

Arent, Fox, Kintner, Plotkin & Kahn

Washington Square 1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339

Date _____

Fee \$ _____

Writer's Direct Dial Number

202-857-6111

RECORDATION NO. 15489-4

FILED 1425

May 19, 1989 ICE Washington, D.C.
JDH-89/156

MAY 19 1989 -12 55 PM

INTERSTATE COMMERCE COMMISSION

9-139A013

MAY 19 12 47 PM '89
MOTOR OPERATING UNIT

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: File No. 15489, and following

Dear Madam:

I enclose for your recordation in accordance with 49 U.S.C. §11303 executed and notarized copies of an Amended and Restated Security Agreement, the original version of which Security Agreement is dated January 22, 1988, and was filed with your office on February 1, 1988 and assigned File No. 15489. Seven amendments have previously been filed with your office and assigned to the same file. The names and addresses of the parties to the above document are as follows:

Grantors:

PLM International, Inc.
655 Montgomery Street, Suite 1200
San Francisco, California 94111
Attention: Robert S. Leichtner
Vice President and General Counsel

Secured Party:

Security Pacific National Bank, for itself and
as agent for:
Bank of America NT & SA
Manufacturers Hanover Trust Company
Harris Trust and Savings Bank
Osterreichische Landerbank, Grand Cayman Branch
Pacific Funding Trust II
1 Embarcadero Center
San Francisco, California 94111

Concurrence
James A. Plotkin

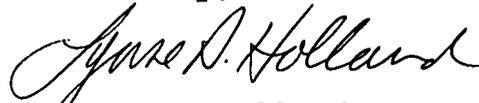
Secretary
May 19, 1989
Page 2

Collateral Covered:

The Equipment and the Lease described in the Security Agreement dated January 22, 1988 and the seven previous amendments.

A filing fee is enclosed. I would appreciate your filing one counterpart of the foregoing three documents under the provisions of 49 U.S.C. §11303 and stamping the additional copies of each of the documents for return to the parties involved in the transaction. We would also appreciate your returning to us a stamped copy of this transmittal letter, which is enclosed.

Sincerely,



Lynne A. Holland
Legal Assistant

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5.19.89

OFFICE OF THE SECRETARY

Lynne A. Holland
Legal Assistant
Arent, Fox, Kintner, Plotkin & Kahn
Washington Square
1050 Connecticut Avenue N.W.
Washington, D.C. 20036-5339

Dear Ms. Holland

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5.19.89 at 12:55am, and assigned recordation number(s) 15489-H

Sincerely yours,



Secretary

Enclosure(s)

REGISTRATION NO. 15489 H FILED 1429

MAY 19 1989 -12 55 PM

INTERSTATE COMMERCE COMMISSION

AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT ("Agreement") dated as of May 17, 1989, made by PLM INTERNATIONAL, INC., a Delaware corporation ("Grantor"), to SECURITY PACIFIC NATIONAL BANK, a national banking association (the "Agent"), for itself and as agent for the entities listed in Schedule 1 hereto (such entities, together with their respective successors and assigns, collectively being referred to as the "Lenders").

RECITALS

A. Pursuant to a Security Agreement dated as of January 22, 1988 (as amended at any time prior to the date hereof, the "Prior Security Agreement") between the Grantor, as debtor, and Security Pacific National Bank ("SPNB") and Citicorp North America, Inc. ("CitiNA"), as secured parties (collectively, the "Prior Lenders"), the Grantor granted to the Prior Lenders a security interest in certain collateral to secure the Grantor's obligations under that certain Loan Agreement (as amended at any time prior to the date of the Restated Loan Agreement referred to below, the "Original Loan Agreement") dated as of January 15, 1988 between the Grantor and the Prior Lenders.

B. Pursuant to a Note Purchase Agreement dated as of February 2, 1989, between SPNB and CitiNA, SPNB purchased CitiNA's interest in the Original Loan Agreement and certain other related documents. In connection therewith, the Prior Lenders assigned their interest in the Prior Security Agreement to SPNB, for itself and as agent.

