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RECORDATION NO. 710 425 No.

Interstate Commerce Commission
Washington, D.C.

JUL 9 1979
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INTERSTATE COMMERCE COMMISSION

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are the original and two counterparts of a Security Agreement-Trust Deed dated as of January 30, 1979.

The names and addresses of the parties are: 79-7

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

Secured Party: The Connecticut Bank and Trust Company
and
Donald E. Smith,
as Security Trustees
One Constitution Plaza
Hartford, Connecticut 06115

The undersigned is the Secured Party mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original Security Agreement-Trust Deed to Robert C. Nash, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

THE CONNECTICUT BANK AND TRUST COMPANY
and
DONALD E. SMITH,
as Security Trustees

By [Signature]
Secured Party

Enclosures

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I.C.C.

C.T. Nash
[Signature]

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RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-TRUST DEED

Dated as of January 30, 1979

FROM

WELLS FARGO EQUIPMENT LEASING CORPORATION

DEBTOR

TO

THE CONNECTICUT BANK AND TRUST COMPANY
and
DONALD E. SMITH,
as Security Trustees

SECURED PARTY

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Attachments to Security Agreement:

Schedule 1 - Security Agreement Supplement

SECURITY AGREEMENT-TRUST DEED

THIS SECURITY AGREEMENT-TRUST DEED dated as of January 30, 1979 (the "Security Agreement") from WELLS FARGO EQUIPMENT LEASING CORPORATION (the "Debtor"), whose post office address is 425 California Street, San Francisco, California 94104, Attention: Contract Administration, to THE CONNECTICUT BANK AND TRUST COMPANY (the "Corporate Trustee"), whose post office address is One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, and DONALD E. SMITH (the "Individual Trustee"), whose post office address is One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department (the Corporate Trustee and the Individual Trustee being herein sometimes referred to as the "Security Trustees");

R E C I T A L S:

A. The defined terms used in this Security Agreement shall have the respective meanings indicated in Section 9.8 unless elsewhere defined or the context shall otherwise require.

B. J. P. Morgan Interfunding Corp. (the "Term Lender") has entered into a Borrowing Agreement dated as of February 14, 1979 (the "Term Loan Agreement") with the Debtor and two other borrowing agreements identical in form and substance with two corporations affiliated with the Debtor, providing for the commitment of the Term Lender to make loans on or before January 10, 1980 not exceeding an aggregate principal amount of \$10,100,000. The loans made to the Debtor will be evidenced by the 10-3/8% Secured Notes (the "Notes") of the Debtor, to be dated the date of issue, to bear interest at the rate of 10-3/8% per annum prior to maturity, to be expressed to mature in equal installments, including both principal and interest, each in an amount such that the entire principal amount of such Notes, together with all accrued interest thereon, shall be fully paid on the final maturity date thereof; and

C. The Notes (as defined in Section 9.8 hereof) and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at the time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Term Loan Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

D. 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.

SECTION 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Security Trustees

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 covenants and conditions in the Notes and in this Security Agreement and in the Term Loan Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant the Security Trustees, their successors in trust and assigns, a security interest in all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof subject always to Excepted Rights in Collateral (as defined in Section 1.5 hereof) (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. Collateral includes such items of equipment as may from time to time be subjected to the lien of this Security Agreement by means of supplements in substantially the form of Schedule 1 hereto (collectively the "Equipment" and individually an "Item" or "Item of Equipment"), constituting the Equipment leased or to be leased under that certain Equipment Lease dated as of January 30, 1979, together with the Lease Supplement or Supplements specifically describing such Equipment (collectively the "Lease") between the Debtor, as lessor, and the Lessee, as lessee; together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation, but subject always to the exceptions, reservations and limitations contained in Section 1.5 hereof:

(a) the immediate and continuing right to receive and collect all Fixed Rent, Supplemental Rent and Casualty Value, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable or receivable by the Debtor, as lessor under the Lease,

(b) the right to make all waivers and agreements and to give and receive duplicate copies of all notices and other instruments or communications, and

(c) the right, subject to Section 5.3 hereof, to take such action upon the occurrence of an Event of Default under the Lease or an event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Debtor or any lessor is or may be entitled to do under the Lease,

it being the intent and purpose hereof that, subject always to the exceptions, reservations and limitations contained in Section 1.5 hereof, the assignment and transfer to the Security Trustees of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Security Trustees shall have the right to collect and receive all Fixed Rent and Supplemental Rent and other sums for application in accordance with the provisions of Section 4 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.

1.3. Limitations to Security Interest. The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee in and to the Equipment under the Lease, provided the same is not in default, (b) the lien of Permitted Encumbrances (as defined in the Lease), and (c) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, the validity of which is being contested in good faith. The liens, claims and encumbrances identified in clauses (a), (b) and (c) of this Section 1.3 are hereinafter collectively referred to as the "Permitted Encumbrances".

1.4. Duration of Security Interest. The Security Trustees, their successors in trust and assigns shall have and hold the Collateral forever; provided, always, however, that such security interest is granted 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 Term Loan 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 to remain in full force and effect.

1.5. Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement the following described properties, rights, interest and privileges (hereinafter sometimes referred to as the "Excepted Rights in Collateral") and nothing herein or in any other agreement contained shall constitute an assignment of said Excepted Rights in Collateral to the Security Trustees:

(a) all payments of and indemnity under Sections 5 and 19 of the Lease which by the terms of the Lease are payable to the Debtor for its own account;

(b) all rights of the Debtor under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor on account of any such indemnities or payments, provided that the rights excepted and reserved by this paragraph (b) shall not be deemed to include the exercise of any remedies provided for in Section 15.2 of the Lease except those contained in Section 15.2(a) thereof; and

(c) any insurance proceeds payable under general public liability policies maintained by the Lessee pursuant to Section 7 of the Lease which by the terms of such policies or the terms of the Lease are payable directly to the Debtor for its own account.

provided, however, that until an Event of Default has occurred and is continuing, all payments of and indemnity under Sections 6 and 20(c) of the Lease to which the Debtor is entitled for its own account under the terms of the Lease and all rights in respect thereof of the type contemplated by clause (b) above shall be payable directly to the Debtor as if all such payments and rights were included in Excepted Rights in Collateral, and provided further that if any such Event of Default shall have occurred and be continuing any rights of the Debtor under clause (c) above shall be and they are hereby made expressly subject and subordinate to the rights of the Security Trustees and the holders of the Notes in respect of any claim or rights which the Security Trustees and the holders of the Notes may have under and by virtue of Section 7 of the Lease and the Debtor covenants and agrees not to assert any right or claim arising under Section 7 of the Lease after the occurrence of such Event of Default until the Security Trustees and the holders of the Notes have been satisfied in full in respect of any claims or rights which any thereof may have under said Section 7 of the Lease.

