

CHAPMAN AND CUTLER

a partnership including professional corporations

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RECORDATION NO. 13719

AUG 4 1982

AUG - 4 1982 12 45 PM

Date.....
Fee \$ 50.00

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. Mergenovich:

Enclosed for recordation under the provisions of Section 11303(a) of Title 49 of the U.S. Code are the original and six counterparts of a Security Agreement-Trust Deed dated as of May 1, 1982. This Security Agreement-Trust Deed is a primary document.

A general description of the railroad cars covered by the enclosed document and intended for use related to interstate commerce is set forth in Schedule 1 attached to this letter and made a part hereof.

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

Debtor: WFIX Partners
c/o Wilsey Foods, Inc.
633 South Mission Road
Los Angeles, California 90023

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

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

Please return the original and five copies of the Security Agreement-Trust Deed to Gary Green, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

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

A short summary of the enclosed primary document to appear in the Index as follows:

Security Agreement between WFIX Partners, as Debtor, c/o Wilsey Foods, Inc., 633 South Mission Road, Los Angeles, California

RECEIVED
AUG 12 1982
OPERATION BR

Counterpart of C. T. Kowale

CHAPMAN AND CUTLER

90023 and The Connecticut Bank and Trust Company, as Security Trustee,
One Constitution Plaza, Hartford, Connecticut 06115 covering 100
tank cars.

Very truly yours,

THE CONNECTICUT BANK AND TRUST
COMPANY

By



Its CLARK M. WHITCOMB, VICE PRESIDENT
SECURITY TRUSTEE AS AFORESAID

Enclosures

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
40	Railroad Tank Cars Manufactured by ACF Industries Incorporated	WFIX 101 through WFIX 140
60	Railroad Tank Cars Manufactured by Union Tank Car Company	WFIX 141 through WFIX 200

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Gary Green, Esq.
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

August 4, 1982

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/4/82 at 12:45PM , and assigned re-
recording number(s). 13719

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

100

REGISTRATION NO. 13719

AUG - 4 1982 2 45 PM

INTERSTATE COMMERCE COMMISSION

Matter No. 35066-0
Execution Copy

SECURITY AGREEMENT-TRUST DEED

Dated as of May 1, 1982

FROM

WFIX PARTNERS

DEBTOR

TO

THE CONNECTICUT BANK AND TRUST COMPANY

SECURED PARTY

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ATTACHMENT TO SECURITY AGREEMENT-TRUST DEED:

- APPENDIX 1 -- Description of Equipment
- APPENDIX 2 -- Description of Lease Agreements

SECURITY AGREEMENT-TRUST DEED

THIS SECURITY AGREEMENT-TRUST DEED dated as of May 1, 1982 (the "Security Agreement") from WFLA PARTNERS, a California Limited Partnership (the "Debtor"), whose post office address is c/o Wilsey Foods, Inc., 633 South Mission Road, Los Angeles, California 90023 to THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, whose post office address is One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, as trustee (the "Security Trustee" or the "Secured Party").

RECITALS:

A. The Debtor is the owner of the 100 railroad tank cars described in Appendix 1 hereto (collectively, the "Equipment" and individually an "Item" or "Item of Equipment") manufactured by Union Tank Car Company and ACF Industries (individually a "Manufacturer" and collectively the "Manufacturers"). The Equipment has been accepted by a manager pursuant to the Management Agreement dated as of May 11, 1981 (the "Management Agreement") between the Debtor, as owner, and Wilsey Foods, Inc., a Delaware corporation, as manager (the "Manager") which Equipment will be leased by the Manager pursuant to the terms of the Management Agreement to a lessee or lessees (the "Lessees") under lease agreements (the "Leases") described in Appendix 2 hereto as it may from time to time be supplemented.

B. The institutional investor named in Schedule I to the Note Agreement referred to below (the "Purchaser") has entered into a Note Agreement, dated as of May 1, 1982 (the "Note Agreement"), providing for the commitment of the Purchaser to purchase on or before August 31, 1982 the 17.375% Secured Notes (the "Notes") of the Debtor due 1982-1992 in a principal amount not to exceed \$4,400,000, such Notes expressed to bear interest at the rate of 17.375% per annum prior to maturity and to mature in 20 substantially equal semiannual installments, including principal and interest, payable on February 5, 1982, and on each August 5 and February 5 thereafter, with a final installment of all unpaid principal and accrued interest payable on August 5, 1992, and to be otherwise substantially in the form attached as Exhibit A1 or A2 to the Note Agreement.

C. The Notes and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Note Agreement and repayment by the Debtor of any sums advanced by Bank of America National Trust and Savings Association (the "Bank") under and pursuant to the Letter of Credit issued pursuant to the Note Agreement in substantially the form attached to the Note Agreement

as Exhibit E (the "Letter of Credit") and all obligations of the Debtor to the Bank under the terms of that certain Standby Letter of Credit Application and Agreement (the "Credit Agreement") dated as of August 5, 1982 between the Bank and the Debtor, 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 Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure all obligations of the Debtor arising under and pursuant to the Credit Agreement, 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, in the Credit Agreement and in the Note Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its 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, 1.2 and 1.3 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 the Equipment described in Appendix 1 hereto, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes all Leases described in Appendix 2 hereto and any other lease of any Item of Equipment existing as of the date hereof or entered into in the future and any guaranty of such lease obligations existing on the date hereof or entered into in the future (the "Assigned Leases"), and all rents and other sums due and to become due thereunder, including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment; it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Assigned Leases shall be effective and

operative immediately and continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 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; provided, however, that (a) so long as no Default or Event of Default shall have occurred and be continuing the Debtor shall be entitled to collect and receive all such sums and (b) in the event that a Default or Event of Default shall have occurred and be continuing, all such payments shall be made directly to the Secured Party, and the Debtor covenants and agrees that it will notify the Lessees of such assignment and direct the Lessees to make all such payments of such rental and other sums due and to become due to the Secured Party.

1.3. Management Agreement Collateral. Collateral also includes the Management Agreement and all rights and entitlements of the Debtor under the Management Agreement and any other agreement for the management of the Equipment which may be entered into in the future (the "Assigned Management Agreements"); it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said Assigned Management Agreements and the rights of the Debtor thereunder shall be effective and operative immediately and continue in full force and effect and the Secured Party shall have the right to collect and receive any payments due under said Assigned Management Agreements 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; provided, however, that (a) so long as no Default or Event of Default shall have occurred and be continuing, the Debtor shall be entitled to collect and receive all such sums and (b) in the event that a Default or Event of Default shall have occurred and be continuing, all such payments shall be made directly to the Secured Party, and the Debtor covenants and agrees that it will notify each party to each Assigned Management Agreement of such assignment and direct such parties to make all such payments of such sums due and to become due to the Secured Party.

1.4. Collateral Documents. The Assigned Leases and the Assigned Management Agreements are sometimes hereinafter referred to as the "Collateral Documents". With respect to any Collateral Document the Secured Party shall have all rights of the Debtor thereunder including without limitation:

(a) the right to make waivers and agreements and enter into any amendments relating to any Collateral Document or any provisions thereof; and

(b) the right to take such action upon the occurrence of a default or event of default under any Collateral Document, including the commencement,

conduct and confirmation of legal, administrative or other proceedings, as shall be permitted by such Collateral Document or by law, and to do any and all things whatsoever which the Debtor is or may be entitled to do under the Collateral Document; provided, however, that so long as no Event of Default or event which with the lapse of time or the giving of notice or both would become such an Event of Default shall have occurred and be continuing, the Secured Party shall make no such waivers, agreements or amendment or take no such actions without the written consent of the Debtor.

1.5. Limitations to Security Interest. The security interest granted by this Section 1.1 is subject to the lien of current taxes and assessments not in default (but only if such taxes are entitled as a matter of law to priority over the security interest granted hereunder or, if delinquent, the validity of which is being contested in good faith ("Permitted Encumbrances")).

1.6. Duration of Security Interest. The Secured Party, its 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, in the Note Agreement, in the Credit Agreement and the Notes contained, then, subject to the provisions of Section 1.7 hereof 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.

1.7. Continuation of Term of this Security Agreement; Escrow of Certain Letter of Credit Payments. When the final payment of the principal of, premium, if any, and interest on the Notes has been made to the Purchaser, this Security Agreement shall remain in effect for at least an additional 180 days. If within 90 days of such final payments no petition is filed by or against the Debtor or any Personal Guarantor (as defined in the Note Agreement) pursuant to the United States Bankruptcy Code, as amended (the "Bankruptcy Act"), then this Security Agreement and the rights hereby granted shall cease, determine and be void.

If at any time during the term of this Security Agreement a petition is filed by or against the Debtor or any Personal Guarantor pursuant to the Bankruptcy Act, and if the Security Trustee or the Purchaser draws upon the Letter of Credit and receives a payment thereunder representing any payment in respect of the principal of, premium, if any, and interest on the Notes paid by the Debtor or any Personal Guarantor during the 90-day period immediately preceding the filing of said petition, then such payment if received by the Security Trustee shall be held,

and if received by the Purchaser shall be paid over to the Security Trustee to be held in a separate escrow account. The moneys in such escrow account shall be invested in obligations of the United States government having a maturity date not later than 90 days after the date of incurrence thereof. If an order is entered by a court of competent jurisdiction holding that, pursuant to Section 547 of the Bankruptcy Act, the Purchaser must return the amount they received during said 90-day period, and if such order is final and not appealable, the Security Trustee shall use the moneys in the escrow account (including investment earnings) to reimburse the Purchaser on a pro-rata basis. The Purchaser by its receipt of such reimbursement shall be deemed to have irrevocably consented to and authorized the issuance, transfer and assignment to the Bank of any Notes or other claim against the Borrower and/or any Personal Guarantor arising on account of the required return of amounts received by the Purchaser during said 90-day period, but the Purchaser shall if so requested in writing by the Bank execute and deliver such further instruments of transfer, assignment and assurance as may be necessary to effect and confirm the issuance, transfer and assignment of the Notes or other claim to the Bank. If it is instead held that the Purchaser may retain the payments they received during such 90-day period, or if all applicable statutes of limitation relating to Section 547 of the Bankruptcy Act have expired without any suit or other proceeding to recover said payment under Section 547 of the Bankruptcy Act having theretofore been filed, then the moneys in the escrow account (including investment earnings) shall be returned to the Bank, as issuer of the Letter of Credit.

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 Note Agreement and the Credit 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 Note Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; 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. Without limiting the foregoing, there is no financing

statement or other instrument giving notice of any security interest in which the Debtor is named as or which the Debtor has filed, as debtor, now on file in any public office covering any of the Collateral, excepting the financing statements and other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. To the extent permitted by applicable law, the Secured Party may at any time file financing statements with respect to the Collateral without the signature of the Debtor. 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 Collateral Documents, the Debtor covenants and agrees that upon written request of the Secured Party it will notify all parties to the Collateral Documents of such assignment and subject to the provisions of Section 1.2(a) hereof, direct such parties to make all payments of such rents and other sums due and to become due under the Collateral Documents directly to the Secured Party.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired by the Debtor shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the 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 Assigned Leases and all supplements thereto, and all supplements thereto and the Leases and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of each supplemental security agreement an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement (or a financing statement in respect thereof), 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, and stating the requirements of applicable law with respect to the re-recording or re-filing of this Security Agreement and of each supplemental security agreement

(or continuation statements or similar notice thereof to the extent permitted or required by applicable law) prior to the final maturity date of the Notes in order to maintain the lien and security interest granted thereunder in full force and effect as against creditors of and purchasers from the Debtor.

2.6. Modification of the Collateral Documents. The Debtor will not:

(a) declare a default or exercise the remedies under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Collateral Documents (except as otherwise expressly provided in Section 3.2 hereof) 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 Assigned Leases or any part thereof or any other interest of the Debtor in the Collateral Documents;

(b) receive or collect or permit the receipt or collection (except by the Secured Party hereunder) of any payment under any Collateral Document prior to the date for payment thereof provided for by such Collateral Document or assign, transfer or hypothecate (other than to the Secured Party hereunder) any payment then due or to accrue in the future under any Collateral Document in respect of the Equipment or otherwise; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party 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 Collateral Documents. Subject to the provisions of Section 1.2(a) hereof, the Debtor does hereby irrevocably constitute and appoint the Secured Party, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Sections 1.1, 1.2 and 1.3 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 Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Limitation on Prepayment. Except to the extent expressly provided for in this Security Agreement and the Note Agreement, the Debtor agrees that the Notes shall not be subject to prepayment or redemption in whole or in part at the option of the Debtor prior to the expressed maturity date thereof.