C. Certain of the Lenders and the Grantor desire to amend and restate the Original Loan Agreement pursuant to an Amended and Restated Loan Agreement dated as of May 17, 1989 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Restated Loan Agreement") among the Grantor, certain of the Lenders and the Agent in order, among other things, (i) to provide for the transfer by SPNB to certain of the other Lenders of undivided interests in the indebtedness of the Grantor outstanding under the Original Loan Agreement and for the making, by the Lenders, of additional loans to the Grantor on the terms and conditions set forth in the Restated Loan Agreement; (ii) to provide for the Grantor to incur indebtedness to an additional Lender, Pacific Funding Trust II, a New York trust ("PFT"), pursuant to the Funding Agreement referred to below, supported by, among other things, the unconditional obligations of the other Lenders (x) to make the PFT Back-up Advances described in the Restated Loan Agreement and (y) to purchase participations in amounts funded by SPNB in its capacity as the Credit Support Provider referred to in the Funding Agreement, for the purpose of

providing the Grantor with additional flexibility in managing the interest rates applicable to certain of its indebtedness; (iii) to provide for PFT to share ratably in the security interest granted by the Grantor to the Agent for the benefit of itself and the other Lenders; and (iv) to designate SPNB as agent for the Lenders with respect to the collateral securing certain obligations owed, or which may be owed, by the Grantor to the Lenders, or any of them.

D. The Lenders are willing to so amend and restate the Original Loan Agreement provided that the Prior Security Agreement shall have been amended and restated as follows. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Restated Loan Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to enter into the Restated Loan Agreement and to incur their respective unconditional obligations in support of the Grantor's obligations to PFT, the Grantor and the Agent hereby agree as follows:

SECTION 1. Grant of Security. The Grantor hereby assigns, pledges and grants to the Agent, for the benefit of itself and the other Lenders, a security interest in all the Grantor's right, title and interest to the following described property:

✓ (a) All of Grantor's right, title and interest in and to any leases, marine vessel or ship charters, management agreements, contracts and other agreements (collectively, the "Leases") covering aircraft of United States registry, aircraft appliances relating thereto, aircraft logs, avionics, aircraft engines and propellers and engine appliances relating thereto, rolling stock (as listed in the Prior Security Agreement (including the amendments thereto)), tractors, intermodel trailers, over-the-road trailers, refrigerated trailers, chassis, generator sets, containers and marine vessels and ships and related engines, machinery, boats, tackle, outfits, spare gear, fuels, consumables, and other stores, belongings and appurtenances, whether on board or ashore, including those which may hereafter be put on board or become appurtenant to or intended to be used for such a vessel or ship if on shore (collectively the "Equipment"), all subsequent, new or renewal Leases, and all rentals thereunder and all proceeds thereof;

✓ (b) All of the Equipment, together with all attachments, additions, accessories and accessions thereto, now existing or hereafter acquired by Grantor, all replacements and substitutions therefor and all proceeds thereof;

(c) All claims, rights and remedies which the Grantor may now or hereafter have against any Affiliate of the Grantor, including, without limitation, all such rights with respect to the maintenance and storage of the Equipment;

(d) All governmental or other approvals, permits, licenses, franchise agreements, authorities or certificates now or hereafter required or used in connection with the ownership, operation and maintenance of the Equipment; and

(e) All other personal property of the Grantor, now owned or hereafter acquired, including, without limitation, all business and farm equipment, equipment leases, deposit accounts (including, without limitation, the Collections Account, CCR Account and the Sold Equipment Cash Collateral Account), accounts receivable, cash, instruments, documents, goods, inventory, securities (other than shares of stock of a Special Subsidiary), chattel paper, contracts, general intangibles (including, without limitation, any interest as a partner or a limited partner in any partnership or limited partnership) and any beneficial interest of Grantor under any trust created with respect to the Equipment, or any of it; and

(f) All proceeds and products of the foregoing (and proceeds and products of proceeds and products), in whatever form and whether such proceeds arise before or after the commencement of any case under the Bankruptcy Code by or against the Grantor, including, without limitation, all payments under insurance whether or not the Agent is the loss payee thereof, all proceeds of any governmental taking, and any indemnity, warranty, letter of credit (including the right to draw on such letter of credit) or guaranty payable by reason of any default under, loss of, or damage to or otherwise with respect to any of the foregoing.

All of the property described in subsections (a) through (f) above is herein collectively called the "Collateral".

SECTION 2. Security for Amounts Payable. This Agreement secures the payment of all amounts payable by the Grantor in connection with (i) the repayment of all advances made from time to time and at any time (including, without limitation, advances, whether pursuant to a commitment or otherwise, of amounts previously borrowed and repaid by the Grantor) by the Lenders, or any of them, under the Original Loan Agreement, the notes issued pursuant to the Original Loan Agreement, the Restated Loan Agreement, the Notes issued pursuant to the Restated Loan Agreement, and any note or notes issued in connection with the refunding or rollover of such Notes or otherwise in replacement thereof, and all amounts, whether for fees, expenses or otherwise, of the Grantor now or hereafter payable to the Lenders or any of their Affiliates under the Original Loan Agreement, the Restated Loan Agreement, the Notes, or the Security Documents (including this Agreement) or any other Loan Document, (ii) the repayment of all advances made from time to time and at any time (including, without limitation, advances, whether pursuant to a commitment or otherwise, of amounts previously borrowed and repaid by the Grantor) by PFT under the Funding Agreement dated as of May 17,