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1. 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 Term Loan 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 Term Loan Agreement were fully set out in an amendment or supplement to this Security Agreement. The Debtor undertakes

to perform only such duties as are expressly and specifically set forth herein and in the Term Loan Agreement and no other implied obligations or covenants shall be read into this Security Agreement or the Term Loan Agreement against the Debtor.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Security Trustees for the uses and purposes herein set forth; and the Debtor represents that if and when an Item becomes subject to the lien of this Security Agreement there is no person claiming by, through or under the Debtor claiming title to such Item or a lien therein and the Debtor will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Debtor. The Debtor also agrees that it will not permit to exist and in its individual capacity and at its own cost and expense, without regard to the provisions of Section 7 hereof, will promptly take such action as may be necessary to duly discharge, any liens, charges or encumbrances on the Collateral arising by, through or under the Debtor or any of its Affiliates other than this Security Agreement. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named or which the Debtor has signed, as debtor or mortgagor now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein and the Debtor has not executed or authorized the execution of any power of attorney to any person permitting any such signing or filing.

2.3. Further Assurances. The Debtor will, at no expense to the Security Trustees, 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 in respect of the Equipment, the Debtor covenants and agrees that it will notify the Lessee of the assignment of the Lease hereunder pursuant to Section 14 thereof and direct the Lessee to make all payments of such rents and other sums due and to become due under the Lease in respect of the Equipment, other than Excepted Rights in Collateral, directly to the Corporate Trustee or as the Corporate Trustee may direct in writing.

2.4. 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 Security Trustees, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. Recordation and Filing. The Debtor will cause this Security Agreement and all supplements hereto, the Lease, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Security Trustees in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Security Trustees hereunder, and will at no expense to the Security Trustees furnish, or cause to be furnished, to the Security Trustees promptly after the execution and delivery of this Security Agreement and of each supplement to this Security Agreement an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby.

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

(a) declare a default or exercise the remedies of the lessor under, or amend, terminate, modify or accept a surrender of, or offer or agree to any amendment, termination, modification or surrender of, the Lease or waive any provision of, or offer or agree to any waiver of, any provision of the Lease (except as otherwise expressly 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 or any part thereof (other than the lien of this Security Agreement); or

(b) except in respect of Excepted Rights in Collateral, receive or collect any rental payment under the Lease in respect of the Equipment prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Security Trustees hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment; or

(c) except in connection with a transfer of its entire interest in the Equipment in accordance with Section 2.11 of this Security Agreement, sell, mortgage, transfer, assign or hypothecate (other than to the Security Trustees hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.7. Power of Attorney in Respect of the Lease. The Debtor does hereby irrevocably constitute and appoint the Corporate Trustee, 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 Sections 1.1 and 1.2 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 proceedings, either in its own name or in the name of the Debtor or otherwise, which the Corporate Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Security Trustees in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Notice of Default. The Debtor further covenants and agrees that it will give the Corporate Trustee 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.

2.9. 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 2.10 hereof.

2.10. Restrictions on Mergers, Consolidations and Sales of Assets. Subject to Section 2.12, the Debtor may, in its discretion, 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 but only if (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 Term Loan Agreement, the Lease and the Purchase Order Assignment, 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 Term Loan Agreement, this Security Agreement, the Lease or said Purchase Order Assignment; provided, however, also subject to Section 2.12, that if any transaction permitted by this Section 2.10 involves a transfer to a corporation which is not an Affiliate of the Debtor and such transfer would have the same effect as a transfer under Section 2.11, then such transaction shall be permitted under this Section 2.10, regardless of whether or not it complies with Section 2.11 and provided, further, that in the case of any transaction referred to above other than a merger, consolidation or lease, the Debtor shall be relieved of (A) all liability under the Notes and (B) all liabilities hereunder and under the Term Loan Agreement except as to liabilities accrued prior to such transaction.

2.11. Transfer of Debtor's Ownership Interest. The Debtor covenants and agrees that it will not transfer or assign any of its

ownership interest in any Item of Equipment (except to an Affiliate which assumes in writing the Debtor's obligations hereunder) unless each and all of the following conditions have been satisfied or complied with:

(a) the transferee or assignee (referred to in this Section 2.11 as the "Transferee") shall have (i) executed and delivered an agreement in form and content satisfactory to the Corporate Trustee whereby the Transferee confirms that it shall be deemed to be a party to the Term Loan Agreement, the Lease and this Security Agreement, agrees to be bound by all of the terms of and to undertake all of the obligations of the Debtor under the Term Loan Agreement, the Lease and this Security Agreement and makes representations of the scope provided for in Article III of the Term Loan Agreement, and (ii) delivered to the Corporate Trustee and the Lessee an opinion of independent counsel to the effect that the agreement referred to in the foregoing clause (i) has been duly authorized, executed and delivered by the Transferee and constitutes the legal, valid and binding agreement of the Transferee enforceable in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforcement of creditors' rights generally;

(b) such transfer or assignment does not violate, or result in the violation of, any provision of the Securities Act of 1933, as amended, or the Employees Retirement Income Security Act of 1974, as amended, or any other applicable provision of law;

(c) the Transferee is an "Institutional Investor"; and

(d) the Transferee shall be a member of a group of affiliated entities having a combined capital, surplus and undivided profits (in the case of any banking institution or bank holding company) or a consolidated net worth (in the case of any other Transferee) of at least \$75,000,000 or the Corporate Trustee (acting with the prior written consent of the holders of all the Notes) shall have prior to any transfer or assignment approved in writing of the Transferee.

The term "Institutional Investor" shall mean any one of the following persons existing under the laws of the United States of America or any state thereof: (w) any bank, savings institution, trust company or national banking association, (x) any insurance company, (y) any finance company or leasing company, or (z) any Affiliate of any of the foregoing.

Upon any transfer to an Institutional Investor satisfying (d) above, the transferor shall be relieved of (A) all liability under the Notes and (B) all liabilities under the Term Loan Agreement and hereunder except as to liabilities accrued prior to such transfer.

2.12. Automatic Rights Under Certain Other Agreements.

If (a) the Debtor or any Subsidiary is or becomes a party to any equipment leasing transaction, as equity investor, any part of which includes (i) issuance of non-recourse debt securities and (ii) aggregate original cost of equipment leased thereunder of \$50,000,000 or less, and (b) any agreement constituting a part thereof or related thereto imposes any restriction, or in effect imposes a restriction (whether by covenant or the occurrence of a default) relating to or arising by reason of a change in stock ownership of the Debtor or the merger, consolidation or transfer of substantially all the assets of the Debtor to a Transferee not eligible under Section 2.11 hereof, then such restriction shall automatically be deemed incorporated herein and to be a part hereof for as long as the same remains in force under such other agreement. If, as and when such other agreement is amended or modified, such amendments or modifications shall be automatically deemed made hereunder.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1. Possession 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 under and subject to the Lease shall not constitute a violation of this Section 3.1.

