CONRAIL

RECORDATION NO. 9854 Filed 1425

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INTERSTATE COMMERCE COMMISSION

S-324A022

November 17, 1978

RECORDATION NO. 9856 Filed 1425

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INTERSTATE COMMERCE COMMISSION

HAND-DELIVER

RECORDATION NO. 9855 Filed 1425

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INTERSTATE COMMERCE COMMISSION

Mr. H. G. Homme, Jr., Acting Secretary
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D. C. 20423

Dear Mr. Homme:

Pursuant to Section 20c of the Interstate Commerce Act and as provided by Volume 49 Code of Federal Regulations Sections 1116.1 through 1116.4 we present the following document for recordation:

1. Lease of Equipment, dated as of September 30, 1978

   Lessor: Wells Fargo Leasing Corporation
   425 California Street
   San Francisco, California 94104

   Lessee: United States Lease Financing, Inc.
   633 Battery Street
   San Francisco, California 94111

2. Lease of Equipment, dated as of September 30, 1978.

   Lessor: United States Lease Financing, Inc.
   633 Battery Street
   San Francisco, California 94111

   Lessee: Consolidated Rail Corporation
   Six Penn Center Plaza
   Philadelphia, Pennsylvania 19104

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3. Security Agreement, dated as of September 30, 1978.

Debtor: Wells Fargo Leasing Corporation
425 California Street
San Francisco, California 94104

Secured Party: The Hartford National Bank and Trust Company
777 Main Street
Hartford, Connecticut 06115

The following Equipment is covered by this transaction:

(SEE ATTACHED EXHIBIT)

Enclosed is our check for $150 to cover the recordation fee. These documents have not been previously recorded with the Interstate Commerce Commission. After recording a counterpart original of these documents, please return the remaining copies, stamped with your recordation number to the individual presenting them for recordation.

Thank you for your assistance.

Sincerely yours,

Joseph T. Rowan
Corporate Counsel

JTR:oms

Attachment

RECORDATION NO. 9856 Filed 1425

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of September 30, 1978 (the "Security Agreement") from WELLS FARGO LEASING CORPORATION (the "Debtor") to THE HARTFORD NATIONAL BANK AND TRUST COMPANY whose address is 777 Main Street, Hartford, Connecticut 06115 (the "Secured Party").

W I T N E S S E T H :

WHEREAS, the Debtor and the Secured Party have entered into a Participation Agreement dated as of September 30, 1978 (the "Participation Agreement") among themselves and the other parties thereto providing for the commitment of the Secured Party to make loans to the Debtor in an aggregate principal amount not exceeding $1,726,200 to be evidenced by Debtor's 9.75% non recourse notes, to be substantially in the form attached to the Participation Agreement as Exhibits A-1, A-2, A-3 and A-4, and

WHEREAS, the proceeds of the loans are to be applied by the Debtor to finance the acquisition by the Debtor of the Equipment from time to time delivered and leased to the Lessee under the Lease referred to in Section 1 hereof; and

WHEREAS, all of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed;

NOW, THEREFORE, the Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants and conditions in the Notes and in this Security Agreement and in the Participation Agreement contained, does hereby sell, convey, warrant, mortgage, assign, pledge, grant a security interest in, and hypothecate unto the Secured Party, its successors and assigns, the following described properties, rights, interests and privileges (all of which properties, rights, interests and privileges are hereinafter collectively referred to as the "Collateral"):

DIVISION I

The Equipment described in Exhibits A-1 and A-2 attached hereto and any supplements hereto executed on the Closing Dates under the Participation Agreement and made a part hereof, whether now owned by the Debtor or hereafter acquired, constituting a portion of the equipment and other personal property leased or to be leased under the Lease and the Sublease, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of such Equipment, whether now owned or hereafter acquired, and to the extent owned by the Debtor, all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom or thereof (except as otherwise provided in Division II hereof);

DIVISION II

All right, title, interest, claims and demands of the Debtor, as lessor, in, to and under the Lease and all rents and other sums due and to become due thereunder and under the Sublease as assigned to the Debtor by the Lessee (excepting and reserving, however, any insurance proceeds payable for loss or liability suffered by the Debtor under general public liability insurance policies required by the Lease and the Sublease and any sums payable to the Debtor by the Lessee or the Sublessee to reimburse or indemnify the Debtor for loss or liability pursuant to indemnity and tax provisions of the Lease, specifically including, but not limited to Sections 8, 13 and 15 of the Lease in this reservation, which sums may be paid directly to and retained by the Debtor) including any and all extensions or renewals of the term of the Lease and the Sublease insofar as the same cover or relate to the Equipment and all rights of the Debtor against the Guarantor under the Participation Agreement; it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said Lease and the Lessee's interest under the Sublease in or to rentals and other sums due and to become due under the Lease, the Sublease or the Participation Agreement shall be effective and operative immediately and shall continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 5 hereof, at all times during the period from and after the date of this Security Agreement until the Indebtedness Hereby Secured has been fully paid and discharged;