2.9. Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting a default or event of default under any Collateral Document or of any Default or Event of Default hereunder if the Debtor has actual knowledge of such event or condition.

2.10. Maintenance of Existence. The Debtor will preserve and keep in full force and effect its existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder and under the Credit Agreement. So long as any portion of the principal or interest remains unpaid in respect of the Notes, no amendment or modification to the Limited Partnership Agreement shall be made which would in any manner adversely affect the rights or interests of the Security Trustee or the Purchaser without the prior written consent of the Purchaser.

2.11. Restrictions on Mergers, Consolidations and Sales of Assets. Except upon the written consent of holders of not less than 66-2/3 in aggregate principal amount of the Notes and the Bank, the Debtor will not sell, transfer or otherwise dispose of all or a substantial portion of its property or assets to any person, firm or corporation.

2.12. Maintenance. The Debtor agrees that it will maintain and keep each Item of Equipment (including any parts installed or replacements made to any Item and accessions thereto) in good operating order, repair and condition and eligible for railroad interchange in accordance with the Interchange Rules of the Association of American Railroads and in full compliance with any applicable laws, rules, regulations or standards which may be promulgated by the Department of Transportation, the Federal Railroad Administration, the Interstate Commerce Commission or other applicable regulatory body or any successor, agency or party thereto, any insurance company insuring such Item, and any higher standards as required by any lease of such Item of Equipment.

2.13. Marking of Equipment. The Debtor will promptly cause each Item of Equipment to be numbered and to be kept numbered with the identifying number set forth in Appendix 1 hereto, or in the case of any Item not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending the Security Agreement to cover such Item of Equipment, and will use its best efforts to place, keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each item, in letters not less than one inch in height, the words, "OWNED BY WFIX PARTNERS, AND SUBJECT TO A SECURITY AGREEMENT FILED

WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated or approved by the Secured Party, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Secured Party's security interest in such item and the rights of the Secured Party under the Security Agreement under the laws of the United States of America. The Debtor will promptly replace or cause to be replaced any such name or words which may be removed, defaced, obliterated or destroyed. The Debtor will not change or authorize to be changed the identifying number on any Item of Equipment unless and until (a) a statement of new number or numbers to be substituted therefor shall have been filed with the Secured Party and filed, recorded and deposited by the Debtor in all public offices where the Security Agreement shall have been filed, recorded and deposited and (b) the Debtor shall have furnished to the Secured Party an Opinion of Counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Secured Party's security interest in such Item of Equipment and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interest of the Security Trustee in such Item of Equipment under the laws of the United States of America.

Except as provided in this Section 2.13, the Debtor will not authorize the name of any person, association or corporation to be placed on any Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may authorize the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by a Lessee or its affiliates on railroad equipment used by it of the same or similar type for convenience of identification of its right to use the Equipment under a Lease, and the Equipment may be lettered in an appropriate matter for convenience of identification of the interest of such Lessee therein.

2.14. Insurance of Equipment. The Debtor will at all times during the period that any indebtedness hereby secured is outstanding cause to be carried and maintained physical damage, casualty insurance ("Casualty Insurance") and public liability insurance. Such insurance policy or policies shall provide coverage at least equal to the following:

(a) with respect to Casualty Insurance, against all risks as insured under the standard railroad rolling stock policy form, in an amount not less than the original invoice price of each Item of Equipment and in an amount not less than \$500,000 per occurrence (with a deductible amount not in excess of 5% of the insured value of each Item per occurrence) and in any event for each Item not less than the Casualty Value (as defined in Section 4.1 hereof) hereof; and

(b) with respect to liability insurance, coverage of not less than \$5,000,000 per occurrence with a deductible of not more than \$1,000 per occurrence.

The proceeds of policies required to be maintained pursuant to this Section shall be payable to the Debtor and the Secured Party as their interests may appear. Any policies of insurance carried in accordance with this Section shall (i) require 30 days prior notice of cancellation or material change to the Secured Party, (ii) name the Secured Party as an additional named insured (or in the case of Casualty Insurance, loss payee) as its interest may appear, (iii) insure the interest of the Secured Party regardless of any breach or violation by the Manager or the Debtor of any warranties, declarations or conditions contained in any such policy, (iv) provide that all provisions of such policies, except limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (v) provide for payment of casualty insurance proceeds to the Secured Party under a standard mortgage loss payable clause; provided, however, that so long as no Event of Default or any event which with the lapse of time or the giving of notice or both, could become an Event of Default shall have occurred and be continuing, losses of amounts less than \$10,000 may be paid directly to the Debtor. No such policy shall require coinsurance or assume any contracted coverage for whatever reason.

2.15. Liens. The Debtor shall promptly pay and discharge all personal property taxes and other taxes, charges, assessments and levies of whatever kind or nature imposed upon or against the Equipment subject hereto or upon or with respect to the use or operation thereof which if unpaid might become a lien upon or against any of the Equipment or any part thereof, or the Debtor's interest in any of the Collateral Documents or the payments due or to become due thereunder, or any part thereof.

The Debtor will not directly or indirectly create, permit or suffer to be created or to remain, and will pay or discharge any and all claims made by any party arising from, through or under the Debtor or the Manager or their respective successors or assigns which, if unpaid might become a lien, charge, security interest or other encumbrance on or with respect to any Item of Equipment or any part thereof subject hereto, or the Debtor's interest in the Equipment or in any Collateral Document or the payment due and to become due thereunder or any part thereof, other than Permitted Encumbrances, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises.

The Debtor shall not be required to pay or discharge any such tax, charge, assessment, claim, lien or other encumbrance so long as: (a) the validity thereof shall be tested in good

faith and by appropriate legal proceedings in any reasonable manner, (b) prompt notice of such contest is given to the Secured Party, (c) the nonpayment or nondischarge of such tax, charge, assessment, claim or lien does not materially adversely affect the interest of the Debtor or the security interest or rights of the Secured Party in or to the Equipment or the proceeds thereof or any other rights of the Secured Party under this Agreement or in and to any Collateral Documents and (d) the Debtor shall have furnished the Secured Party an Opinion of Counsel to the effect set forth in clause (c) of this paragraph.

2.16. Compliance with Laws and Rules. The Debtor agrees to comply, and to cause each Lessee to comply, in all respects (including without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with laws, rules, regulations and ordinances of the jurisdictions in which its operations involving the Items of Equipment may extend, including without limitation the Interchange Rules of the Association of American Railroads and with all rules of the Federal Railroad Administration, the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Item of Equipment, to the extent that such laws, rules, regulations and ordinances affect the title, operation or use of the Items of Equipment, and in the event that such laws, rules, regulations or ordinances require any alteration, replacement, modification or addition of or to any part of any Item of Equipment (a "Required Alteration"), the Debtor will fully conform therewith and perform or cause to be performed any such Required Alteration by any required date of compliance; provided however that the Debtor shall not be required to comply with any such law, rule, regulation or ordinance so long as (a) the validity thereof shall be contested in good faith by appropriate legal proceedings in any reasonable manner, (b) prompt notice of such contest is given to the Secured Party, (c) such contest does not materially adversely affect the interest of the Debtor, the security interest or rights of the Secured Party in or to the Equipment or proceeds thereof or any rights of the Secured Party under this agreement or in and to the Collateral Documents and the payments due or to become due thereunder and (d) the Debtor shall have furnished the Secured Party an Opinion of Counsel to the effect set forth in clause (c) of this paragraph.

2.17. Maintenance of Collateral Documents. The Debtor will maintain the validity and effectiveness of the Collateral Documents. If directed by the Secured Party, the Debtor will diligently enforce Debtor's rights under the Collateral Documents in accordance with their respective terms and will take such action to that end in the manner as from time to time may be directed by the Secured Party. If any other party to any Collateral Document shall fail to perform any act required to be performed thereunder or shall otherwise default in any of its obligations thereunder, the Debtor will give notice of such failure or default

to the Secured Party promptly after obtaining knowledge thereof. The Debtor will not (a) discharge or terminate any Collateral Document or consent or accept or permit any discharge or termination thereof, (b) amend, modify or otherwise change any term thereof, (c) give any waiver or consent or approval thereunder, or (d) take any other action in connection therewith if it shall not have received the written approval of the Secured Party.

2.18. Possession of Equipment; Leases. Except as provided in this Section 2.18 the Debtor will not assign or transfer its rights hereunder, or transfer or lease the Equipment or any part thereof, or part with possession of, or suffer or allow to pass out of its possession or control, any of the Equipment, or assign, pledge, transfer or otherwise dispose of any of its rights under any Collateral Document without the prior written consent of the Secured Party. So long as an Event of Default shall not have occurred and be continuing, the Debtor shall be entitled to the possession and use of the Equipment in accordance with the terms hereof and of the Management Agreement, and may also lease to others all or part of the Equipment pursuant to Leases in substantially the form of Lease attached as Exhibit D to the Note Agreement, or in such other form as may be approved by the holders of not less than 66-2/3% in aggregate principal amount of the Notes and the Bank, but only upon and subject to the terms and conditions of this Agreement and subject to the rights of the Secured Party hereunder; provided that the Debtor or its lessees shall use the Equipment only within the continental United States, Canada and Mexico that use of the Equipment outside the continental United States shall be temporary only, that no Item of Equipment shall be assigned to regular service outside the continental United States and that no more than 20% of the Items of Equipment may be located in Canada and/or Mexico at any time.

2.19. Reports. (a) On or before May 1 of each year commencing with the calendar year 1983, the Debtor will furnish the Secured Party and the Purchaser an accurate statement (i) setting forth as at the previous December 31 the amount, description and numbers of all Items of Equipment that have suffered a Casualty Occurrence (as defined in Section 4.1 hereof) and the numbers of all Items that have suffered a Casualty Occurrence during the preceding calendar year (specifying the dates of such Casualty Occurrences) or to the knowledge of the Secured Party are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) or any substantial modification and such other information regarding the condition and state of repair of the Items as the Secured Party may reasonably request, (ii) stating that in the case of all items repainted, modified or repaired to the Debtor's knowledge during the period covered by such statement, the numbers and markings required by Section 2.13 hereof have been preserved or replaced, and (iii) describing all Leases relating to the Equipment, the Lessees under such Leases and the Items of Equipment leased under each of such Leases.

(b) The Debtor or the General Partner on behalf of the Debtor, will deliver to each institutional holder of the then outstanding Notes and the Bank:

(i) Quarterly Statements -- as soon as practicable after the end of each quarterly fiscal period in each fiscal year of the Debtor and in any event within 45 days thereafter, duplicate copies of:

(A) a balance sheet of the Debtor as at the end of such quarter, and

(B) a statement of income and surplus of the Debtor for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by an officer of the General Partner on behalf of the Debtor;

(ii) Annual Statements -- as soon as practicable after the end of each fiscal year of the Debtor, and in any event within 120 days thereafter, four copies of:

(A) a balance sheet of the Debtor at the end of such year, and

(B) a statement of income and of surplus of the Debtor for such fiscal year,

all in reasonable detail and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Debtor, which opinion shall state that such financial statements fairly present the financial condition of the Debtor, have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and accordingly included such tests of accounting records and such other auditing procedures as were considered necessary in the circumstances;

(iii) Audit Reports -- promptly upon receipt thereof, one copy of each report relating to the financial condition of the Debtor submitted to the Debtor by independent accountants in connection with any annual,

interim or special audit made by them of the books of the Debtor;

(iv) Notice of Default or Event of Default -- immediately upon becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default a written notice specifying the nature and period of existence thereof and what action the Debtor is taking or proposes to take with respect thereto;

(v) Notice of Claimed Default -- immediately upon becoming aware that the holder of any Note or of any evidence of indebtedness of the Debtor or other security of the Debtor has given notice or taken any other action with respect to a claimed default or Event of Default, a written notice specifying the notice given or action taken by such holder and the nature of the claimed default or Event of Default and what action the Debtor is taking or proposes to take with respect thereto; and

(vi) Requested Information -- with reasonable promptness, such other data and information as from time to time may be reasonably requested by the holder of any Note or the Bank for the purpose of assisting such holder or the Bank in evaluating its investment in such Note, subject to the requirement that any such information furnished to such holder be kept confidential by such holder or the Bank as set forth in the proviso in subparagraph (d) of this Section 2.19.