3.2. Release of Equipment. So long as no default referred to in Section 15 of the Lease has occurred and is continuing to the knowledge of the Corporate Trustee, the Security Trustees shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 13 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee of the Casualty Value payment for such Item of Equipment in compliance with Section 13 of the Lease.

3.3. Release of Equipment - Consent of Noteholders. In addition to the sale, exchange or release pursuant to the foregoing Section 3.2, the Debtor may sell or otherwise dispose of any Equipment then subject to the lien of this Security Agreement, and the Security Trustees shall release their interest in the same from the lien hereof to the extent and on the terms and upon compliance with the conditions provided for in any written consent given thereto at any time or from time to time by the holder or holders of the the indebtedness hereby secured.

3.4. Protection of Purchaser. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Security Trustees to execute the release, or to inquire as to any facts required by the provisions

hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEES.

4.1. Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Security Trustees a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Corporate Trustee which constitute payment by the Lessee under the Lease of the installments of Fixed Rent under the Lease in respect of the Equipment shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes to which such Fixed Rent relates which have matured or will mature on or before the due date of the installments of Fixed Rent which are received by the Corporate Trustee, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor.

(b) The amounts from time to time received by the Corporate Trustee which constitute settlement by the Lessee of the "Casualty Value" of an Item of Equipment pursuant to Section 13 of the Lease shall be applied by the Corporate Trustee as follows:

(i) If such Casualty Value payment is received by the Corporate Trustee prior to the time when any Notes have been issued in respect of such Item of Equipment, the amount so received shall be promptly released to or upon the order of the Debtor; and

(ii) If such Casualty Value payment is received by the Corporate Trustee after Notes have been issued in respect of such Item, the amount so received shall be applied as follows: first, an amount equal to the Loan Value (as hereinafter defined) of such Item shall be applied to the prepayment, without penalty or premium, of the principal of and accrued interest on Notes issued to finance a portion of the Lessor's Cost of such Item so that each of the remaining installments of the Notes to be so prepaid shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such

prepaid Notes immediately prior to the prepayment, and second, the balance, if any, of such amounts shall promptly be released to or upon the order of the Debtor.

For purposes of this Section 4.1(b), the "Loan Value", in respect of any Item of Equipment, shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Lessor's Cost of such Item and the denominator of which is the aggregate Lessor's Cost of all Items of Equipment (including the Lessor's Cost of the Item of Equipment for which settlement is then being made) then subject to the Lease having the same ratio of principal amount of Notes to Lessor's Cost, same lease term and issued on the same date as such Item of Equipment, times (B) the unpaid principal amount of the Note secured hereby issued in respect of the Item of Equipment suffering such casualty.

(c) The amounts received by the Corporate Trustee from time to time which constitute proceeds of casualty insurance maintained by the Lessee in respect of an Item of Equipment, shall be held by the Corporate Trustee as a part of the Collateral and shall, so long as no Event of Default has occurred and is continuing to the knowledge of the Corporate Trustee, be paid and applied in the manner contemplated by Section 7(e) of the Lease.

4.2. Default. If an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Security Trustees pursuant to Section 1.2 hereof shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

5.1. Events of Default. The term "Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for five days; or

(b) An Event of Default as set forth in Section 15 of the Lease shall have occurred and be continuing; or

(c) An Event of Default shall have occurred and be continuing (i) under Section 5.1 of that certain Security Agreement-Trust Deed dated as of January 10, 1979 (the "Consumers Power No. 79-1 Security Agreement") between Wells Fargo Transport Leasing Corporation, as debtor, and The

Connecticut Bank and Trust Company and Donald E. Smith, as trustees, as secured party, or (ii) under Section 5.1 of that certain Security Agreement-Trust Deed dated as of January 20, 1979 (the "Consumers Power No. 79-2 Security Agreement") between Wells Fargo Leasing Corporation, as debtor, and The Connecticut Bank and Trust Company and Donald E. Smith, as trustees, as secured party; or

(d) Default on the part of the Debtor in the due observance or performance of any other covenant, condition or agreement to be observed or performed by the Debtor under this Security Agreement or the Term Loan Agreement, and such default shall continue unremedied for 30 days after written notice from the Corporate Trustee or the holder of any Note to the Debtor specifying the default and demanding the same to be remedied; or

(e) Any representation or warranty on the part of the Debtor made herein or in the Term Loan Agreement or in any certificate or statement furnished in connection with this Security Agreement or the Term Loan Agreement, or the transactions contemplated therein shall prove to be false or misleading in any material respect when made; or

(f) Any claim, lien or charge (other than the Permitted Encumbrances) shall be levied or imposed upon the Equipment and such claim, lien or charge shall not be discharged or removed within thirty days; or

(g) The Debtor becomes insolvent or commences voluntary liquidation or reorganization proceedings under any bankruptcy law or admits in writing its inability to pay its debts as they mature, or makes an assignment 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

(h) 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

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

5.2. Security Trustees' Rights. The Debtor agrees that when any Event of Default as defined in Section 5.1 has occurred and is continuing, but subject always to Sections 5.3 and 7 hereof, the Security Trustees shall 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 of New York (regardless of whether such Code or a law similar thereto has been

enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Security Trustees 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 Security Trustees may, and upon the written request of the holders of 25% of the 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 and unpaid interest thereon, shall be and become immediately due and payable.

(b) Subject always to the rights of the Lessee under the Lease, the Security Trustees 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 may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) Subject always to the rights of the Lessee under the Lease, the Security Trustees 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 and the Lessee once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the 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 Security Trustees 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 published notice, and the Security Trustees or the holder or holders of the Notes, or of any interest therein, or the Lessee under the Lease, may bid and become the purchaser at any such sale;

(d) Subject always to the rights of the Lessee under the Lease, the Security Trustees 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 mortgaged property or any part thereof, or subject to the provisions of Section 7 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 laws; and

(e) Subject always to the rights of the Lessee under the Lease, the Security Trustees may to the exclusion of the Debtor 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 Security Trustees or in the name of the Debtor for the use and benefit of the Security Trustees.