TO HAVE AND TO HOLD the Collateral unto the Secured Party its successors and assigns, forever, IN TRUST NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection of all present and future holders of the Notes outstanding under the Participation Agreement from and after the issuance of the Notes, without preference, priority at the time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever; provided always, however, that these presents are upon the express condition that if the Debtor shall pay or cause to be paid all the Indebtedness Hereby Secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Participation Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise this Security Agreement shall remain in full force and effect.

SECTION 1. DEFINITIONS.

The following terms shall have the following meanings for all purposes of this Security Agreement:

"Equipment" or "Units of Equipment" shall mean the equipment and other personal property described in Exhibits A-1 and A-2 hereto and supplements hereof, together with all appliances, parts, attachments, instruments, appurtenances, accessories and other equipment of whatever nature from time to time incorporated or installed therein, which constitutes a portion of the equipment and other personal property leased or to be leased under the Lease, and "Unit" or "Unit of Equipment" shall mean any one of said Units and accessory equipment.

"Event of Default" shall mean any of the events specified in Section 6.1 hereof.

"Indebtedness Hereby Secured" shall mean the Notes and all principal thereof (and premium, if any) and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Participation Agreement.

"Lease" shall mean the Equipment Lease dated as of September 30, 1978 between the Debtor, as lessor and the Lessee, as lessee, including the Certificates of Acceptance (as defined in the Lease) insofar as they cover or relate to the Equipment from time to time executed and delivered pursuant to the Lease.

"Lessee" shall mean United States Lease Financing, Inc., and any successor thereto by combination or which acquires all or substantially all of the assets thereof.

"Note" shall mean any of, and "Notes" shall mean all of, the then outstanding Notes, and "outstanding" when used with reference to Notes shall mean, as of any particular time, all Notes delivered by the Debtor and secured hereby, except Notes in lieu of or in substitution for which other Notes shall have been delivered pursuant to the terms of Section 2 hereof.

"Guarantor" shall mean United States Leasing International, Inc.

"Permitted Sublease" shall mean all subsequent subleases of the Equipment by the Lessee which are permitted by the Lease.

"Sublease" shall mean the Equipment Lease dated as of September 30, 1978 between the Lessee, as lessor and Consolidated Rail Corporation, as lessee including the Certificates of Acceptance (as defined in the Sublease) insofar as they cover or relate to the Equipment from time to time executed and delivered pursuant to the Sublease or any Permitted Sublease.

"Sublessee" shall mean Consolidated Rail Corporation.

SECTION 2. REGISTRATION OF NOTES.

2.1. Execution. The Notes shall be signed on behalf of the Debtor by its President or any two of its Vice Presidents.

2.2. Payment of the Notes. (a) The principal of, premium, if any, and interest on the Notes shall be payable at the principal office of the Secured Party, in lawful money of the United States of America.

2.3. Transfers and Exchange of Notes; Lost or Mutilated Notes. (a) The holder of any Note may transfer such Note upon surrender thereof to the Debtor. Thereupon, the Debtor shall execute in the name of the transferee a new Note or Notes in aggregate principal amount equal to the original principal amount of the Note so surrendered and deliver such new Note or Notes to the transferee.

(b) All Notes presented or surrendered for transfer shall be accompanied (if so required by the Debtor) by a written instrument or instruments of assigment or transfer, in form satisfactory to the Debtor, duly executed by the previous holder or by its attorney duly authorized in writing. The Debtor shall not be required to make a transfer of any Note for a period of ten days preceding any installment payment date with respect thereto.

(c) No notarial act shall be necessary for the transfer of any Note pursuant to this Section, and the holder of any Note issued as provided in this Section shall be entitled to any and all rights and privileges granted under this Security

Agreement to a holder of a Note.

