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4314 December 9 1983 3-3431018

RECORDATION NO. _____ Form 1425

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DEC 9 1983

Mr. James H. Bayne
Secretary INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
Washington, D.C.

100.00

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and four counterparts of a Security Agreement dated as of November 15, 1983, a primary document as that term is defined in the Commission's Rules for the Recordation of Documents.

A general description of the railroad equipment covered by the enclosed document is set forth in Annex V attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed document are:

- Owner: First Security Leasing Company
381 East Broadway
Salt Lake City, Utah 84111
- Lender: Wells Fargo Leasing Corporation
101 California Street
San Francisco, California 94111

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Kindly return the stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Also enclosed is a check in the amount of \$50 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Very truly yours,

Charles T. Kappler
Charles T. Kappler

Charles T. Kappler

SECURITY AGREEMENT
ANNEX V

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Description and Marks</u>	<u>Vendor</u>	<u>DOT Class</u>	<u>Approximate Equipment Cost Per Item</u>
<u>Group 1 Items of Equipment</u>				
50	23,000-gallon tank cars, DOWX 70000 through 70049 inclusive	General American Transportation Corp.	111A100W-1 23M Gal TC	\$ 65,000
	<u>Class 1: DOWX</u> 70000 through 70004			
	<u>Class 2: DOWX</u> 70005 through 70009			
	<u>Class 3: DOWX 70010</u> through 70014			
	<u>Class 4: DOWX 70015</u> through 70019			
	<u>Class 5: DOWX 70020</u> through 70024			
	<u>Class 6: DOWX 70025</u> through 70029			
	<u>Class 7: DOWX 70030</u> through 70034			
	<u>Class 8: DOWX 70035</u> through 70039			
	<u>Class 9: DOWX 70040</u> through 70044			
	<u>Class 10: DOWX 70045</u> through 70049			
10	17,000-gallon tank cars, DOWX 80000 through 80009 inclusive	American Car and Foundry	105-A500W 17M Gal PD	\$ 54,800
	<u>Class 11: DOWX 80000</u> through 80004			

Class 12: DOWX 80005
through 80009

Group 2 Items of Equipment

13	3,000-cubic foot covered hopper cars, DOWX 35000 through 35012 inclusive	North American Car Company	LO - HO 3,000 FT3	\$ 74,000
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Class 13: DOWX 35000
through 35004

Class 14: DOWX 35005
through 35009

Class 15: DOWX 35010
through 35012

Interstate Commerce Commission
Washington, D.C. 20423

12/9/83

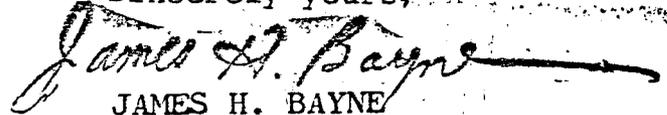
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
918 16th Street N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/9/83** at **11:45am** and assigned re-
recording number(s). **14213 & 14214**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30
(7/79)

14214
RECORDATION NO. Filed 1425

DEC 9 1983 - 11 45 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of November 15, 1983

between

FIRST SECURITY LEASING COMPANY, as Owner

and

WELLS FARGO LEASING CORPORATION, as Lender

Security for Recourse and Nonrecourse Promissory Notes
Issued to Finance Railroad Rolling Stock

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SECURITY AGREEMENT dated as of November 15, 1983 between FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), and WELLS FARGO LEASING CORPORATION, a California corporation (the Lender).

RECITALS

A. The Owner, the Lender and The Dow Chemical Company, a Delaware corporation (the Lessee), have entered into a Participation Agreement, dated as of the same date as this Security Agreement (the Participation Agreement), pursuant to which the Lender has agreed conditionally to purchase from the Owner, in an aggregate principal amount determined in accordance with Section 2.06(c) of the Participation Agreement, one or more Series 1-A and Series 2-A nonrecourse promissory notes and Series 1-B and Series 2-B recourse promissory notes, substantially in the form of Annex I, Annex II, Annex III and Annex IV respectively, to this Security Agreement, which notes are to be secured by this Security Agreement.