5.3. 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 of which the Security Trustees have knowledge shall have occurred and be continuing, the Security Trustees shall give the Debtor not less than 20 days' prior written notice of the date (the "Enforcement Date") on which the Security Trustees will exercise any remedy or remedies pursuant to Section 5.2 hereof. If an Event of Default under the Lease shall have occurred and be continuing, the Debtor shall have the following rights hereunder:

(a) Right to Cure. In the event that as the result of the occurrence of an Event of Default under Section 15.1(a) of the Lease in respect of the payment of Fixed Rent on the day it becomes due and payable, or in the event of the occurrence of an Event of Default under Section 15.1(b) or (c) of the Lease in respect of the payment of money (unless, in the case of any such Event of Default, there shall also have occurred and be continuing an Event of Default of the character referred to in subparagraphs (g), (h) or (i) of Section 15.1 of the Lease, in which case the Debtor shall have no rights whatsoever under this Section 5.3) the Debtor may, but shall not be obligated to, pay to the Security Trustees prior to the Enforcement Date 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 as a result of the occurrence of an Event of Default under said Section 15.1(a) or may, in a manner satisfactory to the Security Trustees, pay and apply the amount of money in respect of which an Event of Default under Section 15.1(b) or (c) of the Lease has occurred so as to cure such Event of Default and any such payment by the Debtor shall be deemed to cure any such Event of Default which would otherwise have arisen on account of such nonpayment, together with any Event of Default under the Consumers Power No. 79-1 Security Agreement and under the Consumers Power No. 79-2 Security Agreement which has arisen solely by reason of such cured Event of Default, provided that any Event of Default under the Consumers Power No. 79-1 Security Agreement or the Consumers Power No. 79-2 Security Agreement which shall have occurred and then be continuing shall also have been cured upon the terms and conditions

set forth in Section 5.3 of said Consumers Power No. 79-1 Security Agreement or Consumers Power No. 79-2 Security Agreement, as the case may be. Anything contained herein to the contrary notwithstanding, the Debtor and the Security Trustees understand and agree that in the case of a default in the payment of an installment of Fixed Rent under the Lease, the Debtor may cure such default through payment thereof not more than two consecutive times nor more than a total of four times on or prior to the expiration of the term of the Lease. If there is a default in payment of Fixed Rent hereunder and under either or both of the other two leases ("Other Leases") between Lessee and Affiliates of the Debtor ("Other Defaults") on the same date as there is a default in payment of Fixed Rent under the Lease, then the cure by the Debtor of the default hereunder and either or both of such Other Defaults pursuant to the applicable security agreement shall be deemed to constitute only one cure for purposes hereof and of such Other Leases.

Except as hereinafter in this Section 5.3(a) provided, the Debtor shall not obtain any lien, charge or encumbrance of any kind on any of the Collateral, including any rent payable under the Lease, for or on account of costs or expenses incurred in connection with the exercise of such right, nor shall any claim 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 Security Trustees 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 or of the amount then due and owing pursuant to Section 15.1(b) or (c) of the Lease, as the case may be, the Debtor shall be subrogated to the rights of the Security Trustees and the holders of the Notes in respect of the Fixed Rent which was overdue at the time of such payment and in respect to such other amount due and owing pursuant to Section 15.1(b) or (c) of the Lease and interest payable by the Lessee on account of its being overdue, and therefore if no other Event of Default or other event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default shall have occurred and be continuing hereunder and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Corporate Trustee of such Fixed Rent or other payment, the Debtor shall be entitled to receive such Fixed Rent or other payment and such interest upon receipt thereof by the Security Trustees; provided that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 5.2(a) hereof, such subrogation shall, until principal of and interest on all Notes and all other indebtedness hereby secured shall have been paid in full, be subordinated and junior in rank to the rights of the Security Trustees and the holders of the Notes hereunder to receive payment of the indebtedness hereby secured, and (ii) the Debtor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except from the Security Trustees and the holders of the Notes pursuant to the foregoing right of subrogation.

Without limiting the foregoing, the Debtor understands and agrees that nothing contained in Section 20(c) of the Lease shall be deemed to modify or amend the limitations contained in this Section 5.3(a) on the Debtor's right to cure Events of Default under the Lease,

to which limitations any rights of the Debtor arising by, through or under Section 20(c) of the Lease shall be subject and subordinate.

(b) Option to Prepay Notes. Whether or not the Debtor shall then have the right to cure an Event of Default under the Lease pursuant to Section 5.3(a) above, after receipt of such notice of the Enforcement Date from the Security Trustees the Debtor may at its option prepay the Notes, without premium or penalty, by payment of the entire unpaid principal amount thereof, together with accrued interest thereon to the date of prepayment.

5.4. Acceleration Clause. In case of any sale of the Collateral, or of 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, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers of the Collateral, 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.

5.5. Waiver by Debtor. To the extent permitted by 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 delay, stay or extension law now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to 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, to the full extent legally permitted, the Debtor hereby expressly waives for itself and on behalf of each and every person, except the Security Trustees under this Security Agreement and 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 Security Trustees, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

5.6. 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, 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).

5.7. Application of Proceeds. The rentals, proceeds and/or avails of any lease or 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 all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Security Trustees, 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 of the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, interest and premium, if any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, with application on each Note to be made, first, to the unpaid principal thereof, second, to unpaid premium, if any, thereon, and third, to unpaid interest thereon; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; 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.

5.8. Discontinuance of Remedies. In case the Security Trustees 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 Security Trustees and the 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.

5.9. Cumulative Remedies. No delay or omission of the Security Trustees or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor hereunder shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Security Trustees or the holder of any Note 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 thereunder 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 secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder or thereunder, nor shall the Security Trustees or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 6. THE SECURITY TRUSTEES.

6.1. Certain Duties and Responsibilities of Security Trustees. (a) Except during the continuance of an Event of Default:

(i) the Security Trustees undertake to perform such duties and only such duties as are specifically set forth in this Security Agreement, and no implied covenants or obligations shall be read into this Security Agreement against the Security Trustees; and

(ii) in the absence of bad faith on their part, the Security Trustees may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Security Trustees and conforming to the requirements of this Security Agreement or the Lease; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Security Trustees, the Security Trustees shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Security Agreement.

(b) In case an Event of Default has occurred and is continuing, the Security Trustees shall exercise such of the rights and powers vested in them by this Security Agreement for the benefit of the holders of the Notes, 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.

(c) No provision of this Security Agreement shall be construed to relieve the Security Trustees from liability for their own negligent action, their own negligent failure to act or their own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Security Trustees shall not be liable for any error of judgment made in good faith by an officer of the Corporate Trustee unless it shall be proved that the Corporate Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Security Trustees shall not be liable to the holder of any Note with respect to any action taken or omitted to be taken by them in good faith in accordance with the direction of the holders of two-thirds principal amount of the Notes outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustees, or exercising any trust or power conferred upon the Security Trustees under this Security Agreement.

(d) No provision of this Security Agreement shall require the Security Trustees to expend or risk their own funds or otherwise incur any financial liability in the performance of any of their duties hereunder, or in the exercise of any of their rights or powers, if they shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to them.

(e) Whether or not therein expressly so provided, every provision of this Security Agreement relating to the conduct or affecting the liability of or affording protection to the Security Trustees shall be subject to the provisions of this Section.