(d) In case any Note shall become mutilated or be destroyed, lost or stolen, the Debtor, upon written request of the holder thereof, shall execute and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Debtor such security or indemnity as may be required by it to save it harmless from all risks, and the applicant shall also furnish to the Debtor evidence to its satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Debtor may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Debtor such security or indemnity as it may require to save it harmless, and shall evidence to the satisfaction of the Debtor the mutilation, destruction, loss or theft of such Note and the ownership thereof. If the Secured Party is the owner of any mutilated, destroyed, lost or stolen Note, then the affidavit of its President, Vice President, Assistant Vice President or Treasurer in form reasonably satisfactory to the Debtor setting forth the fact of mutilation, destruction, loss or theft and the Secured Party's ownership of the Note at the time of such mutilation, destruction, loss or theft shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of the Secured Party, in form reasonably satisfactory to the Debtor, to indemnify the Debtor.

2.4. The New Notes. (a) Each new Note (herein, in this Section, called a "New Note") issued pursuant to Section 2.3 (a) or (d) hereof in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section, called an "Old Note") shall be dated the date of such Old Note. The Debtor shall mark on each New Note (i) the date to which principal and interest have been paid on such Old Note, (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 2.3 (a) or (d) hereof, the Debtor may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Debtor.

(c) All New Notes issued pursuant to Section 2.3 (a) or (d) hereof in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Debtor evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Debtor shall deliver to the Secured Party two copies of an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment.

2.5. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption or transfer shall be delivered to the Debtor for cancellation or, if surrendered to the Debtor, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement. The Secured Party shall deliver a certificate to the Debtor specifying any cancellation of Notes which has been made, and all such cancelled Notes shall be delivered to or disposed of as directed by the Debtor.

SECTION 3. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

3.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Participation Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Participation Agreement were fully set out in an amendment or supplement to this Security Agreement.

3.2. Warranty of Title. The Debtor will have title to each Item of Equipment on the date each such Item of Equipment is conveyed to the Debtor by the manufacturer thereof, of the quality conveyed to the Debtor by the manufacturers thereof free and clear of security interests, liens, claims and encumbrances

of persons claiming by, through or under the Debtor, and the Debtor has full power and authority to mortgage, assign and pledge the Collateral to the Secured Party for the uses and purposes set forth herein and will warrant and defend the Secured Party's rights to the Collateral to the Secured Party for the uses and purposes set forth herein against all claims and demands whatsoever of persons claiming by, through or under the Debtor (excepting only in the case of the Equipment the interest of the Lessee under the Lease). Without limiting the foregoing, there is no financing statement in which the Debtor is named as, or which the Debtor has signed as, debtor now on file in any public office covering any of the Collateral excepting the financing statements filed or to be filed in respect of and for the security interest provided herein.

3.3. Further Assurances. The Debtor will at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will notify the Lessee of this Security Agreement and direct the Lessee to make all payments of such assigned rents and other sums due and to become due under the Lease directly to the Secured Party or as the Secured Party may direct; provided, however, that Lessee shall be instructed and authorized to pay directly to Lessor any and all sums due or to become due as indemnities under the Lease, including but not limited to the indemnities provided in Sections 8, 13 and 15 of the Lease.

3.4. After-acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party become and be subject to the lien of this Security Agreement as fully and completely as though specifically described herein, but nothing in this Section 3.4 contained shall be deemed to modify or change the obligations of the Debtor under Section 3.3 hereof.

3.5. Modifications of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or by affirmative act permit any termination, modification, surrender or termination of, the Lease or the Sublease (except as otherwise provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease, the Sublease or any part thereof assigned to the Secured Party hereunder, except the Debtor may declare a

default and cause the Secured Party to exercise the remedies under the Lease insofar as they relate to the Equipment or rentals or other sums due in respect thereof upon the occurrence of an event of default arising out of the failure of the Lessee to pay property taxes in respect of the Equipment or sales or use taxes on the rents in respect of the Equipment, arising out of the Lessee's failure to maintain public liability or loss or damage insurance in respect of the Equipment or arising out of the failure of the Lessee to use, maintain or operate the Equipment as required, provided that, such event of default shall have continued unremedied for more than one (1) month after notice of such default shall have been given to Secured Party of such event of default; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease or the Sublease prior to the date for payment thereof provided for by the Lease or by the Sublease, as the case may be, or assign, transfer or hypothecate (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease or the Sublease in respect of the Equipment; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder) its interest in the Collateral or any part thereof or in any amount to be received by it from the use or disposition of the Collateral.