1989 (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Funding Agreement") between the Grantor and PFT, the note or notes issued pursuant to the Funding Agreement and any note or notes issued in connection with the refunding or rollover of such notes or otherwise in replacement thereof (in any case, "PFT Notes"), and all amounts, whether for fees, expenses, or otherwise, of the Grantor now or hereafter payable to PFT or any of its Affiliates under the Funding Agreement, (iii) any and all obligations owed to the Lenders, or any of them (whether owed to such Lender directly or in its capacity as a participant or otherwise), under the PFT Notes or the Funding Agreement; (iv) any obligation otherwise owed to the Lenders, or any of them (whether owed to such Lender directly or in its capacity as a participant or otherwise), in respect of amounts advanced by such Lender pursuant to its unconditional obligation to purchase participations in amounts funded by SPNB as described in Recital C above, and (v) any obligation owed to the Lenders, or any of them, under any interest rate hedging arrangement, including, without limitation, any interest rate hedging agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, or other similar agreement entered into or maintained pursuant to the Restated Loan Agreement (all such amounts payable described in clauses (i) through (v) of this Section 2 being the "Amounts Payable").

SECTION 3. Liability under Leases. Anything herein to the contrary notwithstanding, (i) the Grantor shall remain liable under the Leases to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Agent of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the Leases and (iii) neither the Agent nor any Lender shall have any obligations or liability under the Leases by reason of this Agreement, nor shall the Agent or any Lender be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. The Grantor represents, warrants and covenants to the Agent as follows:

(a) The principal place of business and chief executive office of the Grantor and the office where the Grantor keeps its records and files concerning the Leases and its copies of the Leases, are located at the address specified for the Grantor in Section 16. The Grantor's executed copy of each of the Leases has been delivered to the Agent, and all of the Grantor's photocopies of the Leases have been stamped or otherwise marked conspicuously with the following legend:

THIS WRITING IS NON-NEGOTIABLE. THIS
WRITING AND THE OBLIGATIONS EVIDENCED HEREBY
ARE OWNED BY, OR SUBJECT TO THE SECURITY

INTEREST OF, SECURITY PACIFIC NATIONAL BANK,
FOR ITSELF AND AS AGENT. NO INTEREST IN
THIS WRITING OR THE OBLIGATIONS EVIDENCED
HEREBY MAY BE SOLD, TRANSFERRED OR ASSIGNED
TO ANY OTHER PERSON WITHOUT DELIVERY OF THE
EXECUTED COUNTERPART IN THE POSSESSION OF
SECURITY PACIFIC NATIONAL BANK.

(b) The Grantor owns the Collateral free and clear of any lien, security interest, charge or encumbrance, except for (i) the security interest created by this Agreement, (ii) the interests of the lessees under the Leases, (iii) other liens expressly permitted under the Restated Loan Agreement. The Grantor has paid or caused to be paid all invoice prices, transportation and delivery costs, taxes and any acquisition or other fees relating to the Equipment. The Grantor has all necessary authority to encumber and grant a security interest in the Collateral.

(c) Each item of Equipment the ownership of which, under applicable law, is or should be evidenced by a certificate of title, is properly titled in the name of the Grantor.

(d) All information furnished or to be furnished the Agent or the Lenders by or on behalf of the Grantor in connection with the Collateral and the Amounts Payable is or will be complete and accurate. The Grantor shall defend and hold harmless the Agent and the Lenders, and each of them, against all persons whomsoever claiming the Collateral or any part thereof.

(e) This Agreement creates a valid security interest of the Agent in the Collateral (subject to the security interests of others referred to in Section 4(b) above, for so long as such security interests are permitted by the provisions of this Agreement), securing the payment of the Amounts Payable, and all filings and other actions necessary to perfect and protect such security interest have been duly taken, including, without limitation, the proper notation on each certificate of title covering Equipment of the security interest of the Agent and the making of all filings against the lessees under the Leases necessary to perfect the Grantor's interest in the Equipment.

(f) No consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority, regulatory body, lessee or other person or entity, other than such as have been obtained, is required either (i) for the grant by the Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Grantor or (ii) for the perfection or exercise by the Agent of its rights and remedies hereunder.