6.2. Compensation and Expenses of Security Trustees; Indemnification; Lien Therefor. (a) The Debtor covenants to pay to the Security Trustees such compensation for their services hereunder as shall be agreed to by the Debtor and the Security Trustees or, in the absence of such agreement, reasonable compensation therefor (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and to pay, or reimburse, the Security Trustees for all reasonable expenses incurred hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Security Trustees may employ in connection with the exercise and performance of their powers and duties hereunder.

(b) The Debtor will also indemnify and save the Security Trustees harmless against any liabilities, not arising from the Security Trustees' own default or negligence or bad faith which they may incur in the exercise and performance of their rights, powers, trusts, duties and obligations hereunder.

(c) As security for such compensation, expenses, disbursements and indemnification, the Security Trustees shall have the benefit of the lien hereby created in priority to the indebtedness evidenced by the Notes issued hereunder.

6.3. Certain Rights of Security Trustees. (a) The Security Trustees shall not be responsible for any recitals herein or in the Term Loan Agreement or for insuring the Equipment, or for paying or discharging any tax, assessment, governmental charge or lien affecting the Collateral, or for the recording, filing or refiling of this Security Agreement, or of any supplemental or further mortgage

or trust deed, nor shall the Security Trustees be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements contained herein or in the Term Loan Agreement, and, except in the case of a default in the payment of the principal of, or interest or premium, if any, on any Note or a default of which an officer of the Corporate Trust Department of the Corporate Trustee has actual knowledge, the Security Trustees shall be deemed to have knowledge of any default in the performance or observance of any such covenants, conditions or agreements only upon receipt of written notice thereof from one of the holders of the Notes. The Corporate Trustee shall promptly notify all holders of the Notes of any default of which an officer of the Corporate Trust Department of the Corporate Trustee has actual knowledge. Upon receipt by the Corporate Trustee of such written notice from a holder of a Note, the Corporate Trustee shall promptly notify all other holders of the Notes of such notice and the default referred to therein by prepaid registered mail addressed to them at their addresses set forth in the Register (as defined in Section 9.3 hereof).

(b) The Security Trustees make no representation, or warranty as to the validity, sufficiency or enforceability of this Security Agreement, the Notes, the Term Loan Agreement or any instrument included in the Collateral, or as to the value, title, condition, fitness for use of, or otherwise with respect to, any Equipment or Item of Equipment or any substitute therefor. The Security Trustees shall not be accountable to anyone for the use or application of any of the Notes or the proceeds thereof or for the use or application of any property or the proceeds thereof which shall be released from the lien and security interest hereof in accordance with the provisions of this Security Agreement.

(c) The Security Trustees may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties.

(d) Any request, direction or authorization by the Debtor or the Lessee shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Corporate Trustee, and signed in the name of the Debtor or the Lessee, as the case may be, by its Chairman of the Board, President, any Vice President, Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary; and any resolution of the Board of Directors of the Debtor or the Lessee shall be sufficiently evidenced by a copy of such resolution certified by its Secretary or an Assistant Secretary to have been duly adopted and to be in full force and effect on the date of such certification, and delivered to the Security Trustees.

(e) Whenever in the administration of the trust herein provided for the Security Trustees shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed

to be conclusively proved and established by a certificate purporting to be signed by the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Debtor and delivered to the Corporate Trustee, and such certificate shall be full warrant to the Security Trustees or any other person for any action taken, suffered or omitted on the faith thereof, but in their discretion the Security Trustees may accept, in lieu thereof, other evidence of such fact or matter or may require such further or additional evidence as they may deem reasonable.

(f) The Security Trustees may consult with counsel, appraisers, engineers, accountants and other skilled persons to be selected by the Corporate Trustee, and the written advice of any thereof shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by them hereunder in good faith and in reliance thereon.

(g) The Security Trustees shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action towards the execution or enforcement of the trusts hereunder or otherwise hereunder, whether on their own motion or on the request of any other person, if the taking of any such action in the opinion of the Security Trustees may involve loss, liability or expense, unless the Debtor or one or more holders of the Notes outstanding shall offer and furnish reasonable security or indemnity against loss, liability and expense to the Security Trustees.

(h) The Security Trustees shall not be liable to the holder of any Note for any action taken or omitted by them in good faith and believed by them to be authorized or within the discretion or rights or powers conferred upon them by this Security Agreement.

(i) The Security Trustees shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, unless requested in writing to do so by the holders of not less than a majority in principal amount of the Notes then outstanding.

(j) The provisions of paragraphs (c) to (i), inclusive, of this Section 6.3, shall be subject to the provisions of Section 6.1 hereof.

6.4. Showings Deemed Necessary by Security Trustees.
Notwithstanding anything elsewhere in this Security Agreement contained, the Security Trustees shall have the right, but shall not be required, to demand in respect of withdrawal of any cash, the release of any property, the subjection of any after-acquired property to the lien of this Security Agreement, or any other action whatsoever within the purview hereof, any showings, certificates, opinions, appraisals or other information by the Corporate Trustee deemed reasonably necessary or appropriate in addition to the matters by the terms hereof required as a condition precedent to such action.

6.5. Status of Moneys Received. All moneys received by the Security Trustees shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by the Corporate Trustee under such general conditions as may be prescribed by law in the Corporate Trustee's general banking department, and the Security Trustees shall be under no liability for interest on any moneys received by it hereunder. The Corporate Trustee and any affiliated corporation may become the owner of any Note secured hereby and be interested in any financial transaction with the Debtor or any affiliated corporation or the Lessee or any affiliated corporation, or the Corporate Trustee may act as depository or otherwise in respect to the securities of the Debtor or any affiliated corporation or the Lessee or any affiliated corporation, all with the same rights which it would have if not the Corporate Trustee.

6.6. Action by Individual Trustee. The Individual Trustee shall act as and be such upon the following terms and conditions:

(a) All rights, powers, duties and obligations conferred or imposed upon the Security Trustees shall be conferred or imposed solely upon and solely exercised and performed by the Corporate Trustee except as expressly provided otherwise in this Security Agreement and except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Corporate Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by the Individual Trustee.

(b) No power granted by this Security Agreement to, or which this Security Agreement provides may be exercised by, the Individual Trustee shall be exercised by the Individual Trustee except jointly with, or with the consent in writing of, the Corporate Trustee, anything herein contained to the contrary notwithstanding.

6.7. Resignation of Corporate Trustee. The Corporate Trustee may resign and be discharged of the trusts hereby created by mailing notice specifying the date when such resignation shall take effect to the Debtor and to the holders of the Notes at their respective addresses set forth in the Register (as hereinafter defined). Such resignation shall take effect on the date specified in such notice (being not less than sixty days after the mailing of such notice) unless previously a successor corporate trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor.