(c) Officer's Certificates. Each set of financial statements delivered to any institutional holder of the Notes and the Bank pursuant to Section 2.19 will be accompanied by an Officer's Certificate setting forth:

(i) Event of Default -- that the signer has reviewed the relevant terms of this Security Agreement, the Credit Agreement and the Note Agreement and has made, or caused to be made, under his supervision, a review of the transactions and conditions of the Debtor from the beginning of the accounting period covered by the income statements being delivered therewith to the date of the certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Debtor has taken or proposes to take with respect thereto.

(d) Inspection. The Debtor will permit any representatives of any institutional holder of the Notes or the Bank, at the Bank's or such Holder's expense, to visit and inspect any of the properties of the Debtor to examine all its books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (and by this provision the Debtor authorizes said accountants to discuss the finances and affairs of the Debtor) all at such reasonable times and as often as may be reasonably requested; provided that if required by the Debtor, any such holder of the Notes shall or the Bank, as a condition to being permitted to make any such inspection, certify that the same is being made to assist in evaluating such holder's or the Bank's investment in the Notes and that any information such holder or the Bank or their said representatives derive from such inspection (to the extent not otherwise publicly available) shall remain confidential, subject to any laws or regulations requiring such holder to disclose any such information (it being understood that such holder will use its best efforts to give the Debtor reasonable advance notice of any such required disclosure to the public of material information not previously publicly available).

SECTION 3. RELEASE OF PROPERTY.

3.1. Release of Property. So long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Debtor as having suffered a Casualty Occurrence pursuant to Section 4.1 upon receipt from the Debtor of written notice designating the Item of Equipment released and the receipt from the Debtor of the Casualty Value payment for such Equipment in compliance with Section 4.1 hereof.

3.2. Release of Equipment - Consent of Noteholders. In addition to the sale, exchange or resale pursuant to the foregoing Section 3.1, the Debtor may sell or otherwise dispose of any Equipment then subject to the lien of this Security Agreement, and the Secured Party shall release 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 Notes and the Bank.

3.3. Protection of Purchaser. No Purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party 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 mortgaged property be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. CASUALTY OCCURRENCES; APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Casualty Occurrences. In the event that any Item of Equipment shall become worn out, lost, stolen, destroyed, irreparably damaged, permanently rendered unfit for use from any cause whatsoever (including the failure of the Debtor to make any Required Alteration, as defined in Section 2.16 hereof) or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Debtor for a period extending beyond the remaining term of the Notes (each such occurrence being hereinafter called a "Casualty Occurrence") the Debtor shall promptly following such occurrence and in any event not later than the next succeeding date upon which an installment of principal or interest is payable on the Notes deliver to the Secured Party a certificate of the Debtor describing such Item of Equipment and the nature of the Casualty Occurrence and stating the Casualty Value (as hereinafter defined) of such Item as of such payment date and on such payment date the Debtor shall, in addition to the payments of principal and interest otherwise due on the Notes, pay an amount equal to the Casualty Value of such Item of Equipment as of such date, which amount shall be applied to the prepayment of the installments of principal on the Notes in the inverse order of their maturities. As applied to any Items of Equipment on any such payment date, the "Casualty Value" thereof shall mean an amount equal to the product of (a) a fraction, the numerator of which is an amount equal to the original purchase price of Items having suffered a Casualty Occurrence and the denominator of which is the aggregate original purchase price of Items then subject to this Agreement (including the Item or Items of Equipment for which settlement is then being made), times (b) the unpaid principal amount of the Note after payment of the installment of principal made or to be made on such date provided for in Section 4.2 hereof.

4.2. Application of Rents. As more fully set forth in Sections 1.2, 1.3 and 1.5 hereof, the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Collateral Documents in respect of the Equipment as security for the Notes and its obligations under the Credit Agreement. 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 Secured Party which constitute payments under the Collateral Documents shall be applied:

(i) 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 which have matured or will mature on or before the date a payment of principal or interest is due on the Notes next following receipt by the Secured Party of

such payments and (ii) the balance, if any, of such amounts shall be paid to or upon the order of the Debtor.

(b) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Debtor in respect of the Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing to the knowledge of the Secured Party, the proceeds of such insurance shall, if the Item of Equipment is to be repaired, be released to the Debtor as reimbursement for expenditures made for such repair upon receipt by the Secured Party of a copy of the invoice or invoices covering such repairs and a certificate of an authorized officer of the Debtor to the effect that any damage to such Item in respect of which such proceeds were paid has been fully repaired; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 180 days from the receipt thereof by the Secured Party, or if within such period the Debtor shall have notified the Secured Party in writing that such Item has suffered a Casualty Occurrence, then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the insurance proceeds shall be applied by the Secured Party as follows:

(A) First, to the prepayment of the Notes, all in the manner and to the extent provided for by Section 4.1 hereof; and

(B) Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

(c) All amounts received by Secured Party under this Section 4.2 shall be invested in United States government securities for the longest period possible to mature on or before the date required for application of such funds to the payment of principal and interest

on the Notes next following receipt by the Secured Party. The income from such investment shall be applied to the payment of the installments of principal and interest then due on the Notes after the prior payment of any expenses relating to such investment. If for any reason such expenses shall exceed such income, such excess shall be paid by the Debtor on demand by the Secured Party.

(d) The Secured Party shall be obligated to promptly notify Debtor of all receipts of funds relating to the Collateral Documents or Casualty Insurance.

4.3. Multiple Notes. If more than one Note is outstanding at the time any application is made pursuant to Section 4.2, the application shall be made on all outstanding Notes ratably and in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively, in the manner provided for by Section 4.2.

4.4. Default. If a Default or an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Sections 1.2 and 1.3 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 more than five days; or

(b) Default by the Debtor in the due observance or performance by the Debtor of any covenant or agreement (other than payments described in clause (a) above) either under this Security Agreement, the Note Agreement or the Credit Agreement, and such default shall continue unremedied for thirty calendar days after notice thereof to the Debtor from the Secured Party or the holder of any Note; or

(c) Any representation or warranty made herein, or in the Note Agreement or in any report, certificate,

financial or other statement furnished in connection with this Security Agreement, the Note Agreement or the Credit Agreement or the transactions contemplated therein shall prove to have been false or misleading in any material respect when made or furnished; or

(d) Any claim, lien or charge shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within thirty calendar days after written notice from the Secured Party, the Bank or the holder of any Note to the Debtor demanding the discharge or removal thereof; or

(e) The Debtor shall at any time fail to maintain insurance in the manner required by Section 2.14 hereof; or

(f) The Debtor shall make or permit any assignment or transfer of the Collateral Documents, or of possession of the Equipment, or any portion thereof not permitted by this Agreement; or

(g) The Letter of Credit shall not be in full force and effect pursuant to the terms thereof or any payment due under the Letter of Credit shall not be made when due; or

(h) The Debtor or the General Partner commences a voluntary case under any bankruptcy law or similar law for relief of Debtors or the Debtor or the General Partner fails to pay its debts as such debts become due or consents to the appointment of a custodian, trustee or receiver for the Debtor or the General Partner, as the case may be, or the major part of the Debtor's or the General Partner's property or makes an assignment for the benefit of any creditors of the Debtor or the General Partner or enters into an agreement of composition with such creditors; or

(i) A custodian, trustee or receiver is appointed for the Debtor or the General Partner or the major part of the property of the Debtor or the General Partner and is not discharged within 30 days after such appointment; or

(j) A decree or order for relief by a court having jurisdiction in respect of the Debtor or the General Partner is entered in an involuntary case under any bankruptcy law or similar law for the relief of debtors and such decree or order shall remain unstayed and in effect for 30 days following such entry, or bankruptcy,

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

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in Section 5.1 has occurred and is continuing, the Secured Party 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 California (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 Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Secured Party shall, upon the written request of the holders of 25% of the principal amount of the Notes then outstanding, or the Bank by notice in writing to the Debtor, declare the entire unpaid balance of the Notes to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable, and/or draw upon the Letter of Credit in accordance with the terms and provisions thereof;

(b) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) In the event the Secured Party shall demand possession of the Equipment then, without limiting the provisions of paragraph (b) hereof, the Debtor shall forthwith deliver possession of the Equipment to the Secured Party in good order and repair. For the purposes of delivering possession of any Equipment to the Secured Party as above required, the Debtor shall, at its own cost and expense, forthwith:

(i) assemble such Equipment and place them upon such storage tracks within the continental United States as the Secured Party shall reasonably designate;

(ii) provide storage at the risk of the Debtor for such Equipment on such storage tracks until the Secured Party shall have sold or leased the Equipment;

(iii) cause the Equipment or any thereof to be transported at the cost of the Debtor to such place or places within the continental United States as the Secured Party shall direct; and

(iv) maintain at its expense insurance coverage as required by Section 2.14 hereof for the entire period of such assembly, storage and transport.

The assembling, delivery, storage and transporting of the Equipment as hereinabove provided are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises, the Secured Party shall be entitled to a decree against the Debtor requiring specific performance of the covenants of the Debtor so to assemble, deliver, store and transport the Equipment.

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

(e) The Secured Party may proceed to protect and enforce this Security Agreement and said Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(f) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Collateral Documents, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. 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, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes (including any claims for interest matured and unpaid thereon) owned by such purchaser equal to the pro rata portion of the net proceeds of such sale to which such purchaser is entitled on account of all notes owned by such purchaser.

5.4. 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.

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 stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales,

claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

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

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper fees, expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Notes or the Bank if it shall have made any payment on the Letter of Credit and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, premium and interest; 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 interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; 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;

(c) Third, the payment of the Bank for any and all sums advanced pursuant to the Letter of Credit; and

(d) Fourth, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

5.7. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party, the Bank 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.

5.8. Cumulative Remedies. To the extent permitted by applicable law, no delay or omission of the Secured Party, the Bank or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, the Bank, 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 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, nor shall the Secured Party, the Bank or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

5.9. Waivers, Consents and Amendments to Security Agreement and Notes. Compliance with any term, covenant, agreement or condition of this Security Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Secured Party shall have obtained the consent in writing of the holders of not less than 66-2/3% in aggregate principal amount of outstanding Notes and the Bank; provided, however, that without the written consent of the holders of all of the Notes then outstanding no such waiver, modification, alteration or amendment shall be effective against the holder of any Note without his consent to change the obligation of the Debtor in respect of the amount or time of payment of the principal or interest on any Note then outstanding as set forth therein, or to reduce the percentage in principal amount of the Notes required to approve any such amendment, or to subordinate the Notes or the lien and security interest created by this Security Agreement in favor of other creditors of the Debtor, and no such waiver shall be effective against the Secured Party without its consent to modify its rights and duties hereunder. This Security Agreement and the Notes may also be amended from time to time by agreements expressly amending the same, which agreements, when

duly consented to and executed by the Debtor may be executed by the Secured Party:

(a) to the extent permitted hereby and not inconsistent herewith, to subject other property to the lien and security interest hereof, to add further covenants and conditions to be observed by the Debtor for the further security of the holders of the Notes and the Bank, to conform to the provisions of the Trust Indenture Act of 1939 and regulations thereunder as the same may from time to time be amended, if required, or to cure any ambiguity or to correct any defective or inconsistent provisions herein or in any such amendment contained, but in each case only after fifteen days' prior written notice has been sent to the holders of all of the Notes; and

(b) upon receipt of the written consent of the holders of not less than 66-2/3% in aggregate principal amount of the Notes then outstanding and the Bank, to make any other changes in the provisions of this Security Agreement and/or the Notes, but no such amendment shall be effective against the holder of any Note without its consent to change the obligation of the Debtor in respect of the amount of time of payment of the principal or interest on any Note then outstanding as set forth therein, or to reduce the percentage in principal amount of the Notes required to approve any such amendment, or to subordinate the Notes or the lien and security interest hereof in favor of other creditors of the Debtor, and no such amendment shall be effective against the Secured Party or the Debtor without their consent to modify their respective rights and duties hereunder.