B. The proceeds of the purchase of the Notes are to be applied by the Owner to finance the acquisition by the Owner of certain railroad rolling stock which is to be leased under the Equipment Lease, dated as of the same date as this Security Agreement (the Lease), between the Owner and the Lessee.

ARTICLE I

DEFINITIONS

1.01 Definitions. Unless the context otherwise requires, these definitions apply to the following capitalized terms used in this Security Agreement:

Collateral means all of the properties, rights, interests and privileges in which the Lender is granted a security interest pursuant to Section 2.01.

Debt Portion of the Stipulated Loss Value or Termination Value of an Item of Equipment means the Item's Equipment Cost multiplied by the relevant percentage denominated "Debt Portion" and set forth under "Stipulated Loss Value" or "Termination Value", as the case may be, in Annex II to the Lease.

Equity Portion of the Stipulated Loss Value or Termination Value of an Item of Equipment means the Item's Equipment Cost multiplied by the relevant percentage denominated "Equity Portion" and set forth under "Stipulated Loss Value" or "Termination Value", as the case may be, in Annex II to the Lease (which percentage is subject to adjustment from time to time pursuant to Section 6.03(f) of the Participation Agreement and Section 2.04 of the Lease).

Funding Date is defined in the Participation Agreement.

Item of Equipment means a distinct unit of the railroad rolling stock more particularly described in Annex V that has been accepted under the Lease and includes all additions, modifications and improvements other than those that remain the Lessee's property under Section 3.02 (a) of the Lease.

Lease means the Equipment Lease, dated as of the same date as this Security Agreement, between the Owner and the Lessee, as it may be amended from time to time.

Lessee means The Dow Chemical Company, a Delaware corporation, and its successors and assigns.

Note means (i) each Series 1-A, Series 2-A, Series 1-B and Series 2-B Note purchased by the Lender from the Owner pursuant to Section 2.06 of the Participation Agreement, and (ii) each Series 1-A, Series 2-A, Series 1-B and Series 2-B Note issued by the Owner in lieu of or in substitution for a note referred to in clause (i) or this clause (ii), and Notes means all of the notes referred to in clauses (i) and (ii).

Obligations means the obligations of the Owner described in Section 2.02 of this Security Agreement.

Security Agreement Default means any of the events specified as such in Section 5.01.

Series 1-A and Series 2-A Notes means the secured nonrecourse notes of the Owner, substantially in the form of Annex I and II, respectively, issued and sold by the Owner to the Lender on each Funding Date pursuant to Article II of the Participation Agreement.

Series I-B and Series 2-B Notes means the secured recourse notes of the Owner, substantially in the form of Annex III and Annex IV, respectively, issued and sold by the Owner to the Lender on each Funding Date pursuant to Article II of the Participation Agreement.

1.02 Terms Defined in Lease. Basic Rent, Basic Term, Business Day, Default, Equipment Cost, Event of Default, Event of Loss, Finance Agreements, Item, Liability Insurance, Liens, Loss Insurance, Payment Date, Person, Rent, Stipulated Loss Value, Supplemental Rent, Termination Date, Termination Payment and Termination Value are all defined in the Lease.

1.03 Articles, Sections, Etc. Reference in this Security Agreement to Articles, Sections and Annexes, without further attribution, are intended to refer to Articles, Sections and Annexes of this Security Agreement, unless the context otherwise requires.

ARTICLE II

GRANT OF SECURITY INTEREST

2.01 Grant of Security Interest. The Owner hereby grants to the Lender a security interest in the following described properties, rights, interests and privileges (the Collateral):

(a) Each Item of Equipment, together with all accessories and components appertaining or attached to it, whether now owned by the Owner or hereafter acquired, and to the extent owned by the Owner, all substitutions and replacements of and additions, improvements, accessions and accumulations to the Item, together with all rents, issues, income and profits from the Item;

(b) All rights of the Owner under the Lease, including, without limitation:

(i) the immediate and continuing right to receive and collect all Basic Rent, Stipulated Loss Value Payments, Termination Payments, proceeds from Loss Insurance, condemnation awards and other payments constituting Supplemental Rent under the Lease,

(ii) the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any of its provisions,

(iii) the right to take any action permitted by the Lease or by law, and to do any and all other things whatsoever which the Owner is or may be entitled to do under the Lease, upon the occurrence of an Event of Default, including the commencement, conduct and consummation of legal, administrative or other proceedings, and

(iv) the right to obtain from the Lessee all notices, copies of documents and information that the Lessee furnishes, or is permitted or required to furnish to, the Owner under the Lease, but excluding the amounts owed by the Lessee to the Owner pursuant to Section 5.05 of the Lease;

(c) The rights, claims and causes of action, if any, which the Owner may have against any Vendor or manufacturer of any Item of Equipment or any other party, by contract or otherwise, in respect of any defect in the Item; and

(d) All proceeds of the foregoing.

2.02 Obligations Secured. This Security Agreement secures the following obligations (the Obligations):

(a) The payment of the principal of and premium (if any) and interest on the Notes;

(b) The payment of all amounts now or hereafter payable by the Owner under any of the Finance Agreements or related documents;

(c) The performance by the Owner of all of its other covenants now or hereafter existing under any of the Notes, the Finance Agreements or related documents; and

(d) The payment and performance by the Lessee of all amounts and covenants now or hereafter payable or existing under the Lease or any other Finance Agreement or related documents.

2.03 Release of Security Interest.

(a) After all of the Obligations have been performed, the security interest in the Collateral granted by this Security Agreement shall terminate and all of the properties, rights, interests and privileges granted as security for the Obligations shall revert to the Owner without any other act or formality being required, this Security Agreement shall terminate and the Lender shall, upon the Owner's request, execute and deliver to the Owner appropriate termination statements and other documents evidencing such reversion and termination.

(b) So long as no Default or Security Agreement Default has occurred and is continuing, upon the termination of the leasing of any Item of Equipment and the reduction of the principal amount of the respective Notes as provided in Section 4.01(b), the lien imposed by this Security Agreement on that Item and on all rights under the Finance Agreements and related documents in respect of that Item shall terminate, and all incidents of ownership in respect of that Item and those rights shall revert to the Owner without any other act or formality being required.

2.04 Quiet Enjoyment. The Owner may retain possession, use and enjoyment of the Collateral so long as no Security Agreement Default has occurred and is continuing.

ARTICLE III

WARRANTY AND COVENANTS OF THE OWNER

3.01 Warranty. The Owner represents and warrants that the Owner has the right, power and authority to grant a security interest in the Collateral to the Lender to secure the Obligations, and that the Owner has not granted and will not grant any interest in any of the Collateral to any Person other than the Lender except for the interest of the Lessee in the Items of Equipment subject to the Lease and except as expressly permitted by this Security Agreement.

3.02 Payment of Taxes and Liens. The Owner, at its own expense, shall:

(a) Pay all income, franchise and other taxes and charges, imposed against the Owner or for which the Owner is otherwise liable, that are not payable by the Lessee under the Lease and that are necessary to keep the Collateral free and clear of all Liens; and

(b) Keep the Collateral free and clear of all Liens created by the Owner or arising out of claims against the Owner other than claims against which the Lessee has agreed to indemnify the Owner pursuant to any of the Finance Agreements or related documents.

3.03 Further Assurances. The Owner, at its own expense, shall do and execute, acknowledge and deliver to the Lender all further acts, deeds, conveyances, transfers and assurances reasonably requested by the Lender that are necessary or proper for the perfection of the security interest in the Collateral, whether now owned or hereafter acquired, granted to the Lender in this Security Agreement or of the rights and remedies created or intended to be created in the Lender under this Security Agreement. The Owner hereby authorizes the Lender to effect any such act, deed, conveyance, transfer and assurances without the signature of the Owner to the extent permitted by applicable law.