(g) The Leases constitute valid and enforceable obligations of the respective lessees thereunder, enforceable against such lessees in accordance with their terms, except as the

enforceability thereof may be subject to or limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally and by general principles of equity. Each item of Equipment subject to any Lease has been delivered to, and accepted by, the lessee under the respective Lease. No event of default or termination, and no event which with the giving of notice or lapse of time, or both, would constitute such an event, has occurred on the part of any party under any of the Leases (except such events which, in the aggregate, do not constitute an Event of Default). There does not exist in respect of any Lease any claim, offset, defense or other right on the part of the lessee thereunder to reduce in any manner the amounts payable under such Lease.

SECTION 5. Documentation.

(a) The Grantor shall from time to time, at the expense of the Grantor, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Agent may request, in order to perfect with first priority and otherwise protect the security interest granted or purported to be granted hereby (subject to the security interests of others referred to in Section 4(b) above, for so long as such security interests are permitted by the provisions of this Agreement) or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor shall: (i) promptly after the execution thereof, deliver to the Agent the original execution copies of every new or renewal Lease or other agreement included in the Leases, (ii) mark conspicuously each of its copies of every new or renewal Lease or other agreement included in the Leases and each of its records pertaining thereto with the legend set forth in Section 4(a) or another legend in form and substance satisfactory to the Agent, (iii) duly note the security interest of the Agent on each certificate of title covering any of the Equipment and on any registration without certification of title covering any of the Equipment, (iv) file an executed counterpart of this Agreement with the Interstate Commerce Commission in order to perfect the Agent's lien on the rolling stock forming part of the Collateral under the provisions of 49 U.S.C.A. § 11303 (1979) (formerly Section 20c of the Interstate Commerce Act), and (v) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, and make such recordings, as may be necessary or desirable, or as the Agent may request, in order to perfect and preserve the security interests granted or purported to be granted hereby, including, without limitation, execution and filing of such instruments and recordings as may be necessary under federal law relating to the creation and perfection of a security interest in any of the Equipment.

(b) To the best of its ability, the Grantor shall furnish to the Agent from time to time statements and schedules

further identifying and describing the Collateral (including, without limitation, the locations and condition thereof) and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

SECTION 6. Equipment. The Grantor shall:

(a) Cause the Equipment to be kept in jurisdictions where all action required by Section 5 has been taken with respect to the Equipment; provided, however, that a lessee under a Lease may use or keep Equipment in such other locations as are permitted under the Lease and the Estoppel Agreement delivered by such lessee to the Agent.

(b) Cause each lessee under the Leases to maintain and preserve the Equipment covered by its Lease strictly in accordance with the terms and provisions thereof and otherwise to perform in a timely manner all obligations of the lessee under its Lease. Without limitation of the foregoing, the Grantor shall cause the Equipment to be maintained and preserved, by the lessee or otherwise, in the same condition, repair and working order as when delivered to the lessee, ordinary wear and tear excepted, and in accordance with any manufacturer's manual and shall forthwith, or in the case of any loss or damage to any of the Equipment as quickly as practicable after the occurrence thereof, make or cause to be made, by the lessee or otherwise, all repairs, replacements and other improvements in connection therewith which are necessary or desirable to such end. The Grantor shall promptly furnish to the Agent a statement respecting any loss or damage to any of the Equipment.

(c) Pay promptly when due, or cause to be so paid in accordance with the Leases, all property and other taxes, fees, assessments and governmental charges or levies imposed upon or in respect of the Equipment or this Agreement and all claims, including claims for labor, materials and supplies, against the Equipment.

(d) Perform in a timely manner all obligations of the Grantor under the Leases.

(e) Mark each car of the rolling stock forming part of the Collateral appropriately to show the Grantor's ownership and with its assigned reporting mark and number in accordance with the rules and regulations of the American Association of Railroads, and maintain and cause such rolling stock to be always so marked while this Agreement remains in effect and not cause or allow such rolling stock to be marked so as to indicate ownership in any other party or to be renumbered without the prior written consent of the Agent, nor allow such rolling stock to be marked so as to indicate a lien thereon allegedly held by any parties other than the Agent.

(f) At the request of the Agent, at the Grantor's own cost and expense, cause each item of the Equipment (if not prevented by applicable law or regulations or governmental authority, and if it will not adversely affect the proper use thereof) to be legibly marked in a reasonably prominent location with such a plate, disk or other marking of customary size, and bearing such a legend, as shall be appropriate or desirable to evidence the fact that it is subject to the lien and security interest of the Agent hereunder. The Grantor shall not remove or deface, or permit to be removed or defaced, any such plate, disk, or other marking or the identifying manufacturer's serial number, and, in the event of such removal, defacement or other disappearance thereof, the Grantor shall promptly cause such plate, disk or other marking or serial number to be promptly replaced.