Executed or true and correct copies of any waiver or consent effected pursuant to the provisions of this Section 5.9 shall be delivered by the Debtor, the Bank and to each holder of outstanding Notes forthwith following the date on which the same shall have been executed and delivered by the holder or holders of the requisite percentage of outstanding Notes. The Debtor will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of the Notes as consideration for or as an inducement to the entering into by any holder of the Notes of any waiver or amendment of any of the terms and provisions of this Security Agreement unless such remuneration is concurrently paid, on the same terms, ratably to the holders of all of the Notes then outstanding.

SECTION 6. THE TRUSTEE.

The Security Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Debtor, the Bank and the respective holders of the Notes at any time outstanding by their acceptance thereof agree:

6.1. Duties of Security Trustee. (a) The Security Trustee undertakes (i) except while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (ii) while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to exercise such of the rights and powers as are vested in it by this Security Agreement and to use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Upon the occurrence of an Event of Default, the Security Trustee shall comply with all conditions set forth in the Certificate attached as an Exhibit to the Letter of Credit and the Security Trustee shall execute a certificate in the form of such Certificate and comply with the other conditions set forth in the Letter of Credit to draw the amounts then available under the Letter of Credit unless it shall have received other instructions from the holders of not less than 66-2/3% of the aggregate amount of the Notes then outstanding.

(c) The Security Trustee will make or cooperate with the Debtor in making such filings and recordings as required by Section 2.5 hereof to fully preserve and protect the rights of the Secured Party hereunder, including but not limited to the recording or filing of continuation statements or similar notice thereof to the extent permitted or required by applicable law in order to maintain the lien and security interest granted hereunder in full force and effect as against creditors of and purchasers from the Debtor.

6.2. Security Trustee's Liability. No provision of this Security Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, negligent failure to act, or its own wilful misconduct, except that:

(a) unless an Event of Default actually known to the Security Trustee shall have occurred and be continuing, the Security Trustee shall not be liable except for the performance of 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 Trustee but the duties and obligations

of the Security Trustee shall be determined solely by the express provisions of this Security Agreement;

(b) in the absence of bad faith on the part of the Security Trustee, the Security Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, any certificate signed by the Chairman of the Board, President, Vice President, Treasurer or Assistant Treasurer of any corporation or by the general partner of any partnership or by the trustee of a trust (an "Officer's Certificate"), any opinion in writing signed by legal counsel who shall be satisfactory to the Security Trustee and who may be independent counsel to the Debtor (an "Opinion of Counsel"), any request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report, stock certificate or other paper or document believed by the Security Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties;

(c) in the absence of bad faith on the part of the Security Trustee, whenever the Security Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate; provided, however, that the Security Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable;

(d) the Security Trustee may consult with counsel and the advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(e) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the holders of the Notes or the Bank;

(f) the Security Trustee shall not be liable for any error of judgment made in good faith by an

officer of the Security Trustee unless it shall be proved that the Security Trustee was negligent in ascertaining the pertinent facts;

(g) the Security Trustee shall not be deemed to have knowledge of any Default or Event of Default unless and until an officer of the Corporate Trust Department of the Security Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Security Trustee shall have received written advice thereof from the holder of any Note;

(h) whether or not an Event of Default shall have occurred, the Security Trustee shall not be under any obligation to take any action under this Security Agreement which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Security Agreement, unless and until it is requested in writing so to do by one or more holders of the Notes outstanding or the Bank hereunder and furnished, from time to time as it may require, with reasonable security and indemnity; and

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Security Agreement that the Security Trustee consent to any act or omission by any person or that the Security Trustee exercise its discretion in any manner, the Security Trustee may (but need not) seek the written acquiescence of the holders of at least 66-2/3% in principal amount of the Notes then outstanding and the Bank and, unless written evidence of such acquiescence has been received by the Security Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion; provided, however, holders of 66-2/3% in principal amount of the Notes from time to time outstanding and the Bank shall have the right, upon furnishing to the Security Trustee such indemnification as the Security Trustee shall reasonably request, by an instrument in writing delivered to the Security Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Security Agreement for the enforcement thereof or of the Notes, but the Security Trustee shall have the right to decline to follow any such direction if the Security Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be unjustly prejudicial to the holders of the Notes not parties to such direction.

6.3. No Responsibility of Security Trustee for Recitals.

The recitals and statements contained herein and in the Notes shall be taken as the recitals and statements of the Debtor, and the Security Trustee assumes no responsibility for the correctness of the same, nor shall the Security Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Notes by the Debtor or by any other person.

The Security Trustee makes no representation as to the validity or sufficiency of this Security Agreement, or of the Notes secured hereby, the security hereby or thereby afforded, the title of the Debtor to the Collateral or the description thereof, or the filing or recording or registering of this Security Agreement or any other document.

The Security Trustee shall not be concerned with or accountable to anyone for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Security Agreement or of any property or securities or the proceeds thereof which shall be released from the security interest hereof in accordance with the provisions of this Security Agreement.

6.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification. The Security Trustee agrees that it shall have no right against any Purchaser or the holder of any Note or the Bank for the payment of compensation for its services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liabilities which it may incur in the exercise and performance of such powers and duties but on the contrary, shall look solely to the Debtor for such payment and indemnification and that it shall have no lien on or security interest in the Collateral as security for such compensation, expenses, disbursements and indemnification except to the extent provided for in Section 5.6(a) hereof.

6.5. Status of Moneys Received. All moneys received by the Security Trustee 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 Security Trustee under such general conditions as may be prescribed by law in the Security Trustee's general banking department, and the Security Trustee shall be under no liability for interest on any moneys received by it hereunder.

6.6. Security Trustee May Hold Notes. The Security 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 Security

Trustee may act as depositary or otherwise in respect to other securities of the Debtor or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

6.7. Resignation of Security Trustee. The Security Trustee may resign and be discharged from the trusts created hereby by delivering notice thereof, by first-class mail, postage prepaid, to the Debtor and all holders of the Notes at the time outstanding, specifying a date (not earlier than 30 days after the date of such notice) when such resignation shall take effect.

Such resignation shall take effect on the day specified in such notice, unless previously a successor Security Trustee shall have been appointed as provided in Section 6.9 in which event such resignation shall take effect immediately upon the appointment of such successor Security Trustee.

6.8. Removal of Security Trustee. The Security Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the holders of a majority in aggregate principal amount of the Notes at the time outstanding and the Bank if it shall have made any payment on the Letter of Credit and delivered to the Security Trustee with a copy to the Debtor, specifying the removal and the date when it shall take effect.

6.9. Appointment of Successor Security Trustee. In case at any time the Security Trustee shall resign or be removed or become incapable of acting, a successor Security Trustee may be appointed by the holders of a majority in aggregate principal amount of the Notes at the time outstanding and the Bank, by an instrument or instruments in writing executed by such holders and filed with such successor Security Trustee.

Until a successor Security Trustee shall be so appointed by the holders of the Notes, the Debtor shall appoint a successor Security Trustee to fill such vacancy, by an instrument in writing executed by the Debtor and delivered to the successor Security Trustee. If all or substantially all of the Collateral shall be in the possession of one or more receivers, trustees, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees may, by an instrument in writing delivered to the successor Security Trustee, appoint a successor Security Trustee. Promptly after any such appointment, the Debtor, or any such receivers, trustees, custodians, liquidators or assignees, as the case may be, shall give notice thereof by first-class mail, postage prepaid, to each holder of Notes at the time outstanding and the Bank.

Any successor Security Trustee so appointed by the Debtor, or such receivers, trustees, custodians, liquidators or assignees shall immediately and without further act be superseded by a successor Security Trustee appointed by the holders of a majority in aggregate principal amount of the Notes then outstanding and the Bank.

If a successor Security Trustee shall not be appointed pursuant to this Section within 60 days after a vacancy shall have occurred in the office of the Security Trustee, the holder of any Note, the Bank or such retiring Security Trustee (unless the retiring Security Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Security Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Security Trustee.

6.10. Succession of Successor Security Trustee. Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Debtor, and the predecessor Security Trustee an instrument accepting such appointment, and thereupon such successor Security Trustee, without any further act, deed, conveyance or transfer, shall become vested with a security interest in the Collateral, and with all the rights, powers, trusts, duties and obligations of the predecessor Security Trustee in the trust hereunder, with like effect as if originally named as Security Trustee herein.

Upon the request of any successor Security Trustee, however, the Debtor and the predecessor Security Trustee shall execute and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Security Trustee a security interest in the Collateral and all such rights, powers, trusts, duties and obligations of the predecessor Security Trustee hereunder, and the predecessor Security Trustee shall also assign and deliver to the successor Security Trustee any property subject to the security interest of this Security Agreement which may then be in its possession.

Any Security Trustee which has resigned or been removed shall nevertheless continue to retain the benefit of the priority with respect to the proceeds of the Collateral afforded to it by Section 5.6(a) hereof.

6.11. Eligibility of Security Trustee. The Security Trustee shall be a state or national bank or trust company in good standing organized under the laws of the United States of America or of the States of Connecticut or California and having its principal office in the City of Hartford or San Francisco, having capital, surplus and undivided profits aggregating at least \$100,000,000, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms.

In case the Security Trustee shall cease to be eligible in accordance with the provisions of this Section, the Security Trustee shall resign immediately in the manner and with the effect specified in Section 6.7 hereof.

6.12. Successor Security Trustee by Merger. Any corporation into which the Security Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Security Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Security Trustee as a whole or substantially as a whole, if eligible as provided in Section 6.11, shall be the successor of the Security Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

6.13. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Debtor and the Security Trustee jointly shall have the power and shall execute and deliver all instruments, to appoint one or more persons approved by the Security Trustee, to act as co-trustee, or co-trustees, of all or any part of the Collateral, and to vest in such person or persons, in such capacity, such title to the Collateral or any part thereof, and such rights, powers, duties, trusts or obligations as the Debtor and the Security Trustee may consider necessary or desirable. If the Debtor shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an event of default shall have occurred and be continuing, the Security Trustee alone shall have power to make such appointment. In case any co-trustee or successor thereof shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-trustee, so far as permitted by law, shall be left in and be exercised by the Security Trustee until the appointment of a new Security Trustee or successor to such co-trustee.

SECTION 7. MISCELLANEOUS.

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

7.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.3. 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: WFIX Partners
c/o Wilsey Foods, Inc.
633 Mission Road
Los Angeles, California 90023

If to the Secured Party: The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115
Attention: Corporate Trust Department

If to the Bank: Bank of America National Trust and Savings Association
P.O. Box 37000
San Francisco, California 94137
Attention: James C. Echeverria
Vice President, Corporate Banking Group No. 3510

or to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with this Section to the other parties.

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

7.5. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of California.

7.6. 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.

7.7. 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.

7.8. Entire Agreement. This Agreement and the Exhibits hereto set forth the entire agreement and understanding of the parties hereto and supercede all prior agreements and understandings relating to the subject matter hereof.

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 authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first above written.

WFIX PARTNERS, a California Limited Partnership

By Wilsey Bennett Co., a California Corporation and General Partner

By Henry W. Poett, III
Henry W. Poett, III
President, Wilsey, Bennett Co.

DEBTOR

THE CONNECTICUT BANK AND TRUST COMPANY

By _____
Its _____

SECURED PARTY

[SEAL]

ATTEST:

Beth Susan Gaus
Secretary

[SEAL]

ATTEST:

Secretary

STATE OF California)
COUNTY OF San Francisco) SS

On this 3rd day of August, before me personally appeared Henry W. Peetz, III, to me personally known, who being by me duly sworn, says that he is the President of WILSEY, BENNETT CO., a California Corporation which is the General Partner in WFIX Partners, a California limited partnership 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 limited partnership by said corporation as General Partner thereof pursuant to the 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)

My commission expires: 4/15/85

Beth Susan Sears
Notary Public

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) SS

On this ____ day of _____, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ 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.