3.04 Exercise of Owner's Rights Under Lease. The Owner shall not exercise any of its remedies under, or terminate, modify or accept a surrender or termination of

the Lease in whole or in part, except that:

(a) The Owner shall have the right

(i) to obtain from the Lessee all notices, copies of documents and information that the Lessee is permitted or required to furnish to the Owner under the Lease,

(ii) to inspect any Item of Equipment,

(iii) to provide the insurance required to be maintained by the Lessee pursuant to Section 3.01(g) of the Lease if the Lessee should fail to provide such insurance, and

(iv) to obtain all amounts owed by the Lessee to the Owner pursuant to Section 5.05 of the Lease;

(b) So long as no Security Agreement Default has occurred and is continuing, the Owner shall have the right:

(i) to give or withhold its consent to any request of the Lessee pursuant to Sections 3.01 or 3.02 of the Lease,

(ii) to act pursuant to Sections 3.03(c) or 4.03 of the Lease with respect to the disposition of Items of Equipment,

(iii) to give or withhold its consent pursuant to Section 6.03 of the Lease to the Lessee's subletting or lending any Item of Equipment or its assigning, pledging or hypothecating its interest in the Lease,

(iv) to give instructions with respect to the Lessee's surrender of Items of Equipment pursuant to Section 3.04 of the Lease, except when those Items of Equipment are surrendered under the circumstances described in Section 5.02 of the Lease,

(v) to act pursuant to Section 5.02(a) of the Lease to enforce any right of subrogation obtained by the Owner pursuant to Section 5.09(f) of this Security Agreement,

(vi) to agree on the Fair Market Value or Fair Market Rental Value of any Item of Equipment in connection with the exercise by the Lessee of any of its rights under Section 4.01 or 4.02 of the Lease, and

(vii) to agree to any waiver, amendment or agreement concerning the Lease; and

(c) Whether or not a Security Agreement Default shall have occurred and be continuing, the Owner shall have the right to make a claim against any Liability Insurance covering the Owner that the Lessee is required to maintain for the benefit of the Owner pursuant to Section 3.01(g) of the Lease (but not to make a claim against any Loss Insurance covering the Collateral).

3.05 Anticipation of Rent Payments. The Owner will not collect any payment of Rent assigned to the Lender under this Security Agreement prior to the due date for payment, and will not assign, transfer or hypothecate (other than to the Lender) any such payment, whether or not currently due under the Lease.

3.06 Limited Power of Attorney. The Owner hereby irrevocably constitutes and appoints the Lender its true and lawful attorney, with unlimited power of substitution and with full power to act for and in the name, place and stead of the Owner:

(a) To ask, demand, collect, receive, give receipt for, and sue for any and all rents, income and other sums which are part of the Collateral;

(b) To endorse the name of the Owner on all drafts or other instruments given in payment or in part payment of liabilities to the Owner when the right to receive such payment has been assigned to the Lender as part of the Collateral;

(c) To file any claim or take any other action or proceeding that the Lender or its agents or attorneys may deem necessary or appropriate to protect and preserve the rights, title and interest of the Lender in and to the Collateral; and

(d) Upon the occurrence and during the continuance of a Security Agreement Default, to settle, adjust or compromise any claim respecting the Collateral as fully as the Owner could itself do.

3.07 Maintenance of Corporate Existence; Corporate Name; Chief Executive Office. Except as provided in Section 3.08, the Owner shall preserve and keep in full force and effect its corporate existence and, to the extent necessary to the performance of its obligations under the Finance Agreements and related documents, all of its rights, franchises, licenses and permits. The Owner shall give the Lender written notice of any change in its corporate name, principal place of business or chief executive office (as the latter two terms are used in the Uniform Commercial Code) within 10 calendar days after the change becomes effective.