6.8. Removal of Corporate Trustee. The Corporate Trustee may be removed and/or a successor corporate trustee may be appointed at any time by an instrument or concurrent instruments in writing signed and acknowledged by the holders of a majority in principal amount of the Notes and delivered to the Corporate Trustee and to the Debtor and, in the case of the appointment of a successor corporate trustee, to such successor corporate trustee.

6.9. Successor Corporate Trustee. Each corporate trustee appointed in succession of the Corporate Trustee named in this Security Agreement, or its successor in trust, shall be a trust company or banking corporation having an office in the State of California or of New York, in good standing and having a capital and surplus aggregating at least \$50,000,000, if there be such a trust company or banking corporation qualified, able and willing to accept the trust upon reasonable or customary terms.

6.10. Appointment of Successor Corporate Trustee. If the Corporate Trustee shall have given notice of resignation to the Debtor pursuant to Section 6.7 hereof or if notice of removal shall have been given to the Corporate Trustee and the Debtor pursuant to Section 6.8 hereof, and such notice does not appoint a successor corporate trustee, then a successor corporate trustee may be appointed by the Debtor, or, if such successor corporate trustee shall have been so appointed and shall not have accepted such appointment within fifteen calendar days after the giving of such notice of resignation or the giving of any such notice of removal, as the case may be, a successor corporate trustee may be appointed by the Debtor, the holder of any outstanding Note, or, upon application of the retiring corporate trustee, by any court of competent jurisdiction.

6.11. Merger or Consolidation of Corporate Trustee. Any company into which the Corporate Trustee, or any successor to it in the trust created by this Security Agreement, may be merged or converted or with which it or any successor to it may be consolidated or any company resulting from any merger or consolidation to which the Corporate Trustee or any successor to it shall be a party (provided such company shall be a corporation organized under the laws of the State of California or of New York or of the United States of America, having a capital and surplus of at least \$50,000,000), shall be the successor to the Corporate Trustee under this Security Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Debtor covenants that in case of any such merger, consolidation or conversion it will, upon the request of the merged, consolidated or converted corporation, execute, acknowledge and cause to be recorded or filed suitable instruments in writing to confirm the estates, rights and interests of such corporation as corporate trustee under this Security Agreement.

6.12. Conveyance Upon Request of Successor Corporate Trustee. Should any deed, conveyance or instrument in writing from the Debtor reasonably be required by any successor corporate trustee for more fully and certainly vesting in and confirming to such new corporate trustee such estates, rights, powers and duties, then upon request any and all such deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered, and shall be caused to be recorded and/or filed, by the Debtor.

6.13. Acceptance of Appointment by Successor Corporate Trustee. Any new corporate trustee appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to the Debtor an instrument accepting such appointment; and thereupon such new corporate trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights,

powers and trusts of its predecessor in the rights hereunder with like effect as if originally named as corporate trustee herein; but nevertheless, upon the written request of the Debtor or of the successor corporate trustee, the corporate trustee ceasing to act shall execute and deliver an instrument transferring to such successor corporate trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the corporate trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such corporate trustee to the successor corporate trustee so appointed in its or his place, which obligation of the Corporate Trustee to assign, transfer and deliver shall survive its resignation.

6.14. Resignation of Individual Trustee. The Individual Trustee or any of his successors may resign and may be discharged of the trusts created by this Security Agreement by giving written notice thereof to the Debtor and to the Corporate Trustee specifying the date (not earlier than sixty days after the date of such notice) when such resignation shall take effect.

Such resignation shall take effect on the date so specified unless previously a person succeeding to the office of Individual Trustee shall have been appointed by the Corporate Trustee or by the holders of a majority in principal amount then outstanding of the Notes as provided in Section 6.16 in which event such resignation shall take effect immediately upon the appointment of such person succeeding to the office of Individual Trustee.

6.15. Removal of Individual Trustee. The Individual Trustee or any of his successors may be removed at any time by the holders of a majority in aggregate principal amount of the Notes at the time outstanding or by the Corporate Trustee, by delivery of a notice of such removal to the Individual Trustee, to the Debtor, and in the case of removal by such holders to the Corporate Trustee, signed by such holders or the Corporate Trustee, as the case may be.

6.16. Appointment of Successor to Individual Trustee. If at any time the Individual Trustee or any of his successors shall die, resign or be removed or otherwise become incapable of acting, or if for any reason the office of Individual Trustee shall become vacant, a successor to the Individual Trustee shall forthwith be appointed by the Corporate Trustee or, in the event the Corporate Trustee shall fail to make such appointment within sixty days after the occurrence of such death, resignation, removal, incapacity or vacancy, by the holders of a majority in aggregate principal amount of the Notes at the time outstanding by an instrument signed by the Corporate Trustee or by such holders.

6.17. Succession of Successor to Individual Trustee. Any person appointed as a successor to the Individual Trustee shall execute, acknowledge and deliver to his predecessor, to the Corporate Trustee and to the Debtor, an instrument accepting such appointment hereunder, and thereupon such person without any further act, deed or conveyance shall become vested with all the estates, properties, rights, powers, duties and trusts of his predecessor in the trusts

hereunder with like effect as if originally named as Individual Trustee herein; but nevertheless, on the written request of the Debtor or of the Corporate Trustee or of the Individual Trustee, the predecessor shall execute and deliver an instrument transferring to the Individual Trustee, upon the trusts expressed in this Security Agreement, all the estates, properties, rights, powers and trusts granted to him by this Security Agreement and shall duly assign, transfer, deliver and pay over to the Individual Trustee any property and money subject to the security interest of this Security Agreement held by such predecessor. Should any instrument in writing from the Debtor or from the Corporate Trustee be required by any person who becomes the Individual Trustee for more fully and certainly vesting in and confirming to such Individual Trustee such estates, properties, rights, powers and trusts, then, on request, any and all such instruments in writing shall be made, executed, acknowledged and delivered by the Debtor and/or the Corporate Trustee.

SECTION 7. LIMITATIONS OF LIABILITY.

Except with respect to covenants, representations, warranties and agreements in Sections 2.2 and 6.2 hereof and in Sections 2.3 and 8.5 and Article III of the Term Loan Agreement, as to which there are no limitations of liability, anything in this Security Agreement to the contrary notwithstanding, neither the Security Trustees nor the holder of any Note nor the successors or assigns of any of said persons, shall have any claim, remedy or right to proceed against the Debtor in its individual corporate capacity or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Debtor for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Notes or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Security Agreement and the Term Loan Agreement from any source other than the Collateral, including the sums due and to become due under the Lease in respect of the Equipment; and the Security Trustees by execution of this Security Agreement and the holders of the Notes by acceptance thereof, waive and release any personal liability of the Debtor in its individual corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Debtor for and on account of such indebtedness or such liability and the Security Trustees and the holders of the Notes agree to look solely to the Collateral, including the sums due and to become due under the Lease for the payment of said indebtedness or the satisfaction of such liability; provided, however, nothing herein contained shall limit, restrict or impair the rights of the holders of the Notes 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 or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral. In furtherance of the foregoing the Debtor agrees that any and all amounts received directly by it which are, directly or indirectly, attributable to the Notes will be deemed to be trust funds.