(g) If any rolling stock forming part of the Collateral is used in, leased in, or permitted to be used in Canada (or any province or territory thereof) or in Mexico (or in any state or Federal District thereof), take all necessary action to protect the right, title and interest of the Agent in the Collateral and furnish the Agent, upon its request, with an opinion of Canadian or Mexican counsel, as the case may be, satisfactory to the Agent to the effect that the action taken by Grantor is all that is necessary to protect the right, title and interest of the Agent in such Equipment.

SECTION 7. Insurance.

(a) The Grantor shall cause the lessees under the Leases to maintain insurance on the Equipment strictly in accordance with the terms and provisions of the Leases. Without limitation of the foregoing, the Grantor shall at its own expense maintain such additional insurance with respect to the Equipment in such amounts, against such risks, in such form and with such insurers as shall be requested by the Agent from time to time. Each policy, whether obtained in accordance with the terms and provisions of a Lease or in accordance with this Section 7(a), shall (i) if for liability insurance, provide for all losses to be paid on behalf of the Agent, for the benefit of itself and the other Lenders, and the Grantor as their respective interests may appear and (ii) if for property damage insurance, provide for all losses to be paid directly to the Agent. Each such policy shall in addition (i) name the Agent and the Lenders, as insured parties, and the Agent as loss payee thereunder, without any representation or warranty by or obligation upon the Agent or any Lender, as their interests may appear; (ii) contain an agreement by the insurer that any loss thereunder shall be payable to the Agent notwithstanding any action, inaction or breach of representation or warranty by the Grantor or any lessee under the Leases; provided, however, that in the event of a Casualty Loss the Grantor shall make the deposit, or other payment required under Section 5.06 of the Restated Loan Agreement and the Grantor shall thereafter be entitled to any insurance proceeds in respect of such Casualty Loss; (iii) provide

that there shall be no recourse against the Agent or any Lender for payment of premiums or other amounts with respect thereto and (iv) provide that at least 30 days' prior written notice of cancellation or lapse shall be given to the Agent by the insurer. The Grantor shall, if so requested by the Agent, deliver to the Agent original or duplicate policies of such insurance and, as often as provided under the Restated Loan Agreement, a report of a reputable insurance broker with respect to such insurance. Further, the Grantor shall, at the request of the Agent, duly execute and deliver confirmatory instruments of assignment of such insurance policies to comply with the requirements of Section 5 and cause the respective insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained pursuant to this Section 7 may be paid directly to the Person who incurred liability covered by such insurance. In case of any loss involving damage to Equipment when Section 7(c) is not applicable, the Grantor shall make or cause to be made, by the lessee or otherwise, the necessary repairs to or replacements of such Equipment, and any proceeds of insurance maintained pursuant to this Section 7 shall be paid to the Grantor, the lessee or otherwise, as the case may be, as reimbursement for the costs of such repairs or replacements.

(c) (i) Upon the occurrence and during the continuance of any event of default under any document or instrument evidencing or relating to any of the Amounts Payable, or (ii) upon the actual or constructive total loss of any Equipment, all insurance payments in respect of such Equipment shall be paid to and applied by the Agent as specified in Section 13(d) except, with respect only to clause (i), insofar as the Lease covering such Equipment provides for the insurance payments to be paid to the lessee for purposes of repairing the Equipment and, with respect only to clause (ii), that the Grantor shall be entitled to retain any insurance proceeds in respect of the actual or constructive total loss of any Equipment in the amount and to the extent of the deposit or other payment made by the Grantor to the Lenders in respect of such loss pursuant to Section 5.06 of the Restated Loan Agreement.

SECTION 8. Leases.

(a) The Grantor shall keep its principal place of business and chief executive office and the office where it keeps its records and files concerning the Leases and its copies of the Leases at the location specified in Section 16 or, upon 30 days' prior written notice to the Agent, at another location in a jurisdiction where all action required by Section 5 shall have been taken with respect to the Leases. The Grantor shall hold and preserve such records and files concerning the Leases and shall permit representatives of the Agent at any time during normal business hours to inspect and make abstracts from such records and files.