3.08 Restrictions on Mergers, Consolidations and Sales of Assets. The Owner shall not consolidate or merge with or into, or sell, lease or otherwise transfer all or a substantial portion of its assets to, any Person, unless the Owner shall first have notified the Lender in writing of the proposed consolidation, merger or transfer and:

(a) the Person formed by such consolidation or into which the Lessor is merged or the Person that acquires substantially all of the assets of the Lessor (the Successor) is a corporation organized and existing under the laws of the United States of America or any State of the United States;

(b) the Successor (if other than the Owner) shall expressly assume the obligations of the Owner under the Finance Agreements and related documents and shall execute its promissory notes in the same form and bearing the same date and in the same principal amount as the Notes outstanding at the time of transfer;

(c) the Successor shall have a net worth not less than the net worth of the Owner immediately prior to the consolidation, merger or transfer; and

(d) after the consolidation, merger or transfer, the Successor shall not be in default in the performance or observance of any of the covenants, agreements or conditions contained in any of the Notes, the Finance Agreements or related documents.

3.09 Transfer of Owner's Interest. Until this Security Agreement has been terminated, the Owner shall not sell, assign or transfer any rights in any of the Items of Equipment or any of its rights under the Finance Agreements or any related documents without the prior written consent of the Lender unless

(a) the Owner transfers all of its rights in the Items of Equipment and under all of the Finance Agreements to a single transferee,

(b) the transferee is:

(i) a corporation (the Parent) owning not less than 80% of the voting stock of the Owner,

(ii) a corporation (the Holding Company) owning not less than 80% of the voting stock of the Parent,

(iii) a corporation not less than 80% of the voting stock of which is owned, directly or indirectly, by the Holding Company, the Parent or the Owner, or

(iv) a bank, insurance company, leasing company or other financial institution or corporation existing under the laws of the United States of America or of any State of the United States, which has a tangible net worth (as determined in accordance with generally accepted accounting principles) of at least \$10 million in the case of a leasing company and otherwise at least \$25 million, and

(c) in every case, the transferee shall expressly assume in writing the obligations of the Owner under the Finance Agreements and related documents, and shall execute its promissory notes in the same form, bearing the same date and in the same principal amount as the Notes outstanding at the time of the transfer.

The Owner shall notify the transferee in writing of the amount of principal and premium (if any) paid by the Owner in respect of the Notes and the date to which principal of and interest on the Notes have been paid, and all such amounts of

principal, premium and interest paid by the Owner shall be deemed to have been paid in respect of the promissory notes issued by the transferee pursuant to this Section 3.09. Upon the transfer of all of the Owner's rights in the Items of Equipment and under all of the Finance Agreements in accordance with this Section 3.09, the Owner shall be released from all of its obligations under the Finance Agreement and the Notes.

3.10 Notice of Default. The Owner shall promptly notify the Lender of the circumstances giving rise to a Security Agreement Default of which the Owner has actual knowledge.

3.11 Performance by Lender. The assignment of the Lease hereunder is made only as security, and, therefore, shall not subject the Lender to or transfer, or pass, or in any way affect or modify, the liability of the Owner under the Lease, it being understood and agreed that notwithstanding such assignment, or any subsequent assignment, all obligations of the Owner to the Lessee under the Lease shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Owner. Nevertheless, the Lender may, at any time and from time to time at its option, upon prior written notice to the Owner, perform any act which is required to be performed by the Owner under the Lease or hereunder, but which the Owner shall fail to perform, and may take any other action which the Lender may deem necessary for the maintenance, preservation or protection of its security interest in the Collateral. All amounts advanced and all expenses (including legal fees) incurred by the Lender in connection with such action together with interest thereon at 1% per annum in excess of the then highest interest rate on the Notes, or the maximum lesser contract rate permitted under applicable law, shall be repaid by the Owner to the Lender upon demand and shall be secured hereby as provided herein. The making of such advance by the Lender shall not, however, cure any Security Agreement Default until such amounts so advanced and such interest thereon shall have been repaid in full to the Lender and such Security Agreement Default shall have otherwise been cured.

ARTICLE IV

PREPAYMENT OF NOTES; APPLICATION OF RENT
AND CERTAIN OTHER MONEY RECEIVED BY THE LENDER

4.01 Prepayments.

(a) Security Agreement Default. If the entire unpaid balance of the Notes become immediately due and payable pursuant to Section 5.02(a), the Owner shall pay to the Lender an amount equal to the Debt Portion of the Stipulated Loss Value for all Items of Equipment still subject to this Lease as of the date that the last installment of principal of and interest on the Notes was paid in full.

