 1, 2, 3 and 4 attached hereto and made a part of this Agreement, subject to the terms and conditions set forth herein. The scheduled items of equipment are hereinafter called collectively the "Cars" and individually a "Car".

2. Term. This Agreement shall be effective from the date specified until March 31, 1992 unless the Lessor should exercise its option to require the Lessee to extend the Agreement provided for under Section 9. Should the Lessor require the extension of the Agreement, then the expiration date of the Agreement shall be March 31, 1997.

3. Supply Provisions. Lessor shall cause the Cars to be placed in service by shipment directly to an interchange point on

rails operated by the Providence and Worcester Railroad Company ("Railroad"). The Cars are deemed accepted by Lessee when accepted in interchange by the Railroad.

4. Record Keeping. Lessee, at no cost to Lessor, shall maintain reasonable records and make available to Lessor upon reasonable prior notice such bills and records as concern the movement of crushed stone and sand between Wauregan, Connecticut and the private siding at Lessee's facility in Groton, Connecticut by rail currently operated by the Railroad ("approved use"). All records maintained by the Lessee with respect to the Cars and their use and maintenance shall also be made available to the Lessor on the same terms. Any bills and records maintained by the Railroad with respect to carloads moving under the provisions of this Agreement that are available to the Lessee shall be made available on the same terms to the Lessor at the Lessor's request.

5. Rental Rate.

(a) Lessee agrees to pay a rental rate to the Lessor during the period consisting of the effective date of this Agreement up to and including March 31, 1992 for the approved use of the Cars of \$.785 per ton transported to be paid as set forth in section 5(c). Lessee must pay Lessor in any given year a minimum total rental payment based upon 200,000 tons.

(b) Should the Lessor require the Lessee to extend the Lease as provided for under section 9, then the rental rate for

the period of the extension shall be determined as provided for in section 9.

(c) Rental payments shall be payable on the first day of each month commencing on the first day of the month following the initial month during which the Lessor's Cars are used by Lessee under this Agreement.

6. Maintenance and Taxes. This Lease is a "net lease".

(a) Lessee will be responsible for all costs, expenses, fees, charges and taxes incurred in connection with each of the Cars but not limited to the use, operation, maintenance, repair and servicing of each of them during the term of this Agreement (collectively, "costs"). Should any Car be damaged, Lessee or its agents shall be responsible for insuring that repairs are made at the expense of the Lessee or the responsible carrier or Railroad as the case may be. Lessee shall be responsible for the repair of any Car damaged, whether due to wreck or derailment or any other cause, while in possession of or on the property of Lessee. The Lessee is not responsible for income taxes or franchise taxes imposed on the Lessor.

(b) Lessee or its agents shall make or cause to be made, at its expense, all repairs, alterations, modifications or replacement of parts (collectively, "changes") as shall be necessary to maintain the Cars in good operating condition throughout the term of the Agreement. Lessee or its agents shall

not make any changes to the Cars without Lessor's prior written consent. If Lessee or its agents makes any changes to any Car without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to such change and for any reduced value, utility or utilization of such Car. Title to any such change so approved by Lessor shall be and remain with the Lessor.

7. Possession and Use.

(a) So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business. Lessee's rights shall be subject and subordinated to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of the cars. Upon notice to Lessee from any such secured party that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that the Cars be returned to such party.

(b) With the exception of liens created by the Lessor, Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other security interest or claim with respect to the Cars or any

interest therein or in this Agreement or Schedules thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim if the same shall occur at any time.

(c) Lessee shall only use Lessor's Cars for the approved use. Any variance from the approved use by the Lessee must be approved by the Lessor in writing prior to its adoption by Lessee.

8. Default.

(a) The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant or condition of this Agreement, which is not cured within fifteen days after written notice.

(iii) The insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee or the appointment of any receiver or trustee to take possession of the properties of Lessee which is not dismissed within 60 days.

(b) Upon the occurrence of any event of default, Lessor may, at its option:

(i) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof (and Lessee agrees to bear Lessor's costs and expenses, including reasonable attorney's fees, in securing such enforcement and recovering such damages); and/or

(ii) By notice in writing to Lessee terminate this Agreement, whereupon all rights of the Lessee to possess and use the Cars shall absolutely cease and terminate as though this Agreement had never been made, but the Lessee shall remain liable for the terms and conditions of this Agreement; and/or

(iii) By its agents enter upon the premises of the Lessee or other premises where any of the cars may be and take possession of and remove from such premises all or any of such Cars and thenceforth hold, possess and enjoy the same free from any right of the Lessee or its successors or assigns, to use the

Cars for any purpose whatsoever; but the Lessee shall, nevertheless, have the obligation to pay to the Lessor upon demand, any and all amounts which under the terms of this Agreement may be then due or which may have accrued to the date of or subsequent to the date of such termination, and also to pay forthwith to the Lessor (1) any damages and expenses, including reasonable attorney's fees in addition thereto, which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Agreement, and (2) all of Lessor's costs and expenses incurred in searching for, taking, removing, keeping and storing such Cars, and (3) all additional amounts owing by Lessee hereunder, whether as remittances, indemnification or otherwise.

The remedies in this agreement provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies.

9. Expiration of Initial Lease Term.

(a) Not later than 60 days prior to the expiration date of the initial term of the Agreement as provided for in section 2, the Lessor shall inform the Lessee by writing that the Lessee is required to:

(i) extend the Agreement for a period of 5 years commencing April 1, 1992 up to and including March 31, 1997, at a Rental Rate to be determined by the parties;

(ii) purchase the Cars at their then Fair Market Value or at a purchase price to be determined by the parties; or

(iii) return the Cars at Lessee's expense to a location specified by Lessor.