3.6. Power of Attorney in Respect of the Lease and the Sublease. The Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under the granting clauses hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceeding, either in its own name or in the name of the Debtor, or otherwise, which the Secured Party may deem necessary or appropriate to collect any and all sums which may be or become due or payable under the Lease or the Sublease or which may be necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby, provided that nothing contained herein shall prevent Debtor from bringing suit in its own name with respect to any matter for which the Debtor may declare a default under Section 6.1(c) hereof or to enforce Debtor's rights under the indemnities reserved to Debtor in Division II hereof. The rights of the Secured Party under this Section 3.6 may be exercised only after and during the continuance of an Event of Default.

3.7. Maintenance of Corporate Existence. The Debtor will preserve and keep in full force and effect its corporate existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder, except as otherwise provided in Section 3.8 hereof.

3.8. Restrictions on Mergers, Consolidations and Sales of Assets. The Debtor will not sell, lease, transfer or otherwise dispose of all or a substantial portion of its corporate property or assets to any person, firm or corporation or consolidate with or merge into any other corporation or permit another corporation to merge into it unless (i) the successor formed by or resulting from such consolidation or merger or to which such sale, lease or other disposition shall have been made shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia; (ii) such successor corporation (if other than the Debtor) shall assume all of the Debtor's obligations under this Security Agreement, the Notes, the Participation Agreement and the Lease; and (iii) immediately after such merger, sale, lease or other disposition, such successor corporation shall not be in default in the performance or observance of any of the covenants, agreements or conditions contained in the Participation Agreement, this Security Agreement or the Lease.

3.9. Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting an Event of Default under the Lease if any officer of the Debtor has actual knowledge of such event or condition and is also aware, or should reasonably have been aware, that such event or condition constitutes such an Event of Default.

SECTION 4. POSSESSION, USE AND RELEASE OF PROPERTY.

4.1. Possession and Use of Collateral. While the Debtor is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee or subleasing of the Equipment under and subject to the Sublease shall not constitute a violation of this Section 4.1.

4.2. Release of Equipment - Payment of Casualty Value. So long as no event of default referred to in the Lease has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Unit designated by the Lessee for payment of Casualty Value settlement pursuant to an Event of Loss as defined in the Lease upon receipt

of: (i) written notice from the Lessee designating the Unit or Units in respect of which the Lease will terminate, and (ii) payment of the Casualty Value by the Lessee for such Unit or Units in compliance with the Lease.

SECTION 5. PREPAYMENTS OF THE NOTES; APPLICATION OF INSURANCE AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

5.1. Prepayments. Except to the extent provided for in this Section 5 and Section 6.9 hereof, the Notes shall not be subject to prepayment or redemption in whole or in part at the option of the Debtor prior to the expressed maturity date thereof.

5.2. Application of Rents and Other Payments by the Lessee. The rents and other sums received by the Secured Party pursuant to this Security Agreement or any supplement hereto as part of the Collateral, so long as no Event of Default has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute and Event of Default, shall be applied as follows:

(a) Basic Rent. The amounts from time to time received by the Secured Party which constitute payments of Basic Rent under the Lease and/or the Sublease shall be applied first, to the payment of the installments of interest on the Notes which have matured or will mature on or before the due date of such installments so received by the Secured Party; second, to the payment of the installments of principal on the Notes which have matured or will mature on or before the due date of such installments so received by the Secured Party; and third, the balance, if any, of such amounts shall be paid to or upon the joint order of the Debtor and the Lessee.

(b) Payments of Casualty Value. The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the "Casualty Value" for any Unit of Equipment pursuant to the Lease and/or the Sublease shall be paid and applied on the Notes issued in connection with the financing of the Unit or Units affected, all in such manner and in such amounts so that after giving effect to such application and the release of such Unit of Equipment from the Lease and the lien of this Security Agreement the aggregate principal amount and each of the remaining installments of such Notes shall be reduced so that such amounts are in the same proportion to the aggregate principal amount and remaining installments payable before such prepayment as the Lessor's Cost (as defined in the Lease) of Units subject to this Agreement after such prepayment bears to the Lessor's Cost of Units subject to this Security Agreement immediately prior to such

prepayment.

Any amounts in excess of such amount to be so paid and applied on such Notes shall be released to or upon the joint order of the Debtor and the Lessee.

5.3. Insurance Proceeds. In the event the Secured Party shall receive any proceeds of insurance maintained by the Lessee in respect of the Equipment, the same shall be held by the Secured Party as part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(a) If no default or event of default (as defined in the Lease) has occurred and is continuing, the proceeds of such insurance shall, upon the written request of the Debtor therefor, be released to the Debtor to reimburse the Lessee for expenditures made or to be made for the repair or restoration of the Unit or Units for which such proceeds were received upon receipt by the Secured Party of a certificate of an authorized officer of the Lessee showing in reasonable detail the purpose and the cost of such repair or restoration and stating that such repair or restoration has been completed or that such insurance proceeds will be used for such purpose within 90 days from the date of such certificate, and stating that there is no default or event of default under the Lease.