(b) Event of Loss or Termination. If an Item of Equipment suffers an Event of Loss or the leasing thereof is terminated as provided in Section 4.03 of the Lease, the Owner shall pay to the Lender an amount equal to the Debt Portion of the Stipulated Loss Value or the Termination Value, as the case may be, for such Item of Equipment as of the Payment Date or the Termination Date, as the case may be. Upon such payment of the Debt Portion, there shall be deemed to be paid an aggregate principal amount of the Series I-A Notes, if the Item is a Group 1 Item of Equipment, or Series 2-A Notes, if the Item is a Group 2 Item of Equipment, equal to the product obtained by multiplying the aggregate unpaid principal amount of such Series of Notes, respectively, outstanding on the Payment Date or the Termination Date, as appropriate, by a fraction, the numerator of which is the Equipment Cost of the Item and the denominator of which is the Equipment Cost of all Group 1 Items of Equipment or Group 2 Items of Equipment, as the case may be, still subject to the Lease (including the Item suffering the Event of Loss or the leasing of which is so terminated). In the case of Series I-A and Series 2-A Notes, each subsequent installment of principal of such Series of Notes shall be reduced in the same proportion that the principal of such Series of Notes is prepaid.

(c) Series I-A and Series 2-A Prepayment. The Owner may prepay on July 5, 1984 without premium or penalty all but not less than all Series I-A and Series

2-A Notes (but only from the proceeds of the issuance of the New Notes) by paying the Lender in immediately available funds the outstanding aggregate principal of and accrued interest on such Series 1-A and Series 2-A Notes as of July 5, 1984.

(d) Other Events. Except to the extent provided for in this Section 4.01 and Section 5.08, none of the Notes may be prepaid or redeemed in whole or in part at the option of the Owner prior to its maturity date.

4.02 Application of Rent Payments. So long as no Event of Default has occurred and is continuing, all Rent and other sums received by the Lender as part of the Collateral shall be applied as follows:

(a) Basic Rent. Each installment of Basic Rent received by the Lender shall be applied: first, to the payment of any expenses of the Lender in connection with the collection or distribution of such installment, second to the payment of the installments of interest on each Note that are payable or will become payable on or before the due date of the installment of Basic Rent, third, to the payment of the installments of principal on each Note that are payable or will become payable on or before the due date of the installment of Basic Rent, fourth, to the payment of any other Obligation which is due and payable, and fifth, promptly to or upon the order of the Owner.

(b) Stipulated Loss Value or Termination Payments. The amounts received by the Lender in respect of the Debt Portion of the Stipulated Loss Value or Termination Value for any Item of Equipment which suffers an Event of Loss or the leasing of which is terminated shall be retained by the Lender. The amounts of the Equity Portion of the Stipulated Loss Value or Termination Value shall be applied first, to the payment of any expenses of the Lender in connection with the collection or distribution of the Stipulated Loss Value or Termination Payment, second, to the payment of any other Obligation which is due and payable, and third, promptly to or upon the order of the Owner.

(c) Other Rent. Any amounts received by the Lender which constitute Rent other than Basic Rent, Stipulated Loss Value or a Termination Payment shall be applied according to the purpose for which such amounts were paid.

4.03 Insurance Proceeds; Compensation for Condemnation, Etc. If the Lender shall receive any proceeds of Loss Insurance in respect of any Item of Equipment, or any compensation paid by any government, political subdivision or governmental agency for the condemnation or requisitioning of any Items, those proceeds or compensation shall be held by the Lender as part of the Collateral and shall be applied by the Lender as provided in Section 3.04 of the Lease.

4.04 Default. Notwithstanding anything contained in this Article IV, if a Security Agreement Default has occurred and is continuing, all amounts received by the Lender under this Security Agreement shall be applied in the manner provided for in Section 5.05 in respect of proceeds of the Collateral.