(b) In any event, the Lessee will be required to purchase the Cars, if not sooner purchased by Lessee, as of April 1, 1997, at their then Fair Market Value or at a purchase price to be determined by the parties.

(c) Should the parties be unable to determine the Rental Rate or Fair Market Value of the Cars, then the Rental Rate or Fair Market Value, as the case may be, shall be determined by a panel of 3 appraisers to be selected as follows: 1 appraiser shall be selected by the Lessor; 1 appraiser shall be selected by the Lessee; and a third appraiser shall be selected by the first

two appraisers. The decision of a majority of the appraisers as to said Rental Rate or Fair Market Value shall be conclusive upon the parties. The cost of such appraisal shall be shared equally by the parties.

10. Assignment. This Agreement and the attached Schedules shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not, without the prior written consent of Lessor, assign this Agreement or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

11. Indemnification and Insurance.

(a) Lessee agrees to indemnify and hold harmless Lessor for any claims, costs, loss, expenses, demands or judgments for personal injury (including death) or property damage arising from or growing out of the use and maintenance of the Cars while leased by Lessee.

(b) Lessee agrees to provide Lessor with a certificate evidencing comprehensive personal and property liability insurance coverage which shall include contractual liability coverage prior to the date of this Agreement. Said policy shall provide that same may not be cancelled, non-renewed or altered without 30 days prior written notice to Lessor. Lessee shall use its best efforts at all times to maintain such insurance.

12. Waiver of Warranties. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE CARS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE CARS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE CARS OR ANY COMPONENT THEREOF, NOR SHALL LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT) it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee.

13. Representations, Warranties and Covenants by Lessee.
Lessee represents, warrants and covenants that:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under, this Agreement.

(b) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the

Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(c) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(d) This Agreement has been duly authorized, executed and delivered by Lessee and constitutes a valid and binding obligation of Lessee enforceable in accordance with its terms.

14. Representations, Warranties and Covenants by Lessor.

Lessor represents, warrants and covenants that:

(a) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under this Agreement.

(b) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessor, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security

interest or other encumbrance upon any assets of Lessor or on the Cars pursuant to any instrument to which Lessor is a party or by which it or its assets may be bound.

(c) There is no action or proceeding pending or threatened against the Lessor before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessor.

(d) This Agreement has been duly authorized, executed and delivered by Lessor and constitutes a valid and binding obligation of Lessor enforceable in accordance with its terms.

15. Inspection. Lessor shall at any time during normal business hours have the right to enter the premises of the Lessee, or of any other party to the extent it may lawfully do so, where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Lessor of any accident connected with the operation of the Cars. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien, other judicial process or other lien or encumbrance shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of its audited annual report.

16. Rights of Lessee. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of Cars only, and that no joint venture or partnership is being created. Nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only.

17. Rights of Lessor. It is expressly understood and agreed by the parties hereto that Lessor is entitled to the same rights and privileges as is Lessee, granted to Lessee under a certain Confidential Rail Service Contract pursuant to ICC-PW-C 0027 entered into by Lessee and Railroad dated August 1, 1986.

18. Governing law. This Agreement shall be construed pursuant to and in accordance with the laws of the State of Connecticut.

19. Notices. All notices required by this Agreement shall be in writing and addressed to the business addresses of the parties hereto.

20. Entire Agreement. This document constitutes the full Agreement between Lessor and Lessee. There are no oral agreements or understandings affecting this instrument. Any future alteration, modification or waiver, in order to be binding upon the parties hereto, must be reduced to writing, signed and attached hereto.

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

IN WITNESS WHEREOF, the parties have hereto set their hands and seals this 21st day of July, 1986.

Signed, sealed and delivered in the presence of:

LESSOR: AGTRANS CORPORATION

John A. Harris

By *Leonard R. McLaughlin*
Leonard R. McLaughlin,
President

LESSEE: SONECO SERVICE, INC.

Janice E. Reagan

By *Christopher McLaughlin*
Christopher McLaughlin,
President

STATE OF CONNECTICUT

SS:

COUNTY OF *NEW LONDON*

On this *31ST* 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 foregoing 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Seal:

Notary public

David M. Payne

My Commission expires

3/31/86

STATE OF CONNECTICUT

SS:

COUNTY OF NEW LONDON

On this 31ST day of OCTOBER, 1986 before me personally appeared, Christopher McLaughlin, to me personally known, who being by me duly sworn, says that he is the President of Sonoco Service, Inc., that the seal affixed to the foregoing 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Seal:

Notary public

David H. Payne

My Commission expires

3/31/90

EQUIPMENT SCHEDULE 1

RAILROAD EQUIPMENT

OPEN TOP HOPPER CARS

SONX 1001
SONX 1002
SONX 1003
SONX 1004
SONX 1005
SONX 1006
SONX 1007
SONX 1008
SONX 1009
SONX 1010

EQUIPMENT SCHEDULE 2

RAILROAD EQUIPMENT

OPEN TOP HOPPER CARS

SONX 1011
SONX 1012
SONX 1013
SONX 1014
SONX 1015
SONX 1016
SONX 1017
SONX 1018
SONX 1019
SONX 1020

EQUIPMENT SCHEDULE 3

RAILROAD EQUIPMENT

OPEN TOP HOPPER CARS

SONX 1021

SONX 1022

SONX 1023

SONX 1024

SONX 1025

SONX 1026

SONX 1027

SONX 1028

SONX 1029

SONX 1030

EQUIPMENT SCHEDULE 4

RAILROAD EQUIPMENT

OPEN TOP HOPPER CARS

SONX 1031
SONX 1032
SONX 1033
SONX 1034
SONX 1035
SONX 1036
SONX 1037
SONX 1038
SONX 1039
SONX 1040