(b) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (a) within 12 months from the receipt thereof by the Secured Party, or if within such period the Lessee shall have notified the Secured Party in writing that the Lease will terminate in accordance with the provisions of the Lease in respect of the Unit or Units for which such proceeds were received, then so long as no default or event of default referred to in the Lease has occurred and is continuing, the insurance proceeds shall be applied by the Secured Party as follows:

(i) First, an amount equal to the Casualty Value of the Unit or Units in respect of which such proceeds were received shall be paid and applied in the manner provided for by Section 5.2(b) hereof; and

(ii) Second, the balance of any insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (i) shall be paid over to or upon the order of the Debtor.

5.4. Default. Notwithstanding anything else in this Section contained, if an Event of Default hereunder has occurred and is continuing, all amounts received by the Secured Party

under this Security Agreement shall be applied in the manner provided for in Section 6 in respect of proceeds and avails of the Collateral.

5.5. Multiple Notes.. If more than one Note is outstanding at the time any application is made pursuant to Section 5.2(b) or 5.3(b) hereof, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon.

SECTION 6. DEFAULTS AND OTHER PROVISIONS.

6.1. Events of Default. The following shall constitute Events of Default hereunder:

(a) Default in the payment of any installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment and such default shall continue for more than 10 days; or

(b) Default in the due observance or performance by the Debtor of any other covenant, condition or agreement required to be observed or performed by the Debtor by the terms of the Notes, the Participation Agreement or this Security Agreement and such default shall continue for 20 days after written notice thereof from the Secured Party to the Debtor; or

(c) An event of default as set forth in the Lease has occurred and is continuing or the Lease shall have been terminated by operation of law or otherwise; or

(d) Any representation or warranty made by the Debtor, the Lessee or the Guarantor herein or in the Participation Agreement or in any report, certificate, financial or other statement furnished by the Debtor, the Lessee or the Guarantor in connection with this Security Agreement, the Lease, the Sublease or the Participation Agreement, or the transactions contemplated thereby shall prove to be false or misleading in any material respect as of the date of the issuance or making thereof; or

(e) Any claim, lien or charge shall be asserted against or levied or imposed upon the Equipment, and such claim, lien or charge shall not be discharged or removed within 30 calendar days after written notice from the Secured Party to the Debtor and the Lessee demanding the discharge or removal thereof; or

(f) The Debtor becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature, or makes an asignment for the benefit of creditors or applies for or consents to the appointment of a trustee

or receiver for the Debtor or for the major part of its property; or

(g) A trustee or receiver is appointed for the Debtor or for the major part of its property and is not discharged within 30 days after such appointment; or

(h) Bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Debtor and, if instituted against the Debtor, are consented to or are not dismissed within 30 days after such institution.

6.2.1. Secured Party's Rights. When any such Event of Default has happened and is continuing, but subject always to Section 9 hereof, the Secured Party shall, without limitation of any other rights and remedies available at law or in equity, have the rights, options, duties and remedies of a secured party and the Debtor shall have the rights and duties of a debtor under the Uniform Commercial Code (regardless of whether such code or a law similar thereto has been enacted in the jurisdiction wherein the rights or remedies are asserted), and without limiting the foregoing the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Secured Party may, and upon the written request of at least 25% in principal amount of the Notes then outstanding shall, by notice in writing to the Debtor, declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon shall be and become immediately due and payable;

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral or any portion thereof, and for that purpose may pursue the same wherever it may be found, and search for, take possession of, remove, keep and store the same or use and operate or lease the same until sold, and may otherwise exercise any and all of the rights and powers of the Debtor in respect thereof; it being understood, without limiting the foregoing, that the Secured Party may, and is hereby given the right and authority to, keep and store said Collateral, or any part thereof, on the premises of the Lessee; and that the Secured Party shall not thereby be

deemed to have surrendered, or to have failed to take, possession of such Collateral;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful, and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least 10 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice; and the Secured Party or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser of any such sale;

(d) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or, subject to the provisions of Section 9 hereof, for the recovery of judgment for the Indebtedness Hereby Secured, or for the enforcement of any other proper legal or equitable remedy available under applicable law; and