4.05 Multiple Notes. If the amounts referred to in this Article IV are to be applied to payments on more than one Note in a Series of Notes, the amounts shall be applied pro rata in proportion to the unpaid principal amount of each such Series of Notes, respectively.

ARTICLE V

DEFAULTS AND REMEDIES

5.01 Security Agreement Defaults. The occurrence of any of the following events shall constitute a Security Agreement Default:

(a) The Owner shall fail to pay any principal of, or premium (if any) or interest on, any Note when due, whether at maturity or at a date fixed for prepayment, and such failure shall continue for five Business Days; or

(b) The Owner shall fail to observe or perform any other Obligation described in Sections 2.02(b) or 2.02(c) and such failure shall continue for 20 Business Days after the Owner becomes aware of such failure but in any event for 20 Business Days after written notice of that failure from the Lender to the Owner specifying the failure and demanding that it be remedied; or

(c) An Event of Default under the Lease shall occur and be continuing; or

(d) Any representation or warranty made by the Owner in any of the Finance Agreements or related documents or in any certificate furnished pursuant to any of the Finance Agreements or related documents shall prove to be false or misleading in any material respect when made; or

(e) A court having jurisdiction shall enter a decree or order for relief in respect of the Owner in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of all or a substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 calendar days; or

(f) The Owner shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in any involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of all or a substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

5.02 Lender's Remedies. While an Event of Default is continuing, but subject always to Sections 5.09 and 5.10 and Article VI, the Lender, in addition to any other rights and remedies available to the Lender at law or in equity, shall have the rights, options, duties and remedies of a secured party, and the Owner shall have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether that Code or a similar law has been enacted in the jurisdiction where the rights or remedies are asserted). Furthermore, the Lender may exercise any or all of the following remedies in any order, it being understood that no remedy conferred in this Article V is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Security Agreement or otherwise available to the Lender at law or in equity:

(a) The Lender may notify the Owner in writing that the entire unpaid balance of the Notes and all other amounts required to be paid by the Owner pursuant to any of the Finance Agreements or related documents are immediately due and payable and, upon notice being given or upon any sale of Items of Equipment pursuant to Section 5.02(c) if no such notice has been given, the entire unpaid balance and all other such amounts, together with all accrued interest and premium (if any), shall be immediately due and payable without presentment, demand or protest of any kind, all of which are hereby expressly waived;

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Lender, personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of any or all of the Items of Equipment, and for that purpose may pursue those Items wherever they may be found, and may enter any of the Owner's premises, without notice, demand, process of law or legal procedure if this can be done without breach of the peace, and may search for, take possession of, remove, keep and store them, or use and operate or lease them until sold, and may otherwise exercise any and all of the rights and powers of the Owner in respect of them; it being understood that the Lender may keep and store any Items on the Lessee's premises without being deemed to have surrendered them or to have failed to take possession of them;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Lender, to the extent permitted by law, may sell any or all of the Collateral with or without taking possession of it, and before or after taking possession of it, and without instituting legal proceedings, so long as the Lender has first given written notice of the sale to the Owner once at least 10 calendar days prior to the date of the sale, and any other notice that may then be required by law; the sale may be at public auction to the highest bidder, or at private sale, in one lot in its entirety or in separate lots, and either for cash or on credit and on such other terms as the Lender may determine in good faith to be commercially reasonable, and at any place (whether or not it is the location of any of the Collateral) designated in the notice; a sale may be adjourned from time to time by announcement at the time and place appointed for the sale, and an adjourned sale may be held without further notice at the time and place announced; the Lender and any holder of any of the Notes or of any

interest in any of the Notes, may bid and become the purchaser at any sale or adjourned sale, and if the purchaser is the holder of all outstanding Notes, the purchaser may use the amount of any Obligation then due and payable to it as a credit against the purchase price;