Notary Public

(SEAL)

My commission expires:

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
40	Railroad Tank Cars Manufactured by ACF Industries Incorporated	WFIX 101 through WFIX 140
60	Railroad Tank Cars Manufactured by Union Tank Car Company	WFIX 141 through WFIX 200

DESCRIPTION OF LEASE AGREEMENTS

<u>Lessee</u>	<u>Date of Lease</u>	<u>Car Numbers (both inclusive)</u>
ADM Transportation Company	May 8, 1981	WFIX 151 through WFIX 200
Honeymead Products Company	August 13, 1981	WFIX 131 through WFIX 150
Cargill Incorporated	October 15, 1981	WFIX 101 through WFIX 130

RECORDATION NO. 13719

Matter No. 35066-0
Execution Copy

AUG - 4 1982 12 45 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-TRUST DEED

Dated as of May 1, 1982

FROM

WFIX PARTNERS

DEBTOR

TO

THE CONNECTICUT BANK AND TRUST COMPANY

SECURED PARTY

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ATTACHMENT TO SECURITY AGREEMENT-TRUST DEED:

- APPENDIX 1 -- Description of Equipment
- APPENDIX 2 -- Description of Lease Agreements

SECURITY AGREEMENT-TRUST DEED

THIS SECURITY AGREEMENT-TRUST DEED dated as of May 1, 1982 (the "Security Agreement") from WFLX PARTNERS, a California Limited Partnership (the "Debtor"), whose post office address is c/o Wilsey Foods, Inc., 633 South Mission Road, Los Angeles, California 90023 to THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, whose post office address is One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, as trustee (the "Security Trustee" or the "Secured Party").

RECITALS:

A. The Debtor is the owner of the 100 railroad tank cars described in Appendix 1 hereto (collectively, the "Equipment" and individually an "Item" or "Item of Equipment") manufactured by Union Tank Car Company and ACF Industries (individually a "Manufacturer" and collectively the "Manufacturers"). The Equipment has been accepted by a manager pursuant to the Management Agreement dated as of May 11, 1981 (the "Management Agreement") between the Debtor, as owner, and Wilsey Foods, Inc., a Delaware corporation, as manager (the "Manager") which Equipment will be leased by the Manager pursuant to the terms of the Management Agreement to a lessee or lessees (the "Lessees") under lease agreements (the "Leases") described in Appendix 2 hereto as it may from time to time be supplemented.

B. The institutional investor named in Schedule I to the Note Agreement referred to below (the "Purchaser") has entered into a Note Agreement, dated as of May 1, 1982 (the "Note Agreement"), providing for the commitment of the Purchaser to purchase on or before August 31, 1982 the 17.375% Secured Notes (the "Notes") of the Debtor due 1982-1992 in a principal amount not to exceed \$4,400,000, such Notes expressed to bear interest at the rate of 17.375% per annum prior to maturity and to mature in 20 substantially equal semiannual installments, including principal and interest, payable on February 5, 1982, and on each August 5 and February 5 thereafter, with a final installment of all unpaid principal and accrued interest payable on August 5, 1992, and to be otherwise substantially in the form attached as Exhibit A1 or A2 to the Note Agreement.

C. The Notes and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Note Agreement and repayment by the Debtor of any sums advanced by Bank of America National Trust and Savings Association (the "Bank") under and pursuant to the Letter of Credit issued pursuant to the Note Agreement in substantially the form attached to the Note Agreement

as Exhibit E (the "Letter of Credit") and all obligations of the Debtor to the Bank under the terms of that certain Standby Letter of Credit Application and Agreement (the "Credit Agreement") dated as of August 5, 1982 between the Bank and the Debtor, 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 Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure all obligations of the Debtor arising under and pursuant to the Credit Agreement, 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, in the Credit Agreement and in the Note Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its 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, 1.2 and 1.3 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 the Equipment described in Appendix 1 hereto, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes all Leases described in Appendix 2 hereto and any other lease of any Item of Equipment existing as of the date hereof or entered into in the future and any guaranty of such lease obligations existing on the date hereof or entered into in the future (the "Assigned Leases"), and all rents and other sums due and to become due thereunder, including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment; it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Assigned Leases shall be effective and

operative immediately and continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 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; provided, however, that (a) so long as no Default or Event of Default shall have occurred and be continuing the Debtor shall be entitled to collect and receive all such sums and (b) in the event that a Default or Event of Default shall have occurred and be continuing, all such payments shall be made directly to the Secured Party, and the Debtor covenants and agrees that it will notify the Lessees of such assignment and direct the Lessees to make all such payments of such rental and other sums due and to become due to the Secured Party.

1.3. Management Agreement Collateral. Collateral also includes the Management Agreement and all rights and entitlements of the Debtor under the Management Agreement and any other agreement for the management of the Equipment which may be entered into in the future (the "Assigned Management Agreements"); it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said Assigned Management Agreements and the rights of the Debtor thereunder shall be effective and operative immediately and continue in full force and effect and the Secured Party shall have the right to collect and receive any payments due under said Assigned Management Agreements 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; provided, however, that (a) so long as no Default or Event of Default shall have occurred and be continuing, the Debtor shall be entitled to collect and receive all such sums and (b) in the event that a Default or Event of Default shall have occurred and be continuing, all such payments shall be made directly to the Secured Party, and the Debtor covenants and agrees that it will notify each party to each Assigned Management Agreement of such assignment and direct such parties to make all such payments of such sums due and to become due to the Secured Party.

1.4. Collateral Documents. The Assigned Leases and the Assigned Management Agreements are sometimes hereinafter referred to as the "Collateral Documents". With respect to any Collateral Document the Secured Party shall have all rights of the Debtor thereunder including without limitation:

(a) the right to make waivers and agreements and enter into any amendments relating to any Collateral Document or any provisions thereof; and

(b) the right to take such action upon the occurrence of a default or event of default under any Collateral Document, including the commencement,

conduct and confirmation of legal, administrative or other proceedings, as shall be permitted by such Collateral Document or by law, and to do any and all things whatsoever which the Debtor is or may be entitled to do under the Collateral Document; provided, however, that so long as no Event of Default or event which with the lapse of time or the giving of notice or both would become such an Event of Default shall have occurred and be continuing, the Secured Party shall make no such waivers, agreements or amendment or take no such actions without the written consent of the Debtor.

1.5. Limitations to Security Interest. The security interest granted by this Section 1.1 is subject to the lien of current taxes and assessments not in default (but only if such taxes are entitled as a matter of law to priority over the security interest granted hereunder or, if delinquent, the validity of which is being contested in good faith ("Permitted Encumbrances")).

1.6. Duration of Security Interest. The Secured Party, its 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, in the Note Agreement, in the Credit Agreement and the Notes contained, then, subject to the provisions of Section 1.7 hereof 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.

1.7. Continuation of Term of this Security Agreement; Escrow of Certain Letter of Credit Payments. When the final payment of the principal of, premium, if any, and interest on the Notes has been made to the Purchaser, this Security Agreement shall remain in effect for at least an additional 180 days. If within 90 days of such final payments no petition is filed by or against the Debtor or any Personal Guarantor (as defined in the Note Agreement) pursuant to the United States Bankruptcy Code, as amended (the "Bankruptcy Act"), then this Security Agreement and the rights hereby granted shall cease, determine and be void.

If at any time during the term of this Security Agreement a petition is filed by or against the Debtor or any Personal Guarantor pursuant to the Bankruptcy Act, and if the Security Trustee or the Purchaser draws upon the Letter of Credit and receives a payment thereunder representing any payment in respect of the principal of, premium, if any, and interest on the Notes paid by the Debtor or any Personal Guarantor during the 90-day period immediately preceding the filing of said petition, then such payment if received by the Security Trustee shall be held,

and if received by the Purchaser shall be paid over to the Security Trustee to be held in a separate escrow account. The moneys in such escrow account shall be invested in obligations of the United States government having a maturity date not later than 90 days after the date of incurrence thereof. If an order is entered by a court of competent jurisdiction holding that, pursuant to Section 547 of the Bankruptcy Act, the Purchaser must return the amount they received during said 90-day period, and if such order is final and not appealable, the Security Trustee shall use the moneys in the escrow account (including investment earnings) to reimburse the Purchaser on a pro-rata basis. The Purchaser by its receipt of such reimbursement shall be deemed to have irrevocably consented to and authorized the issuance, transfer and assignment to the Bank of any Notes or other claim against the Borrower and/or any Personal Guarantor arising on account of the required return of amounts received by the Purchaser during said 90-day period, but the Purchaser shall if so requested in writing by the Bank execute and deliver such further instruments of transfer, assignment and assurance as may be necessary to effect and confirm the issuance, transfer and assignment of the Notes or other claim to the Bank. If it is instead held that the Purchaser may retain the payments they received during such 90-day period, or if all applicable statutes of limitation relating to Section 547 of the Bankruptcy Act have expired without any suit or other proceeding to recover said payment under Section 547 of the Bankruptcy Act having theretofore been filed, then the moneys in the escrow account (including investment earnings) shall be returned to the Bank, as issuer of the Letter of Credit.

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 Note Agreement and the Credit 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 Note Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; 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. Without limiting the foregoing, there is no financing

statement or other instrument giving notice of any security interest in which the Debtor is named as or which the Debtor has filed, as debtor, now on file in any public office covering any of the Collateral, excepting the financing statements and other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. To the extent permitted by applicable law, the Secured Party may at any time file financing statements with respect to the Collateral without the signature of the Debtor. 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 Collateral Documents, the Debtor covenants and agrees that upon written request of the Secured Party it will notify all parties to the Collateral Documents of such assignment and subject to the provisions of Section 1.2(a) hereof, direct such parties to make all payments of such rents and other sums due and to become due under the Collateral Documents directly to the Secured Party.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired by the Debtor shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the 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 Assigned Leases and all supplements thereto, and all supplements thereto and the Leases and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of each supplemental security agreement an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement (or a financing statement in respect thereof), 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, and stating the requirements of applicable law with respect to the re-recording or re-filing of this Security Agreement and of each supplemental security agreement

(or continuation statements or similar notice thereof to the extent permitted or required by applicable law) prior to the final maturity date of the Notes in order to maintain the lien and security interest granted thereunder in full force and effect as against creditors of and purchasers from the Debtor.

2.6. Modification of the Collateral Documents. The Debtor will not:

(a) declare a default or exercise the remedies under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Collateral Documents (except as otherwise expressly provided in Section 3.2 hereof) 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 Assigned Leases or any part thereof or any other interest of the Debtor in the Collateral Documents;

(b) receive or collect or permit the receipt or collection (except by the Secured Party hereunder) of any payment under any Collateral Document prior to the date for payment thereof provided for by such Collateral Document or assign, transfer or hypothecate (other than to the Secured Party hereunder) any payment then due or to accrue in the future under any Collateral Document in respect of the Equipment or otherwise; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party 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 Collateral Documents. Subject to the provisions of Section 1.2(a) hereof, the Debtor does hereby irrevocably constitute and appoint the Secured Party, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Sections 1.1, 1.2 and 1.3 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 Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Limitation on Prepayment. Except to the extent expressly provided for in this Security Agreement and the Note Agreement, the Debtor agrees that the Notes shall not be subject to prepayment or redemption in whole or in part at the option of the Debtor prior to the expressed maturity date thereof.

2.9. Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting a default or event of default under any Collateral Document or of any Default or Event of Default hereunder if the Debtor has actual knowledge of such event or condition.

2.10. Maintenance of Existence. The Debtor will preserve and keep in full force and effect its existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder and under the Credit Agreement. So long as any portion of the principal or interest remains unpaid in respect of the Notes, no amendment or modification to the Limited Partnership Agreement shall be made which would in any manner adversely affect the rights or interests of the Security Trustee or the Purchaser without the prior written consent of the Purchaser.