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

6.2.2. Certain Rights of the Debtor on the Occurrence of an Event of Default under the Lease. Except as hereinafter provided, if an Event of Default under the Lease shall have occurred and be continuing, the Secured Party shall give the Debtor not less than 10 days' prior written notice of the date (the "Enforcement Date") on which the Secured Party will

exercise any remedy or remedies pursuant to Section 6.2.1. hereof. If an Event of Default under the Lease shall have occurred and be continuing, the Debtor shall have the following rights hereunder:

Right to Cure. In the event of the occurrence of an Event of Default under the Lease arising under Sections 17(a), (b), (c), (d) or (h) thereof, prior to the Enforcement Date, the Debtor may pay to the Secured Party an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes and may take such additional actions as shall cause all such Events of Default to be cured, and so long as all such payments shall remain paid in full when due and such cure or cures shall continue in full force and effect, no Event of Default hereunder shall be deemed to have arisen under Sections 6.1(a) or (c) hereof based on Sections 17(a), (b), (c), (d) or (h) of the Lease; provided, however, that the Debtor may not exercise such right in respect of more than three Basic Rent or Interim Rent payment defaults not more than two of which may be consecutive. Basic Rent or Interim Rent payment defaults in respect of Series A and Series B Equipment for which Basic Rent or Interim Rent is due and payable on the same Basic Rent Date or Rent Commencement Date, respectively, shall constitute only one default and, if cured, only one cure, for purposes of this Section 6.2.2.

Except as hereinafter in this Section 6.2.2. provided the Debtor shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Debtor against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Secured Party in and to the Collateral. Upon such payment by the Debtor of the amount of principal and interest then due and payable on the Notes, the Debtor shall be subrogated to the rights of the Secured Party in respect of any Basic Rent or Interim Rent which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Secured Party of such overdue Basic Rent or Interim Rent, the Debtor shall be entitled to receive such overdue Basic Rent or Interim Rent and such interest upon receipt thereof by the Secured Party; provided, that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 6.2.1.(a) hereof, such subrogation shall, until principal of and interest on all Notes shall

have been paid in full, be subordinate to the rights of the Secured Party in respect of such payment of Basic Rent or Interim Rent and such interest prior to receipt by the Debtor of any amount pursuant to such subrogation, and (ii) the Debtor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

6.3. Acceleration Clause. In case of any sale of the Collateral, or any part thereof, pursuant to any judgment or decree of any court, or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon and all other sums required to be paid by the Debtor pursuant to this Security Agreement, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

6.4. Waiver by Debtor. To the extent now or at any time hereafter enforceable under applicable law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at anytime hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and the Debtor hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof, subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

6.5. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and

demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

6.6. Application of Sale Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of the reasonable fees and expenses of the agents, attorneys and the counsel for the Secured Party and of all proper expenses, liabilities and advances incurred or made hereunder by the Secured Party or the holder or holders of the Notes, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal and interest (ratably in proportion to the aggregate of such principal and interest); and in case any such proceeds shall be insufficient to pay the whole amount so due upon the Notes then to the payment of such principal and/or interest then owing on the Notes as the Secured Party or the holders of such Notes shall elect; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

6.7. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.8. Cumulative Remedies. No delay or omission of the Secured Party, or of any holder of any Note, to exercise any right or power arising from any default on the part of the Debtor shall exhaust or impair any such right or power or prevents its exercise during the continuance of such default. No waiver by the Secured Party or any holder or holders of the Notes of any

such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Indebtedness Hereby Secured operate to prejudice, waive or affect the security interest created hereby or any rights, powers or remedies hereunder; nor shall the Secured Party or the holder or holders of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guarantees.

6.9. Payment of Indebtedness. At any time an Event of Default has occurred and is continuing hereunder, the Debtor shall have the right to pay or cause to be paid the principal amount and all accrued interest on the Notes and to pay, make provision to pay or cause to be paid all other obligations constituting the Indebtedness Hereby Secured and in the event the Debtor shall do so, the Secured Party agrees to discontinue the exercise of any of its remedies provided hereunder and to take such reasonable action at the sole cost and expense of the Debtor, at the request of the Debtor, to discontinue any enforcement action commenced by the Secured Party prior to such payment in full and release and transfer to the Debtor all rights of the Secured Party in the Collateral.

SECTION 7. SUPPLEMENTS; WAIVERS.