(b) Except as otherwise provided in this Section 8(b), the Grantor shall continue to collect, at its own expense, all amounts due or to become due the Grantor under the Leases. In connection with such collections, the Grantor may take, and at the Agent's direction shall take, such action as the Grantor or the Agent may deem necessary or advisable to enforce collection of the Leases. The Agent shall have the right at any time, upon written notice to the Grantor of its intention to do so, (i) to direct the lessees under the Leases to make payment of all amounts due or to become due thereunder directly to the Agent and, upon such direction and at the expense of the Grantor, to enforce collection of any of the Leases in the same manner and to the same extent as the Grantor might have done and/or (ii) to require that all amounts received by the Grantor in respect of the Leases be received in trust for the benefit of the Agent and the Lenders hereunder and be segregated from other funds of the Grantor. Any amounts so segregated shall, at the Agent's request, be forthwith paid over to the Agent to be held as cash collateral and either (A) released to the Grantor after payment in full of all Amounts Payable, or (B) if any event of default shall have occurred and be continuing under any document or instrument evidencing or relating to any of the Amounts Payable, applied as provided in Section 13(d). If the Agent notifies the Grantor of the Agent's intention to direct lessees to make Lease payments directly to the Agent and/or to require Grantor to segregate and hold such payments in trust, the Grantor shall enter into written agreements satisfactory to the Agent to implement such intention.

(c) The Grantor shall accept no prepayment from any lessee of amounts due under any of the Leases without obtaining the prior written consent of the Agent, except such amounts as are required under any Lease to be paid in advance (including, without limitation, a security deposit or a maintenance reserve account).

SECTION 9. Transfers and Other Liens. The Grantor shall not:

(a) Except as expressly permitted by the Restated Loan Agreement, or except as may be provided in a writing executed in accordance with the provisions of the Restated Loan Agreement, sell, assign (by operation of law or otherwise), lease, charter or otherwise dispose of any of the Collateral without the prior written consent of the Agent.

(b) Create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interests referred to in Section 4(b) above, for so long as such security interests are permitted by the provisions of this Agreement.

SECTION 10. Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Agent, or otherwise, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement (subject to the rights of the Grantor under Section 8), including, without limitation:

(a) to obtain and adjust insurance required to be paid to the Agent, for the benefit of itself and the other Lenders, pursuant to Section 7;

(b) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, indorse and collect any drafts or other instruments and documents in connection with clauses (a) and (b) above;

(d) to file claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Agent with respect to any of the Collateral; and

(e) to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law.

SECTION 11. Agent May Perform. If the Grantor fails to perform any agreement contained herein, then the Agent may perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Grantor under Section 14(b).

SECTION 12. Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 13. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Agent may, by notice to the Grantor, declare all of the Amounts Payable to be forthwith due and payable.

(b) The Agent, in lieu of or in addition to exercising any other power hereby granted, may without notice, demand or declaration of default, which are hereby waived by the Grantor, proceed by an action or actions in equity or at law for the seizure and sale of the Collateral or any part thereof, for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, for the foreclosure or sale of the Collateral or any part thereof under the judgment or decree of any court of competent jurisdiction, for the appointment of a receiver pending any foreclosure hereunder or the sale of the Collateral or any part thereof or for the enforcement of any other appropriate equitable or legal remedy; and upon the commencement of judicial proceedings by the Agent to enforce any right under this Agreement, the Agent shall be entitled as a matter of right against the Grantor to such appointment of a receiver, without regard to the adequacy of the security by virtue of this Agreement or any other collateral or to the solvency of the Grantor.

(c) The Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code, whether or not the Uniform Commercial Code applies to the affected Collateral, and also may (i) require the Grantor to, and the Grantor hereby agrees that at its expense and upon request of the Agent it shall forthwith, assemble all or part of the Collateral as directed by the Agent and make it available to the Agent at such places reasonably convenient to all parties as the Agent may designate and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more sales at public or private sales, at any of the Agents' offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by public announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to be which it was so adjourned.

(d) All cash proceeds received by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral shall be applied as follows:

(i) First, to the payment of all costs and expenses incident to the enforcement of this Agreement, including but not limited to compensation to the agents, contractors and attorneys of the Agent;

(ii) Second, to the payment of all other Amounts Payable; and

(iii) Third, the remainder, if any, to the Grantor or to whomever may be lawfully entitled to receive such remainder; provided, however, that the Grantor shall remain liable to the Agent and the Lenders, as applicable, for any deficiency in the Amounts Payable remaining after the application of such proceeds as provided in this Section 13(d) and, provided, further, that nothing herein contained shall in any way limit or restrict the Lenders' rights to proceed directly against the Grantor without first causing the Agent to exhaust, or in any manner to exercise its rights in respect of, the Collateral.