2.11. Restrictions on Mergers, Consolidations and Sales of Assets. Except upon the written consent of holders of not less than 66-2/3 in aggregate principal amount of the Notes and the Bank, the Debtor will not sell, transfer or otherwise dispose of all or a substantial portion of its property or assets to any person, firm or corporation.

2.12. Maintenance. The Debtor agrees that it will maintain and keep each Item of Equipment (including any parts installed or replacements made to any Item and accessions thereto) in good operating order, repair and condition and eligible for railroad interchange in accordance with the Interchange Rules of the Association of American Railroads and in full compliance with any applicable laws, rules, regulations or standards which may be promulgated by the Department of Transportation, the Federal Railroad Administration, the Interstate Commerce Commission or other applicable regulatory body or any successor, agency or party thereto, any insurance company insuring such Item, and any higher standards as required by any lease of such Item of Equipment.

2.13. Marking of Equipment. The Debtor will promptly cause each Item of Equipment to be numbered and to be kept numbered with the identifying number set forth in Appendix 1 hereto, or in the case of any Item not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending the Security Agreement to cover such Item of Equipment, and will use its best efforts to place, keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each item, in letters not less than one inch in height, the words, "OWNED BY WFIX PARTNERS, AND SUBJECT TO A SECURITY AGREEMENT FILED

WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated or approved by the Secured Party, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Secured Party's security interest in such item and the rights of the Secured Party under the Security Agreement under the laws of the United States of America. The Debtor will promptly replace or cause to be replaced any such name or words which may be removed, defaced, obliterated or destroyed. The Debtor will not change or authorize to be changed the identifying number on any Item of Equipment unless and until (a) a statement of new number or numbers to be substituted therefor shall have been filed with the Secured Party and filed, recorded and deposited by the Debtor in all public offices where the Security Agreement shall have been filed, recorded and deposited and (b) the Debtor shall have furnished to the Secured Party an Opinion of Counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Secured Party's security interest in such Item of Equipment and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interest of the Security Trustee in such Item of Equipment under the laws of the United States of America.

Except as provided in this Section 2.13, the Debtor will not authorize the name of any person, association or corporation to be placed on any Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may authorize the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by a Lessee or its affiliates on railroad equipment used by it of the same or similar type for convenience of identification of its right to use the Equipment under a Lease, and the Equipment may be lettered in an appropriate matter for convenience of identification of the interest of such Lessee therein.

2.14. Insurance of Equipment. The Debtor will at all times during the period that any indebtedness hereby secured is outstanding cause to be carried and maintained physical damage, casualty insurance ("Casualty Insurance") and public liability insurance. Such insurance policy or policies shall provide coverage at least equal to the following:

(a) with respect to Casualty Insurance, against all risks as insured under the standard railroad rolling stock policy form, in an amount not less than the original invoice price of each Item of Equipment and in an amount not less than \$500,000 per occurrence (with a deductible amount not in excess of 5% of the insured value of each Item per occurrence) and in any event for each Item not less than the Casualty Value (as defined in Section 4.1 hereof) hereof; and

(b) with respect to liability insurance, coverage of not less than \$5,000,000 per occurrence with a deductible of not more than \$1,000 per occurrence.

The proceeds of policies required to be maintained pursuant to this Section shall be payable to the Debtor and the Secured Party as their interests may appear. Any policies of insurance carried in accordance with this Section shall (i) require 30 days prior notice of cancellation or material change to the Secured Party, (ii) name the Secured Party as an additional named insured (or in the case of Casualty Insurance, loss payee) as its interest may appear, (iii) insure the interest of the Secured Party regardless of any breach or violation by the Manager or the Debtor of any warranties, declarations or conditions contained in any such policy, (iv) provide that all provisions of such policies, except limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (v) provide for payment of casualty insurance proceeds to the Secured Party under a standard mortgage loss payable clause; provided, however, that so long as no Event of Default or any event which with the lapse of time or the giving of notice or both, could become an Event of Default shall have occurred and be continuing, losses of amounts less than \$10,000 may be paid directly to the Debtor. No such policy shall require coinsurance or assume any contracted coverage for whatever reason.

2.15. Liens. The Debtor shall promptly pay and discharge all personal property taxes and other taxes, charges, assessments and levies of whatever kind or nature imposed upon or against the Equipment subject hereto or upon or with respect to the use or operation thereof which if unpaid might become a lien upon or against any of the Equipment or any part thereof, or the Debtor's interest in any of the Collateral Documents or the payments due or to become due thereunder, or any part thereof.

The Debtor will not directly or indirectly create, permit or suffer to be created or to remain, and will pay or discharge any and all claims made by any party arising from, through or under the Debtor or the Manager or their respective successors or assigns which, if unpaid might become a lien, charge, security interest or other encumbrance on or with respect to any Item of Equipment or any part thereof subject hereto, or the Debtor's interest in the Equipment or in any Collateral Document or the payment due and to become due thereunder or any part thereof, other than Permitted Encumbrances, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises.

The Debtor shall not be required to pay or discharge any such tax, charge, assessment, claim, lien or other encumbrance so long as: (a) the validity thereof shall be tested in good

faith and by appropriate legal proceedings in any reasonable manner, (b) prompt notice of such contest is given to the Secured Party, (c) the nonpayment or nondischarge of such tax, charge, assessment, claim or lien does not materially adversely affect the interest of the Debtor or the security interest or rights of the Secured Party in or to the Equipment or the proceeds thereof or any other rights of the Secured Party under this Agreement or in and to any Collateral Documents and (d) the Debtor shall have furnished the Secured Party an Opinion of Counsel to the effect set forth in clause (c) of this paragraph.

2.16. Compliance with Laws and Rules. The Debtor agrees to comply, and to cause each Lessee to comply, in all respects (including without limitation, with respect to the use, maintenance and operation of each Item of Equipment) with laws, rules, regulations and ordinances of the jurisdictions in which its operations involving the Items of Equipment may extend, including without limitation the Interchange Rules of the Association of American Railroads and with all rules of the Federal Railroad Administration, the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Item of Equipment, to the extent that such laws, rules, regulations and ordinances affect the title, operation or use of the Items of Equipment, and in the event that such laws, rules, regulations or ordinances require any alteration, replacement, modification or addition of or to any part of any Item of Equipment (a "Required Alteration"), the Debtor will fully conform therewith and perform or cause to be performed any such Required Alteration by any required date of compliance; provided however that the Debtor shall not be required to comply with any such law, rule, regulation or ordinance so long as (a) the validity thereof shall be contested in good faith by appropriate legal proceedings in any reasonable manner, (b) prompt notice of such contest is given to the Secured Party, (c) such contest does not materially adversely affect the interest of the Debtor, the security interest or rights of the Secured Party in or to the Equipment or proceeds thereof or any rights of the Secured Party under this agreement or in and to the Collateral Documents and the payments due or to become due thereunder and (d) the Debtor shall have furnished the Secured Party an Opinion of Counsel to the effect set forth in clause (c) of this paragraph.

2.17. Maintenance of Collateral Documents. The Debtor will maintain the validity and effectiveness of the Collateral Documents. If directed by the Secured Party, the Debtor will diligently enforce Debtor's rights under the Collateral Documents in accordance with their respective terms and will take such action to that end in the manner as from time to time may be directed by the Secured Party. If any other party to any Collateral Document shall fail to perform any act required to be performed thereunder or shall otherwise default in any of its obligations thereunder, the Debtor will give notice of such failure or default

to the Secured Party promptly after obtaining knowledge thereof. The Debtor will not (a) discharge or terminate any Collateral Document or consent or accept or permit any discharge or termination thereof, (b) amend, modify or otherwise change any term thereof, (c) give any waiver or consent or approval thereunder, or (d) take any other action in connection therewith if it shall not have received the written approval of the Secured Party.

2.18. Possession of Equipment; Leases. Except as provided in this Section 2.18 the Debtor will not assign or transfer its rights hereunder, or transfer or lease the Equipment or any part thereof, or part with possession of, or suffer or allow to pass out of its possession or control, any of the Equipment, or assign, pledge, transfer or otherwise dispose of any of its rights under any Collateral Document without the prior written consent of the Secured Party. So long as an Event of Default shall not have occurred and be continuing, the Debtor shall be entitled to the possession and use of the Equipment in accordance with the terms hereof and of the Management Agreement, and may also lease to others all or part of the Equipment pursuant to Leases in substantially the form of Lease attached as Exhibit D to the Note Agreement, or in such other form as may be approved by the holders of not less than 66-2/3% in aggregate principal amount of the Notes and the Bank, but only upon and subject to the terms and conditions of this Agreement and subject to the rights of the Secured Party hereunder; provided that the Debtor or its lessees shall use the Equipment only within the continental United States, Canada and Mexico that use of the Equipment outside the continental United States shall be temporary only, that no Item of Equipment shall be assigned to regular service outside the continental United States and that no more than 20% of the Items of Equipment may be located in Canada and/or Mexico at any time.

2.19. Reports. (a) On or before May 1 of each year commencing with the calendar year 1983, the Debtor will furnish the Secured Party and the Purchaser an accurate statement (i) setting forth as at the previous December 31 the amount, description and numbers of all Items of Equipment that have suffered a Casualty Occurrence (as defined in Section 4.1 hereof) and the numbers of all Items that have suffered a Casualty Occurrence during the preceding calendar year (specifying the dates of such Casualty Occurrences) or to the knowledge of the Secured Party are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) or any substantial modification and such other information regarding the condition and state of repair of the Items as the Secured Party may reasonably request, (ii) stating that in the case of all items repainted, modified or repaired to the Debtor's knowledge during the period covered by such statement, the numbers and markings required by Section 2.13 hereof have been preserved or replaced, and (iii) describing all Leases relating to the Equipment, the Lessees under such Leases and the Items of Equipment leased under each of such Leases.

(b) The Debtor or the General Partner on behalf of the Debtor, will deliver to each institutional holder of the then outstanding Notes and the Bank:

(i) Quarterly Statements -- as soon as practicable after the end of each quarterly fiscal period in each fiscal year of the Debtor and in any event within 45 days thereafter, duplicate copies of:

(A) a balance sheet of the Debtor as at the end of such quarter, and

(B) a statement of income and surplus of the Debtor for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by an officer of the General Partner on behalf of the Debtor;

(ii) Annual Statements -- as soon as practicable after the end of each fiscal year of the Debtor, and in any event within 120 days thereafter, four copies of:

(A) a balance sheet of the Debtor at the end of such year, and

(B) a statement of income and of surplus of the Debtor for such fiscal year,

all in reasonable detail and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Debtor, which opinion shall state that such financial statements fairly present the financial condition of the Debtor, have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and accordingly included such tests of accounting records and such other auditing procedures as were considered necessary in the circumstances;

(iii) Audit Reports -- promptly upon receipt thereof, one copy of each report relating to the financial condition of the Debtor submitted to the Debtor by independent accountants in connection with any annual,

interim or special audit made by them of the books of the Debtor;

(iv) Notice of Default or Event of Default -- immediately upon becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default a written notice specifying the nature and period of existence thereof and what action the Debtor is taking or proposes to take with respect thereto;

(v) Notice of Claimed Default -- immediately upon becoming aware that the holder of any Note or of any evidence of indebtedness of the Debtor or other security of the Debtor has given notice or taken any other action with respect to a claimed default or Event of Default, a written notice specifying the notice given or action taken by such holder and the nature of the claimed default or Event of Default and what action the Debtor is taking or proposes to take with respect thereto; and

(vi) Requested Information -- with reasonable promptness, such other data and information as from time to time may be reasonably requested by the holder of any Note or the Bank for the purpose of assisting such holder or the Bank in evaluating its investment in such Note, subject to the requirement that any such information furnished to such holder be kept confidential by such holder or the Bank as set forth in the proviso in subparagraph (d) of this Section 2.19.

(c) Officer's Certificates. Each set of financial statements delivered to any institutional holder of the Notes and the Bank pursuant to Section 2.19 will be accompanied by an Officer's Certificate setting forth:

(i) Event of Default -- that the signer has reviewed the relevant terms of this Security Agreement, the Credit Agreement and the Note Agreement and has made, or caused to be made, under his supervision, a review of the transactions and conditions of the Debtor from the beginning of the accounting period covered by the income statements being delivered therewith to the date of the certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Debtor has taken or proposes to take with respect thereto.