SECTION 8. SUPPLEMENTAL SECURITY AGREEMENTS: WAIVERS.

8.1. Waivers and Consents by Noteholders; Supplemental Security Agreements with Noteholders' Consent. Upon the waiver, consent or instruction 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 agreement supplemental hereto, (b) the Security Trustees shall, upon the occurrence and continuation of an Event of Default hereunder, exercise such of the remedies set forth in Section 5 hereof as such holders have so elected or consented to or instructed the Security Trustees to exercise, or (c) the Debtor and the Security Trustees may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any agreement supplemental 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 supplemental agreement shall (i) impair or affect the right of any holder to receive payments or prepayments of the principal of and payments of the interest and premium, if any, on its Note, 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 supplemental agreement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, (v) modify the rights, duties or immunities of the Security Trustees, without the consent of the holders of all of the Notes at the time outstanding, or (vi) modify, waive or rescind a direction of noteholders to the Security Trustees to accelerate the Notes in accordance with Section 5.2(a) hereof; provided, however, that no consent of Noteholders shall be required for the execution and delivery of supplements in the form of Schedule 1 hereto.

8.2. Notice of Supplemental Security Agreements. Promptly after the execution by the Debtor and the Security Trustees of any supplemental agreement pursuant to the provisions of Section 8.1 or 8.2 hereof, the Security Trustees shall give written notice, setting forth in general terms the substance of such supplemental agreement, together with a conformed copy thereof, mailed, first-class, postage prepaid, to each holder of the Notes. Any failure of the Security Trustees to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

8.3. Opinion of Counsel Conclusive as to Supplemental Security Agreements. The Security Trustees are hereby authorized to join with the Debtor in the execution of any such supplemental

agreement authorized or permitted by the terms of this Security Agreement and to make the further agreements and stipulations which may be therein contained, and the Security Trustees may receive an opinion of counsel as conclusive evidence that any supplemental agreement executed pursuant to the provisions of this Section 8 complies with the requirements of this Section 8.

SECTION 9. MISCELLANEOUS.

9.1. Registration and Execution. The Notes shall be signed on behalf of the Debtor by such officer or officers as are at the date of execution called for by the Debtor's By-laws.

9.2. Payment of the Notes. If any Note is held by the Term Lender or a nominee thereof, the Debtor shall make or cause to be made payment of interest on such Notes and shall make or cause to be made payments or prepayments (except in the case of a payment or prepayment which will discharge all indebtedness of the Debtor evidenced by such Note) of the principal thereof, and any premium, by wire transfer of Federal or other funds current and immediately available by 11:00 A.M., New York Time to the Term Lender by credit to the Term Lender's bank account as specified by the Term Lender in writing to the Debtor and the Lessee, and the Term Lender (or such nominee) will, before selling, transferring or otherwise disposing of such Note, present such Note to the Debtor for transfer and notation as provided in Sections 9.4 and 9.5 hereof.

All payments so made shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sums so paid. The Debtor is authorized to act in accordance with the foregoing provisions and shall not be liable or responsible to any such holder or to any other person for any act or omission on the part of such holder in connection therewith.

9.3. The Register. The Debtor will keep at its principal office a register for the registration and transfer of Notes (herein called the "Register"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register.

9.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes.

(a) The holder of any Note may transfer such Note upon the surrender thereof at the principal office of the Debtor. Thereupon, the Debtor shall execute in the name of the transferee a new Note or Notes in denominations not less than \$250,000 in aggregate principal amount equal to the unpaid principal amount of the Note so surrendered and deliver such new Note or Notes to such transferee.

(b) The holder of any Note or Notes may surrender such by a written request for a new Note or Notes in the same aggregate principal amount as the then unpaid principal amount of the Note or Notes so surrendered and in denominations of \$250,000 or such amount in excess thereof as may be specified in such request. Thereupon, the Debtor shall execute in the name of such holder a new Note or Notes in the denomination or denominations so requested in aggregate principal amount equal to the aggregate unpaid principal amount of the Note or Notes so surrendered and deliver such new Note or Notes to such holder.

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

(d) No notarial act shall be necessary for this transfer or exchange of any Note pursuant to this Section 9.4, and the holder of any Note issued as provided in this Section 9.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(e) In case any Note shall become mutilated or be destroyed, lost or stolen, the Debtor, upon the 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 any original holder, or its nominee, is the owner of any such lost, stolen or destroyed Note, then the affidavit of the president or any vice president of such noteholder setting forth the fact of loss, theft or destruction and of its ownership of the

Note, at the time of such loss, theft or destruction 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 such noteholder to indemnify the Debtor (including its attorneys' fees) for any claims or action against them resulting from the issuance of such new Note or the reappearance of the old Note.

9.5. The New Notes.

(a) Each new Note (herein, in this Section 9.5, called a "New Note") issued pursuant to Section 9.4(a), (b) or (e) in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 9.5, called an "Old Note") shall be dated the date of such Old Note. The Debtor shall mark on each New Note (i) the dates 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 aggregate 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 9.4(a), (b) or (e), the Debtor may require, and before claiming under Section 6(a) of the Lease shall require, from the holder thereof 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 9.4(a), (b) or (e) 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) The Debtor shall prepare and deliver 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, and the Debtor shall furnish a copy thereof to the Corporate Trustee and to the holder of such Note at its address set forth in the Register.

9.6. Cancellation of Notes. All Notes surrendered for the purpose of payment, redemption, transfer or exchange 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.

9.7. Registered Owner. The person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and neither the Debtor nor the Security Trustees shall be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Debtor and the Security Trustees may deem and treat the registered owner of any Note as the owner thereof without production of such Note.

9.8. Certain Definitions. The following terms shall have the following meanings for all purposes of this Security Agreement:

"Note" shall mean any of, and "Notes" shall mean all of, the then outstanding Notes referred to in the Recitals hereof. The term "outstanding" when used with reference to Notes shall mean, as of any particular time, all Notes delivered by the Debtor pursuant to the Term Loan Agreement and secured hereby and by this Security Agreement, except:

(a) Notes theretofore cancelled by the Debtor or delivered to the Debtor for cancellation;

(b) Notes for which the payment or prepayment of moneys in the necessary amount shall have been paid to the noteholders or deposited in trust with the Corporate Trustee;

(c) Notes in lieu of or in substitution for which other Notes shall have been delivered pursuant to the terms of Sections 9.4 and 9.5 of this Security Agreement; and

(d) Notes held by or under the direct or indirect control of the Debtor.