7.1. Supplements Without Noteholders' Consent. The Debtor and the Secured Party from time to time and at any time, subject to the restrictions in this Security Agreement contained, may enter into a supplement hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

(a) To add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon the Debtor;

(b) To subject to the security interest of this Security Agreement additional property hereafter acquired by the Debtor and intended to be subjected to the security interest of this Security Agreement, and to correct and amplify the description of any property subject to the security interest of this Security Agreement;

(c) To permit the qualification of this Security Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, except that nothing herein contained shall permit or authorize the inclusion of the provisions referred to in Section 316(a)(2)

of said Trust Indenture Act of 1939, as amended, or any corresponding provision in any similar Federal statute hereafter in effect; or

(d) For any other purpose not inconsistent with the terms of this Security Agreement, or to cure any ambiguity or cure, correct or supplement any defect or inconsistent provisions of this Security Agreement or any supplement

and the Debtor covenants to perform all requirements of any such supplement. No restriction or obligation imposed upon the Debtor may, except as otherwise provided in this Security Agreement, be waived or modified by such supplement or otherwise.

7.2. Waivers and Consents by Noteholders; Supplements With Noteholders' Consent. Upon the waiver or consent of the holders of at least 66-2/3% in aggregate principal amount of the Notes (a) the Debtor may take any action prohibited or omit the taking of any action required, by any of the provisions of this Security Agreement or any supplement hereto, or (b) the Debtor and the Secured Party may enter into a supplement hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any supplement hereto or modifying in any manner the rights and obligations of the holders of the Notes and the Debtor; provided, that no such waiver or supplement shall (i) impair or affect the right of any holder to receive payments or prepayments on the principal of and payments of the interest and premium, if any, on its Notes, as therein and herein provided, without the consent of such holder, (ii) permit the creation of any lien or security interest with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding, (iii) effect the deprivation of the holder of any Note of the benefit of the security interest of this Security Agreement upon all or any part of the Collateral without the consent of such holder, (iv) reduce the aforesaid percentage of the aggregate principal amount of Notes, the holders of which are required to consent to any such waiver or supplement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, or (v) modify the rights, duties or immunities of the Secured Party, without the consent of the holders of all of the Notes at the time outstanding and the Debtor.

7.3. Notice of Supplements. Promptly after the execution by the Debtor and the Secured Party of any supplement or agreement pusuant to the provisions of Section 7.1 or 7.2 hereof, the Debtor shall give written notice, setting forth in general terms the substance of such supplement, together with a conformed copy thereof, mailed, first class, postage prepaid, to each holder of the Notes. Any failure to give such notice, or any defect therein, shall not however, in any way impair or affect the validity of any such supplement or agreement.

SECTION 8. THE SECURED PARTY.

(a) In case an Event of Default has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall exercise such of the rights and powers vested in it by this Security Agreement, and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Secured Party shall not be liable for any action taken or omitted in good faith and believed to be authorized or within the discretion or rights or powers conferred by this Security Agreement.

SECTION 9. LIMITATION OF LIABILITY.

It is expressly understood and agreed by and among Debtor, Secured Party and the holder of any Note, and their respective successors and assigns that nothing herein contained shall be construed as creating any liability enforceable against the Debtor in its individual corporate capacity, arising from its failure to perform any covenant, express or implied, contained herein, in the Notes, in the Lease, in the Participation Agreement, or in any instrument or certificate required to be delivered by Debtor in connection herewith or therewith, or hereunder or thereunder (except in the case of gross negligence or willful misconduct on the part of the Debtor), all such liability, if any, enforceable against the Debtor being expressly waived by Secured Party, by the holders of the Notes and by each and every person now or hereafter claiming by, through or under any such party; and that so far as Debtor, in its individual corporate capacity, is concerned, Secured Party and the holder of any Note and any person claiming by, through or under any such party shall look solely to the Collateral for payment of the indebtedness evidenced by any Note and the performance of any such covenant in the Lease, the Participation Agreement, this Security Agreement or the Notes, or in any such instrument or certificate. No recourse shall be had in respect of the performance of any covenant in the Lease, the Participation Agreement, this Security Agreement or the Notes, or in any such instrument or certificate, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise (except in the case of gross negligence or willful misconduct on the part of the Debtor), all such liaibility, whether at common law, in equity, by any constitutional provision, statute or otherwise, enforceable against such incorporators, stockholders, directors or officers, as such, being forever released as a condition to and as consideration for the execution and delivery of this Security Agreement provided, however, nothing herein contained shall limit, restrict or impair the rights of the Secured Party to accelerate the maturity of the Notes upon a default under this

Security Agreement, to bring suit and obtain a judgment against the Debtor on the Notes (provided that neither the Debtor nor any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Debtor, shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Collateral, including any interest therein of the Debtor) or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral, including the right to proceed against the Lessee under the Lease, the Sublessee under the Sublease and the Guarantor under the Participation Agreement; and provided further, however, anything herein to the contrary notwithstanding, the Debtor in its individual corporate capacity (but not any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Debtor) shall remain personally liable for the performance by it of its obligations as set forth under paragraph (h) of Section 7 of the Participation Agreement. In no event shall any act or omission be deemed the gross negligence or willful misconduct of the Debtor if such act or omission shall have been directly or indirectly caused by the Lessee, the Guarantor, their agents, employees or sublessees.