(d) Inspection. The Debtor will permit any representatives of any institutional holder of the Notes or the Bank, at the Bank's or such Holder's expense, to visit and inspect any of the properties of the Debtor to examine all its books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (and by this provision the Debtor authorizes said accountants to discuss the finances and affairs of the Debtor) all at such reasonable times and as often as may be reasonably requested; provided that if required by the Debtor, any such holder of the Notes shall or the Bank, as a condition to being permitted to make any such inspection, certify that the same is being made to assist in evaluating such holder's or the Bank's investment in the Notes and that any information such holder or the Bank or their said representatives derive from such inspection (to the extent not otherwise publicly available) shall remain confidential, subject to any laws or regulations requiring such holder to disclose any such information (it being understood that such holder will use its best efforts to give the Debtor reasonable advance notice of any such required disclosure to the public of material information not previously publicly available).

SECTION 3. RELEASE OF PROPERTY.

3.1. Release of Property. So long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Debtor as having suffered a Casualty Occurrence pursuant to Section 4.1 upon receipt from the Debtor of written notice designating the Item of Equipment released and the receipt from the Debtor of the Casualty Value payment for such Equipment in compliance with Section 4.1 hereof.

3.2. Release of Equipment - Consent of Noteholders. In addition to the sale, exchange or resale pursuant to the foregoing Section 3.1, the Debtor may sell or otherwise dispose of any Equipment then subject to the lien of this Security Agreement, and the Secured Party shall release 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 Notes and the Bank.

3.3. Protection of Purchaser. No Purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party 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 mortgaged property be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. CASUALTY OCCURRENCES; APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Casualty Occurrences. In the event that any Item of Equipment shall become worn out, lost, stolen, destroyed, irreparably damaged, permanently rendered unfit for use from any cause whatsoever (including the failure of the Debtor to make any Required Alteration, as defined in Section 2.16 hereof) or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Debtor for a period extending beyond the remaining term of the Notes (each such occurrence being hereinafter called a "Casualty Occurrence") the Debtor shall promptly following such occurrence and in any event not later than the next succeeding date upon which an installment of principal or interest is payable on the Notes deliver to the Secured Party a certificate of the Debtor describing such Item of Equipment and the nature of the Casualty Occurrence and stating the Casualty Value (as hereinafter defined) of such Item as of such payment date and on such payment date the Debtor shall, in addition to the payments of principal and interest otherwise due on the Notes, pay an amount equal to the Casualty Value of such Item of Equipment as of such date, which amount shall be applied to the prepayment of the installments of principal on the Notes in the inverse order of their maturities. As applied to any Items of Equipment on any such payment date, the "Casualty Value" thereof shall mean an amount equal to the product of (a) a fraction, the numerator of which is an amount equal to the original purchase price of Items having suffered a Casualty Occurrence and the denominator of which is the aggregate original purchase price of Items then subject to this Agreement (including the Item or Items of Equipment for which settlement is then being made), times (b) the unpaid principal amount of the Note after payment of the installment of principal made or to be made on such date provided for in Section 4.2 hereof.

4.2. Application of Rents. As more fully set forth in Sections 1.2, 1.3 and 1.5 hereof, the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Collateral Documents in respect of the Equipment as security for the Notes and its obligations under the Credit Agreement. 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 Secured Party which constitute payments under the Collateral Documents shall be applied:
- (i) 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 which have matured or will mature on or before the date a payment of principal or interest is due on the Notes next following receipt by the Secured Party of

such payments and (ii) the balance, if any, of such amounts shall be paid to or upon the order of the Debtor.

(b) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Debtor in respect of the Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing to the knowledge of the Secured Party, the proceeds of such insurance shall, if the Item of Equipment is to be repaired, be released to the Debtor as reimbursement for expenditures made for such repair upon receipt by the Secured Party of a copy of the invoice or invoices covering such repairs and a certificate of an authorized officer of the Debtor to the effect that any damage to such Item in respect of which such proceeds were paid has been fully repaired; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 180 days from the receipt thereof by the Secured Party, or if within such period the Debtor shall have notified the Secured Party in writing that such Item has suffered a Casualty Occurrence, then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the insurance proceeds shall be applied by the Secured Party as follows:

(A) First, to the prepayment of the Notes, all in the manner and to the extent provided for by Section 4.1 hereof; and

(B) Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

(c) All amounts received by Secured Party under this Section 4.2 shall be invested in United States government securities for the longest period possible to mature on or before the date required for application of such funds to the payment of principal and interest

on the Notes next following receipt by the Secured Party. The income from such investment shall be applied to the payment of the installments of principal and interest then due on the Notes after the prior payment of any expenses relating to such investment. If for any reason such expenses shall exceed such income, such excess shall be paid by the Debtor on demand by the Secured Party.

(d) The Secured Party shall be obligated to promptly notify Debtor of all receipts of funds relating to the Collateral Documents or Casualty Insurance.

4.3. Multiple Notes. If more than one Note is outstanding at the time any application is made pursuant to Section 4.2, the application shall be made on all outstanding Notes ratably and in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively, in the manner provided for by Section 4.2.

4.4. Default. If a Default or an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Sections 1.2 and 1.3 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 more than five days; or

(b) Default by the Debtor in the due observance or performance by the Debtor of any covenant or agreement (other than payments described in clause (a) above) either under this Security Agreement, the Note Agreement or the Credit Agreement, and such default shall continue unremedied for thirty calendar days after notice thereof to the Debtor from the Secured Party or the holder of any Note; or

(c) Any representation or warranty made herein, or in the Note Agreement or in any report, certificate,

financial or other statement furnished in connection with this Security Agreement, the Note Agreement or the Credit Agreement or the transactions contemplated therein shall prove to have been false or misleading in any material respect when made or furnished; or

(d) Any claim, lien or charge shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within thirty calendar days after written notice from the Secured Party, the Bank or the holder of any Note to the Debtor demanding the discharge or removal thereof; or

(e) The Debtor shall at any time fail to maintain insurance in the manner required by Section 2.14 hereof; or

(f) The Debtor shall make or permit any assignment or transfer of the Collateral Documents, or of possession of the Equipment, or any portion thereof not permitted by this Agreement; or

(g) The Letter of Credit shall not be in full force and effect pursuant to the terms thereof or any payment due under the Letter of Credit shall not be made when due; or

(h) The Debtor or the General Partner commences a voluntary case under any bankruptcy law or similar law for relief of Debtors or the Debtor or the General Partner fails to pay its debts as such debts become due or consents to the appointment of a custodian, trustee or receiver for the Debtor or the General Partner, as the case may be, or the major part of the Debtor's or the General Partner's property or makes an assignment for the benefit of any creditors of the Debtor or the General Partner or enters into an agreement of composition with such creditors; or

(i) A custodian, trustee or receiver is appointed for the Debtor or the General Partner or the major part of the property of the Debtor or the General Partner and is not discharged within 30 days after such appointment; or

(j) A decree or order for relief by a court having jurisdiction in respect of the Debtor or the General Partner is entered in an involuntary case under any bankruptcy law or similar law for the relief of debtors and such decree or order shall remain unstayed and in effect for 30 days following such entry, or bankruptcy,

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

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in Section 5.1 has occurred and is continuing, the Secured Party 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 California (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 Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Secured Party shall, upon the written request of the holders of 25% of the principal amount of the Notes then outstanding, or the Bank by notice in writing to the Debtor, declare the entire unpaid balance of the Notes to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable, and/or draw upon the Letter of Credit in accordance with the terms and provisions thereof;

(b) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) In the event the Secured Party shall demand possession of the Equipment then, without limiting the provisions of paragraph (b) hereof, the Debtor shall forthwith deliver possession of the Equipment to the Secured Party in good order and repair. For the purposes of delivering possession of any Equipment to the Secured Party as above required, the Debtor shall, at its own cost and expense, forthwith:

(i) assemble such Equipment and place them upon such storage tracks within the continental United States as the Secured Party shall reasonably designate;

(ii) provide storage at the risk of the Debtor for such Equipment on such storage tracks until the Secured Party shall have sold or leased the Equipment;

(iii) cause the Equipment or any thereof to be transported at the cost of the Debtor to such place or places within the continental United States as the Secured Party shall direct; and

(iv) maintain at its expense insurance coverage as required by Section 2.14 hereof for the entire period of such assembly, storage and transport.

The assembling, delivery, storage and transporting of the Equipment as hereinabove provided are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises, the Secured Party shall be entitled to a decree against the Debtor requiring specific performance of the covenants of the Debtor so to assemble, deliver, store and transport the Equipment.

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

(e) The Secured Party may proceed to protect and enforce this Security Agreement and said Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(f) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Collateral Documents, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. 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, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes (including any claims for interest matured and unpaid thereon) owned by such purchaser equal to the pro rata portion of the net proceeds of such sale to which such purchaser is entitled on account of all notes owned by such purchaser.

5.4. 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.

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 stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales,

claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

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

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper fees, expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Notes or the Bank if it shall have made any payment on the Letter of Credit and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, premium and interest; 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 interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; 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;

(c) Third, the payment of the Bank for any and all sums advanced pursuant to the Letter of Credit; and

(d) Fourth, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

5.7. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor, the Secured Party, the Bank 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.

5.8. Cumulative Remedies. To the extent permitted by applicable law, no delay or omission of the Secured Party, the Bank or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, the Bank, 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 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, nor shall the Secured Party, the Bank or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

5.9. Waivers, Consents and Amendments to Security Agreement and Notes. Compliance with any term, covenant, agreement or condition of this Security Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), if the Secured Party shall have obtained the consent in writing of the holders of not less than 66-2/3% in aggregate principal amount of outstanding Notes and the Bank; provided, however, that without the written consent of the holders of all of the Notes then outstanding no such waiver, modification, alteration or amendment shall be effective against the holder of any Note without his consent to change the obligation of the Debtor in respect of the amount or time of payment of the principal or interest on any Note then outstanding as set forth therein, or to reduce the percentage in principal amount of the Notes required to approve any such amendment, or to subordinate the Notes or the lien and security interest created by this Security Agreement in favor of other creditors of the Debtor, and no such waiver shall be effective against the Secured Party without its consent to modify its rights and duties hereunder. This Security Agreement and the Notes may also be amended from time to time by agreements expressly amending the same, which agreements, when

duly consented to and executed by the Debtor may be executed by the Secured Party:

(a) to the extent permitted hereby and not inconsistent herewith, to subject other property to the lien and security interest hereof, to add further covenants and conditions to be observed by the Debtor for the further security of the holders of the Notes and the Bank, to conform to the provisions of the Trust Indenture Act of 1939 and regulations thereunder as the same may from time to time be amended, if required, or to cure any ambiguity or to correct any defective or inconsistent provisions herein or in any such amendment contained, but in each case only after fifteen days' prior written notice has been sent to the holders of all of the Notes; and

(b) upon receipt of the written consent of the holders of not less than 66-2/3% in aggregate principal amount of the Notes then outstanding and the Bank, to make any other changes in the provisions of this Security Agreement and/or the Notes, but no such amendment shall be effective against the holder of any Note without its consent to change the obligation of the Debtor in respect of the amount of time of payment of the principal or interest on any Note then outstanding as set forth therein, or to reduce the percentage in principal amount of the Notes required to approve any such amendment, or to subordinate the Notes or the lien and security interest hereof in favor of other creditors of the Debtor, and no such amendment shall be effective against the Secured Party or the Debtor without their consent to modify their respective rights and duties hereunder.

Executed or true and correct copies of any waiver or consent effected pursuant to the provisions of this Section 5.9 shall be delivered by the Debtor, the Bank and to each holder of outstanding Notes forthwith following the date on which the same shall have been executed and delivered by the holder or holders of the requisite percentage of outstanding Notes. The Debtor will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of the Notes as consideration for or as an inducement to the entering into by any holder of the Notes of any waiver or amendment of any of the terms and provisions of this Security Agreement unless such remuneration is concurrently paid, on the same terms, ratably to the holders of all of the Notes then outstanding.