"Purchase Order Assignment" shall mean the Purchase Order Assignment dated as of January 30, 1979 between the Debtor and the Lessee.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Subsidiary" shall mean, with respect to any corporation, any corporation, trust or association of which more than 50% (by number of votes) of the Voting Stock at the time outstanding shall be owned, directly or indirectly, by such corporation or by any other corporation, association or trust which is itself a Subsidiary within the meaning of this definition, or collectively by such corporation and any one or more such Subsidiaries.

"Voting Stock" shall mean Securities of any class or classes of a corporation, the holders of which are ordinarily, in the absence of contingencies, entitled to elect the corporate directors.

"Affiliate," "Casualty Value," "Fixed Rent," "Lessor's Cost" and "Supplemental Rent" shall have the meanings assigned thereto in the Lease.

9.9. 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 Security Trustees, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

9.10. 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 9.10 shall be construed to be in derogation of any rights, immunities or liabilities of the Debtor under Section 7 hereof, or to amend or modify any limitations or restrictions on the Security Trustees or the holder of any Note or their respective successors or assigns under said Section 7.

9.11. Communications. 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, postage prepaid, addressed as follows:

If to the Debtor:

Wells Fargo Equipment Leasing
Corporation
425 California Street
San Francisco, California 94104

Attention: Contract Administration

If to the Corporate Trustee
or the Individual Trustee:

The Connecticut Bank and
Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

Attention: Corporate Trust
Department

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

9.12. Release. The Security Trustees shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

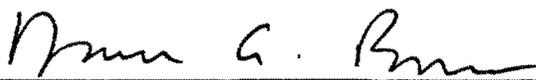
9.13. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of New York; provided, however, that the Security Trustees shall be entitled to all the rights conferred by any applicable Federal statute, rule or regulation.

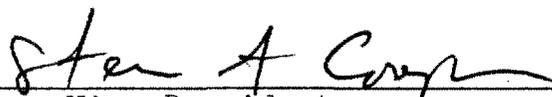
9.14. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

9.15. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely 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 and THE CONNECTICUT BANK AND TRUST COMPANY, in evidence of its acceptance of the trusts hereby created, has caused this Security Agreement to be executed on its behalf by one of its ~~ASSISTANT VICE PRESIDENT~~ and its corporate seal to be hereunto affixed, and said seal and this Security Agreement to be attested by one of its ~~VICE PRESIDENT~~, and DONALD E. SMITH, in token of his acceptance of the trusts hereby created has hereunto set his hand, all as of the day and year first above written.

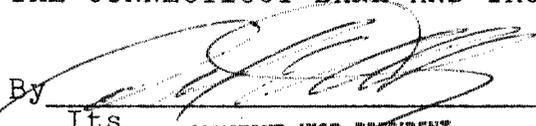
WELLS FARGO EQUIPMENT LEASING CORPORATION

By 
Its Vice President

By 
Its Vice President

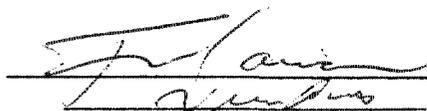
DEBTOR

THE CONNECTICUT BANK AND TRUST COMPANY

By 
its ASSISTANT VICE PRESIDENT

CORPORATE TRUSTEE

ATTEST:



(SEAL)


_____ DONALD E. SMITH

INDIVIDUAL TRUSTEE

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 16th day of February 1979, before me personally appeared David A. Brown and Steven A. Cooper, to me personally known, who being by me duly sworn, says that they are each a Vice President of WELLS FARGO EQUIPMENT LEASING CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Diane D. Baxter
Notary Public

My commission expires:

NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 03/30/1981
ISSUED THROUGH ILLINOIS NOTARY ASSOC.

STATE OF CONNECTICUT)
) SS
COUNTY OF **HARTFORD**)

On this 16th day of March 1979, before me personally appeared DONALD E. SMITH, to me personally known, who being by me duly sworn, says that he is a ASSISTANT VICE PRESIDENT of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals 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)

Barbara S. Kacich
Notary Public

My commission expires:

BARBARA S. KACICH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1982

SECURITY AGREEMENT SUPPLEMENT

SECURITY AGREEMENT SUPPLEMENT NO. _____, dated _____, 19____, from WELLS FARGO EQUIPMENT LEASING CORPORATION, a California corporation (the "Owner"), to THE CONNECTICUT BANK AND TRUST COMPANY, a national banking association incorporated and existing under the laws of the United States, as a trustee (the "Corporate Trustee") and DONALD E. SMITH, as a trustee (the "Individual Trustee") under the Security Agreement-Trust Deed dated as of January 30, 1979, from the Owner to the Trustees (the "Security Agreement"),

W I T N E S S E T H:

WHEREAS, the Security Agreement provides for the execution and delivery from time to time of Security Agreement Supplements substantially in the form hereof each of which shall particularly describe Units of Equipment (such term and other defined terms in the Security Agreement being herein used with the same meaning) included in the Collateral and subject to the security interest of the Security Agreement;

NOW, THEREFORE, TO SECURE THE PAYMENT when and as due and payable of the principal of and the premium, if any, and interest on the Notes, and to secure the payment of all other indebtedness which the Security Agreement by its terms secures and compliance with all the terms of the Security Agreement and of such Notes the Debtor does hereby create and grant to the Trustees and to their successors and assigns a security interest in the following properties:

(a) all the items of property and equipment described in Schedule A annexed hereto;

(b) all additional or substituted items of property or equipment which hereafter may be subjected to the security interest of the Security Agreement by operation thereof; and

(c) all rents, income, revenues, issues, profits and proceeds arising from or in connection with any of the foregoing except for rents and other sums excluded under Section 1.5 of the granting clauses of the Security Agreement.

SAVING AND EXCEPTING, however, from the properties in which a security interest is hereby created and granted, all property saved and excepted from the coverage of the granting clauses of the Security Agreement by the excepted properties clause immediately following the granting clauses thereof and all rents, income, revenues, issues, profits and proceeds arising from or in connection with such properties so saved and excepted.

THE AFORESAID SECURITY INTEREST is created and granted and is to be held by the Trustees in trust, upon the terms and trusts set forth in the Security Agreement, for the equal and proportionate benefit and security of those who shall hold the Notes, without preference of any of such Notes over any other by reason of priority in the time of issue or negotiation thereof, or for any other reason.

AND THE DEBTOR hereby binds itself, its successors and assigns, to warrant and forever defend to the Trustees and their successors and assigns the security interest hereby created and granted.

This Supplement shall be construed as supplemental to the Indenture and shall form a part of it, and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

This Supplement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

This Supplement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Debtor has caused this Supplement to be executed and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized.

WELLS FARGO EQUIPMENT LEASING
CORPORATION

By _____
Its _____

By _____
Its _____