SECTION 10. MISCELLANEOUS.

10.1. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

10.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 10.2 shall be construed to be in derogation of any rights or immunities of the Debtor under Section 9 hereof, or to amend or modify any limitations or restrictions on the Secured Party or the holder of any Note or their respective successors or assigns under said Section 9.

10.3. Notices. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed as follows:

If to the Debtor:	Wells Fargo Leasing Corporation 425 California Street San Francisco, California 94104 Attention: Contract Administration
If to the Secured Party:	at the address on the first page of this Security Agreement, Attention: John M. Richardson Vice President

10.4. Release. The Secured Party shall promptly release this Security Agreement and the lien and security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all Indebtedness Hereby Secured has been fully paid or discharged.

10.5. Counterparts. This Security Agreement may be executed and delivered in any number of counterparts, each of such counterparts constituting an original, but all together only one Security Agreement.

10.6. Governing Law. This Security Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania and shall be governed by and construed in accordance with the laws of said State.

10.7. Headings. Any headings or captions preceding the text of the several sections hereof are intended soley for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed as of the day and year first above written.

WELLS FARGO LEASING CORPORATION

(SEAL)

By _____
its SENIOR VICE PRESIDENT

By _____
its VICE PRESIDENT

APPROVED:
SAL
LEGAL DEPT.
WELLS FARGO
LEASING CORP.

Accepted and Agreed to:

THE HARTFORD NATIONAL BANK AND TRUST COMPANY

By William J. Porter
its CFO

EXHIBITS

A-1 - Description of Series A Equipment

A-2 - Description of Series B Equipment

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 15th day of November, 1978, before me personally appeared Charles A. Greenberg, to me personally known, who being by me duly sworn, says that he is the SENIOR VICE PRESIDENT of Wells Fargo Leasing Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

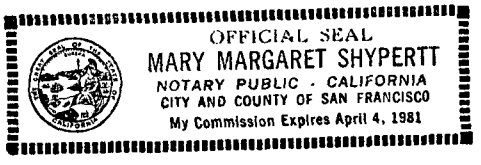
Mary Margaret Shypertt

My commission expires: 4-4-81

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 15th day of November, 1978, before me personally appeared Craig Adryan, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of Wells Fargo Leasing Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)



Mary Margaret Shypertt

My commission expires: 4-4-81

EXHIBIT A-1
to

SECURITY AGREEMENT

DESCRIPTION OF SERIES A EQUIPMENT

Quantity	*Description	Estimated Lessor's Cost (Per Item)
28	Lift Truck 5000 # capacity Clark Model C300 Y50 with LPG engine, Bearcat Amoroguard tires with drive tires 700-15 shield on bleeder value Manufactured by Industrial Lift Trust	$ 13,784.
4	Life Truck 5000 # capacity Clark Model C300 Y50 with gasoline engine, Bearcat Amoroguard tires with drive tires 500-15 shield on bleeder value Manufactured by Industrial Lift Truck	13,466.
3	Crane, hydraulic 12-1/2-ton, Galion Model 125 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	71,805.
4	Crane, hydraulic 15-ton, Galion Model 150 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	73,802.
3	Crane, hydraulic 8-ton, Galion Model 80 Manufactured by T. C. Johnson Co.	47,025.
	TOTAL	$1,091,514.

* Parts and accessories are also included.

EXHIBIT A-2
to

SECURITY AGREEMENT

DESCRIPTION OF SERIES B EQUIPMENT

Quantity	*Description	Estimated Lessor's Cost (Per Item)
4	110-ton railroad re-railing crane, Model 220 RRC with 220,000 lb. capacity with sister hook, equipped with hydraulic tank oil heaters and automatic transmission oil heater Manufactured by Pettibone Ohio Corp.	$ 282,085.
1	100-ton rail-highway crane, Model RC-100, with 7,000 lb. counter-weight, auxiliary carrier cab heater and sister hook, equipped with CE-1161 transmission heater Manufactured by Ernest Holmes Co.	268,739.
	TOTAL:	$1,397,079.

* Parts and accessories are also included.