(e) The Lenders, or any of them, shall have the right to become the purchaser at any public sale made pursuant to the provisions of this Section 13 and shall have the right to credit against the amount of the bid made therefor the amount payable to the purchasing Lender or Lenders out of the net proceeds of such sale. Recitals contained in any conveyance to any purchaser at any sale made hereunder shall conclusively establish the truth and accuracy of the matters therein stated, including, without limitation, nonpayment of the Amounts Payable and advertisement and conduct of such sale in the manner provided herein. The Grantor does hereby ratify and confirm all legal acts that the Agent may do in carrying out the provisions of this Agreement.

(f) Any sale of the Collateral or any part thereof pursuant to the provisions of this Section 13 shall operate to divest all right, title, interest, claim and demand of the Grantor in and to the property sold and shall be a perpetual bar against the Grantor. Nevertheless, if requested by the Agent so to do, the Grantor shall join in the execution, acknowledgement and delivery of all proper conveyances, assignments and transfers of the property so sold. It shall not be necessary for the Agent to have physically present or constructively in its possession any of the Collateral at any such sale, and the Grantor shall deliver all of the Collateral to the purchaser at such sale on the date of sale and, if it should be impossible or impracticable then to take actual delivery of the Collateral, the title and right of possession to the Collateral shall pass to the purchaser at such sale as completely as if the same had been actually present and delivered. The Grantor agrees that if the Grantor retains possession of the property or any part thereof subsequent to such sale, the Grantor shall be considered a tenant at sufferance of the purchaser and shall, if the Grantor remains in possession after demand to remove, be guilty of forceful detainer and be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived by the Grantor.

(g) Subject to any requirements of applicable law, the Grantor agrees that neither the Grantor, nor any of its Affiliates

under its control, shall at any time have or assert any right, under any law pertaining to the marshalling of assets, the sale of property in the inverse order of alienation, the administration of estates of decedents, appraisement, valuation, stay, extension or redemption now or hereafter in force in order to prevent or hinder the rights of the Agent or any purchaser of the Collateral or any part thereof under this Agreement, and the Grantor, to the extent permitted by applicable law, hereby waives the benefit of all such laws.

(h) Upon any sale made under the powers of sale herein granted and conferred, the receipt of the Agent shall be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and the heirs, devisees, personal representatives, successors and assigns thereof shall not, after paying such purchase money and receiving such receipt of the Agent, be obliged to see to the application thereof or be in anywise answerable for any loss, misapplication or nonapplication thereof.

(i) Each and every right, power or remedy hereby granted to the Agent or the Lenders is in addition to, and not in derogation of, any right, power or remedy granted by the Restated Loan Agreement and the Notes issued thereunder and shall be cumulative and not exclusive, and each and every right, power or remedy, whether specifically hereby granted or otherwise existing, may be exercised from time to time and as often and in such order as may be deemed expedient by the Agent, and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Agent or the Lenders in the exercise of any right, power or remedy shall impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing. Any and all covenants in this instrument may from time to time, by an instrument in writing executed in accordance with the provisions of the Restated Loan Agreement, be waived to such extent and in such manner as set forth in such written instrument, but no such waiver shall ever affect or impair the Agent's or any Lender's rights hereunder, except to the extent specifically stated in such written instrument.

(j) Notwithstanding the foregoing, the Agent and the Lenders agree not to interfere with a lessee's quiet enjoyment of Equipment under a Lease approved by the Lenders pursuant to the Original Loan Agreement or the Restated Loan Agreement so long, but only so long, as no event of default or termination, and no event which with the giving of notice or lapse of time, or both, would constitute such an event, has occurred under such Lease.

SECTION 14. Indemnity and Expenses.

(a) The Grantor agrees to indemnify the Agent and the Lenders, and each of them, from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Agent's or the Lenders' gross negligence or willful misconduct.

(b) The Grantor shall upon demand pay to the Agent or any Lender, as the case may be, the amount of any and all reasonable expenses, including the reasonable fees and disbursements of their counsel and or any experts and agents, which the Agent or such Lender may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, sale of, collection from or other realization upon any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Agent hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 15. Amendments; Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and executed in accordance with the Restated Loan Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 16. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopied or telex communication) and mailed or telegraphed or telecopied or delivered: if to the Grantor, at its address at 655 Montgomery Street, 12th floor, San Francisco, California, 94111, Attention: General Counsel (teletype no. (415) 544-8256); and if to the Agent, at the Agent's address at One Embarcadero Center, San Francisco, California 94111, Attention: San Francisco Corporate Office (teletype no. (415) 445-4738) or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this section. All such notices and communications shall, when mailed, telegraphed or telecopied, be effective on receipt or, if sent by telex, when the telex is sent and the appropriate answerback is received.