SECTION 6. THE TRUSTEE.

The Security Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Debtor, the Bank and the respective holders of the Notes at any time outstanding by their acceptance thereof agree:

6.1. Duties of Security Trustee. (a) The Security Trustee undertakes (i) except while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (ii) while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to exercise such of the rights and powers as are vested in it by this Security Agreement and to use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Upon the occurrence of an Event of Default, the Security Trustee shall comply with all conditions set forth in the Certificate attached as an Exhibit to the Letter of Credit and the Security Trustee shall execute a certificate in the form of such Certificate and comply with the other conditions set forth in the Letter of Credit to draw the amounts then available under the Letter of Credit unless it shall have received other instructions from the holders of not less than 66-2/3% of the aggregate amount of the Notes then outstanding.

(c) The Security Trustee will make or cooperate with the Debtor in making such filings and recordings as required by Section 2.5 hereof to fully preserve and protect the rights of the Secured Party hereunder, including but not limited to the recording or filing of continuation statements or similar notice thereof to the extent permitted or required by applicable law in order to maintain the lien and security interest granted hereunder in full force and effect as against creditors of and purchasers from the Debtor.

6.2. Security Trustee's Liability. No provision of this Security Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, negligent failure to act, or its own wilful misconduct, except that:

(a) unless an Event of Default actually known to the Security Trustee shall have occurred and be continuing, the Security Trustee shall not be liable except for the performance of 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 Trustee but the duties and obligations

of the Security Trustee shall be determined solely by the express provisions of this Security Agreement;

(b) in the absence of bad faith on the part of the Security Trustee, the Security Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, any certificate signed by the Chairman of the Board, President, Vice President, Treasurer or Assistant Treasurer of any corporation or by the general partner of any partnership or by the trustee of a trust (an "Officer's Certificate"), any opinion in writing signed by legal counsel who shall be satisfactory to the Security Trustee and who may be independent counsel to the Debtor (an "Opinion of Counsel"), any request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report, stock certificate or other paper or document believed by the Security Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties;

(c) in the absence of bad faith on the part of the Security Trustee, whenever the Security Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate; provided, however, that the Security Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable;

(d) the Security Trustee may consult with counsel and the advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(e) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the holders of the Notes or the Bank;

(f) the Security Trustee shall not be liable for any error of judgment made in good faith by an

officer of the Security Trustee unless it shall be proved that the Security Trustee was negligent in ascertaining the pertinent facts;

(g) the Security Trustee shall not be deemed to have knowledge of any Default or Event of Default unless and until an officer of the Corporate Trust Department of the Security Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Security Trustee shall have received written advice thereof from the holder of any Note;

(h) whether or not an Event of Default shall have occurred, the Security Trustee shall not be under any obligation to take any action under this Security Agreement which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Security Agreement, unless and until it is requested in writing so to do by one or more holders of the Notes outstanding or the Bank hereunder and furnished, from time to time as it may require, with reasonable security and indemnity; and

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Security Agreement that the Security Trustee consent to any act or omission by any person or that the Security Trustee exercise its discretion in any manner, the Security Trustee may (but need not) seek the written acquiescence of the holders of at least 66-2/3% in principal amount of the Notes then outstanding and the Bank and, unless written evidence of such acquiescence has been received by the Security Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion; provided, however, holders of 66-2/3% in principal amount of the Notes from time to time outstanding and the Bank shall have the right, upon furnishing to the Security Trustee such indemnification as the Security Trustee shall reasonably request, by an instrument in writing delivered to the Security Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Security Agreement for the enforcement thereof or of the Notes, but the Security Trustee shall have the right to decline to follow any such direction if the Security Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be unjustly prejudicial to the holders of the Notes not parties to such direction.

6.3. No Responsibility of Security Trustee for Recitals.

The recitals and statements contained herein and in the Notes shall be taken as the recitals and statements of the Debtor, and the Security Trustee assumes no responsibility for the correctness of the same, nor shall the Security Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Notes by the Debtor or by any other person.

The Security Trustee makes no representation as to the validity or sufficiency of this Security Agreement, or of the Notes secured hereby, the security hereby or thereby afforded, the title of the Debtor to the Collateral or the description thereof, or the filing or recording or registering of this Security Agreement or any other document.

The Security Trustee shall not be concerned with or accountable to anyone for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Security Agreement or of any property or securities or the proceeds thereof which shall be released from the security interest hereof in accordance with the provisions of this Security Agreement.

6.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification. The Security Trustee agrees that it shall have no right against any Purchaser or the holder of any Note or the Bank for the payment of compensation for its services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liabilities which it may incur in the exercise and performance of such powers and duties but on the contrary, shall look solely to the Debtor for such payment and indemnification and that it shall have no lien on or security interest in the Collateral as security for such compensation, expenses, disbursements and indemnification except to the extent provided for in Section 5.6(a) hereof.

6.5. Status of Moneys Received. All moneys received by the Security Trustee 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 Security Trustee under such general conditions as may be prescribed by law in the Security Trustee's general banking department, and the Security Trustee shall be under no liability for interest on any moneys received by it hereunder.

6.6. Security Trustee May Hold Notes. The Security 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 Security

Trustee may act as depositary or otherwise in respect to other securities of the Debtor or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

6.7. Resignation of Security Trustee. The Security Trustee may resign and be discharged from the trusts created hereby by delivering notice thereof, by first-class mail, postage prepaid, to the Debtor and all holders of the Notes at the time outstanding, specifying a date (not earlier than 30 days after the date of such notice) when such resignation shall take effect.

Such resignation shall take effect on the day specified in such notice, unless previously a successor Security Trustee shall have been appointed as provided in Section 6.9 in which event such resignation shall take effect immediately upon the appointment of such successor Security Trustee.

6.8. Removal of Security Trustee. The Security Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the holders of a majority in aggregate principal amount of the Notes at the time outstanding and the Bank if it shall have made any payment on the Letter of Credit and delivered to the Security Trustee with a copy to the Debtor, specifying the removal and the date when it shall take effect.

6.9. Appointment of Successor Security Trustee. In case at any time the Security Trustee shall resign or be removed or become incapable of acting, a successor Security Trustee may be appointed by the holders of a majority in aggregate principal amount of the Notes at the time outstanding and the Bank, by an instrument or instruments in writing executed by such holders and filed with such successor Security Trustee.

Until a successor Security Trustee shall be so appointed by the holders of the Notes, the Debtor shall appoint a successor Security Trustee to fill such vacancy, by an instrument in writing executed by the Debtor and delivered to the successor Security Trustee. If all or substantially all of the Collateral shall be in the possession of one or more receivers, trustees, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees may, by an instrument in writing delivered to the successor Security Trustee, appoint a successor Security Trustee. Promptly after any such appointment, the Debtor, or any such receivers, trustees, custodians, liquidators or assignees, as the case may be, shall give notice thereof by first-class mail, postage prepaid, to each holder of Notes at the time outstanding and the Bank.

Any successor Security Trustee so appointed by the Debtor, or such receivers, trustees, custodians, liquidators or assignees shall immediately and without further act be superseded by a successor Security Trustee appointed by the holders of a majority in aggregate principal amount of the Notes then outstanding and the Bank.

If a successor Security Trustee shall not be appointed pursuant to this Section within 60 days after a vacancy shall have occurred in the office of the Security Trustee, the holder of any Note, the Bank or such retiring Security Trustee (unless the retiring Security Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Security Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Security Trustee.

6.10. Succession of Successor Security Trustee. Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Debtor, and the predecessor Security Trustee an instrument accepting such appointment, and thereupon such successor Security Trustee, without any further act, deed, conveyance or transfer, shall become vested with a security interest in the Collateral, and with all the rights, powers, trusts, duties and obligations of the predecessor Security Trustee in the trust hereunder, with like effect as if originally named as Security Trustee herein.

Upon the request of any successor Security Trustee, however, the Debtor and the predecessor Security Trustee shall execute and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Security Trustee a security interest in the Collateral and all such rights, powers, trusts, duties and obligations of the predecessor Security Trustee hereunder, and the predecessor Security Trustee shall also assign and deliver to the successor Security Trustee any property subject to the security interest of this Security Agreement which may then be in its possession.

Any Security Trustee which has resigned or been removed shall nevertheless continue to retain the benefit of the priority with respect to the proceeds of the Collateral afforded to it by Section 5.6(a) hereof.

6.11. Eligibility of Security Trustee. The Security Trustee shall be a state or national bank or trust company in good standing organized under the laws of the United States of America or of the States of Connecticut or California and having its principal office in the City of Hartford or San Francisco, having capital, surplus and undivided profits aggregating at least \$100,000,000, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms.

In case the Security Trustee shall cease to be eligible in accordance with the provisions of this Section, the Security Trustee shall resign immediately in the manner and with the effect specified in Section 6.7 hereof.

6.12. Successor Security Trustee by Merger. Any corporation into which the Security Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Security Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Security Trustee as a whole or substantially as a whole, if eligible as provided in Section 6.11, shall be the successor of the Security Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

6.13. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Collateral may at the time be located, the Debtor and the Security Trustee jointly shall have the power and shall execute and deliver all instruments, to appoint one or more persons approved by the Security Trustee, to act as co-trustee, or co-trustees, of all or any part of the Collateral, and to vest in such person or persons, in such capacity, such title to the Collateral or any part thereof, and such rights, powers, duties, trusts or obligations as the Debtor and the Security Trustee may consider necessary or desirable. If the Debtor shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an event of default shall have occurred and be continuing, the Security Trustee alone shall have power to make such appointment. In case any co-trustee or successor thereof shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such co-trustee, so far as permitted by law, shall be left in and be exercised by the Security Trustee until the appointment of a new Security Trustee or successor to such co-trustee.

SECTION 7. MISCELLANEOUS.

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

7.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.3. 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: WFIX Partners
 c/o Wilsey Foods, Inc.
 633 Mission Road
 Los Angeles, California 90023

If to the Secured
Party: The Connecticut Bank and Trust
 Company
 One Constitution Plaza
 Hartford, Connecticut 06115
 Attention: Corporate Trust Department

If to the Bank: Bank of America National Trust and
 Savings Association
 P.O. Box 37000
 San Francisco, California 94137
 Attention: James C. Echeverria
 Vice President, Corporate
 Banking Group No. 3510

or to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with this Section to the other parties.

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

7.5. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of California.

7.6. 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.

7.7. 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.

7.8. Entire Agreement. This Agreement and the Exhibits hereto set forth the entire agreement and understanding of the parties hereto and supercede all prior agreements and understandings relating to the subject matter hereof.

STATE OF)
) SS
COUNTY OF)

On this ____ day of _____, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of WILSEY, BENNETT CO., a California Corporation which is the General Partner in WFIX Partners, a California limited partnership 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 limited partnership by said corporation as General Partner thereof pursuant to the 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.

Notary Public

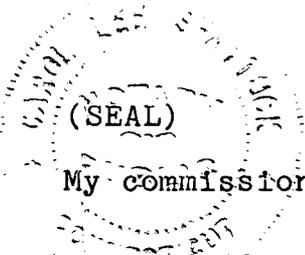
(SEAL)

My commission expires:

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this 3rd day of August, before me personally appeared CLARK M. WHITCOMB, to me personally known, who being by me duly sworn, says that he is a 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.

Carol Lee Shattuck
Notary Public



(SEAL)

My commission expires:

CAROL LEE SHATTUCK
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
40	Railroad Tank Cars Manufactured by ACF Industries Incorporated	WFIX 101 through WFIX 140
60	Railroad Tank Cars Manufactured by Union Tank Car Company	WFIX 141 through WFIX 200

DESCRIPTION OF LEASE AGREEMENTS

<u>Lessee</u>	<u>Date of Lease</u>	<u>Car Numbers (both inclusive)</u>
ADM Transportation Company	May 8, 1981	WFIX 151 through WFIX 200
Honeymead Products Company	August 13, 1981	WFIX 131 through WFIX 150
Cargill Incorporated	October 15, 1981	WFIX 101 through WFIX 130