SECTION 17. Continuing Security Interest; Etc. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Amounts Payable and performance in full of all of the Grantor's obligations hereunder and under any documents or instruments evidencing or relating to any of the Amounts Payable; (ii) be binding upon the Grantor, its successors and assigns, provided, however, that the Grantor shall not have the right to assign its rights or obligations hereunder or any interest

herein except as provided in a writing executed in accordance with the Restated Loan Agreement; and (iii) inure to the benefit of the Agent and the Lenders and their respective successors, transferees and assigns. Upon payment in full of the Amounts Payable and performance in full of all of the Grantor's obligations hereunder and under any documents or instruments evidencing or relating to any of the Amounts Payable, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of California, as applied to contracts entered into by California residents and to be performed entirely within California, except to the extent that the validity or perfection of the security interest hereunder or remedies hereunder in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of California, including federal law. Unless otherwise defined herein, terms used in Division 9 of the Uniform Commercial Code in the State of California are used herein as therein defined.

SECTION 19. Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

SECTION 20. Releases. No release from the lien of this Agreement of any part of the Collateral by the Agent or the Lenders shall in anywise alter, vary or diminish the force, effect or lien of this Agreement on the balance of the Collateral.

SECTION 21. Subrogation. This Agreement is made with full substitution and subrogation of the Agent, for the benefit of itself and the other Lenders, in and to all covenants and warranties by others heretofore given or made in respect of the Collateral or any part thereof.

SECTION 22. Nature of Agreement. This Agreement will be deemed to be and may be enforced from time to time as an assignment, chattel mortgage, contract, deed of trust, financing statement, or security agreement, and from time to time as any one or more thereof as is appropriate under applicable State law.

SECTION 23. Counterparts. This Agreement may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to

each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Agreement.

SECTION 24. Headings. The section headings used in this Agreement are intended principally for convenience and shall not, by themselves, determine the rights and obligations of the parties to this Agreement.

SECTION 25. Entire Agreement. This Agreement, the Restated Loan Agreement, the Notes issued pursuant to the Restated Loan Agreement, the Original Loan Agreement, the Funding Agreement, the note or notes issued pursuant to the Funding Agreement, and all documents or instruments delivered or to be delivered to the Agent, the Lenders, or PFT hereunder or thereunder, as the case may be, contain all of the terms and conditions agreed upon by the parties relating to the subject matter of this Agreement and supersede any and all prior and contemporaneous agreements, negotiations, corres-

pondence, understandings and communications of the parties, whether oral or written, respecting that subject matter.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

PLM INTERNATIONAL, INC.

[CORPORATE SEAL]

By: *A. M. Tibbels*

Title: PRESIDENT

SECURITY PACIFIC NATIONAL BANK, for itself and as Agent for the benefit of itself and each of the other Lenders

By: _____

Title: _____

pondence, understandings and communications of the parties, whether oral or written, respecting that subject matter.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

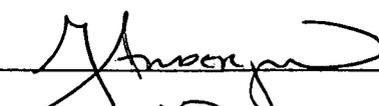
PLM INTERNATIONAL, INC.

[CORPORATE SEAL]

By: _____

Title: _____

SECURITY PACIFIC NATIONAL BANK, for itself
and as Agent for the benefit of itself and
each of the other Lenders

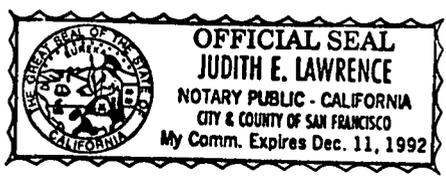
By: 

Title: V.P.

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

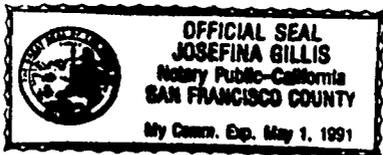
On this 17 day of May, 1989, before me, the undersigned, a Notary Public in and for said state, personally appeared Robert N. Tidball, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as President of PLM INTERNATIONAL, INC., one of the corporations therein named and acknowledged to me that said corporation executed it.

Signature: Judith E. Lawrence
My Commission Expires: 12-11-92



STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 17th day of May, 1989, before me, the undersigned, a Notary Public in and for said state, personally appeared Milt Anderson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President of SECURITY PACIFIC NATIONAL BANK, one of the entities therein named for itself and as agent and acknowledged to me that said entity executed it in such capacity.



Signature: Josefina Gillis
My Commission Expires: 5/1/91

Schedule 1

Security Pacific National Bank

Bank of America NT & SA

Manufacturers Hanover Trust Company

Harris Trust and Savings Bank

Osterreichische Landerbank, Grand Cayman Branch

Pacific Funding Trust II