(d) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Lender may proceed to enforce this Security Agreement and the Notes by suits or proceedings in equity, at law or in bankruptcy, including suits or proceedings for the specific performance of any covenant or agreement contained in any of the Finance Agreements or related documents, or in execution or aid of any power granted in this Security Agreement, or for foreclosure under this Security Agreement, or for the appointment of a receiver or receivers for all or part of the Collateral, or, subject to the provisions of Article VI of this Security Agreement, in the case of a Series 1-A or Series 2-A Note, for the recovery of judgment for the Obligations, or for the enforcement of any other legal or equitable remedy available under applicable law; and

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

5.03 Owner's Waiver. The Owner shall not at any time insist upon or plead, or in any manner claim or take any benefit from, any stay or extension law, or any law providing for the valuation or appraisal of all or any part of the Collateral prior to its sale, at any time in force; and the Owner shall not claim or exercise any legal or equitable right to redeem all or any part of the Collateral after it is sold, and the Owner hereby expressly waives for itself and on behalf of each and every Person any benefit from any such right and all rights to have the Collateral marshalled upon foreclosure thereof.

5.04 Effect of Sale. Any sale, whether under any power of sale given in this Security Agreement or by virtue of any judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Owner in and to the property sold and shall be a perpetual bar, both at law and in

equity, against the Owner, its successors and assigns, and against any and all Persons (other than the Lessee to the extent it retains any rights in Items of Equipment under the Lease) claiming all or any part of the property sold under any right derived directly or indirectly from the Owner.

5.05 Application of Proceeds. The proceeds of any sale of all or any part of the Collateral and the proceeds of any remedy afforded to the Lender by this Security Agreement shall be paid to and applied as follows:

First, to the payment of costs and expenses of foreclosure or suit, if any, and of the sale, and of the reasonable fees and expenses of the agents and attorneys for the Lender and of all proper expenses, liabilities and advances incurred or made pursuant to this Security Agreement by the Lender in connection with foreclosure, suit, sale or enforcement of this Security Agreement, and to the payment of all taxes, assessments or liens superior to the Lender's lien granted by this Security Agreement, except any taxes, assessments or superior liens subject to which the sale was made;

Second, to payment or discharge of any Obligations other than those specified in clause Third;

Third, to the payment to the Lender of the unpaid Debt Portion of the Stipulated Loss Value for all Items of Equipment still subject to this Lease as of the date that the last installment of principal of and interest on such Note was paid with interest from such installment date to the date of payment at the rate of interest on overdue principal stated in the Notes; and

Fourth, to the payment of any surplus to the Owner or to whomever may lawfully be entitled to receive it.

5.06 Discontinuance of Remedies. If the Lender has proceeded to enforce any right under any of the Finance Agreements or related documents by foreclosure, sale, entry or otherwise, and those proceedings have been discontinued or abandoned for any reason or have been determined adversely, then, and in every such case, the Owner, the Lender and the holders of the Notes shall be restored to their former positions and rights with respect to the Collateral.

5.07 Effect of Delay; Waiver; Additional Collateral. No delay or omission of the Lender, or of any holder of any of the Notes, in exercising any right or power arising from any default on the part of the Owner shall prevent the Lender or holder from exercising that right or power if the default continues. No waiver of a default, whether full or partial, by the Lender or holder shall be taken to extend to any subsequent default, or to impair the rights of the Lender or holder in respect of any damages suffered as a result of the default. The giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment or discharge of the Obligations shall in no way operate to prejudice, waive or affect the security interest created by this Security Agreement or any rights, powers or remedies exercised under it; nor shall the Lender or holder be required to look first to, enforce or exhaust such other or additional security, collateral or guaranty.

5.08 Payment of Obligations. While an Event of Default is continuing and if the Lender has terminated the Lease as to any Item of Equipment pursuant to Section 5.02(c) of the Lease, the Owner shall have the right to pay or cause to be paid and discharge or cause to be discharged all Obligations (including, without limitation, the Lender's reasonable expenses and liabilities incurred by it in exercising its rights under any of the Finance Agreements or related documents and the amounts due under Section 4.01), and if the Owner pays all of those amounts and discharges all of those Obligations, the Lender agrees to discontinue the exercise of its remedies under this Security Agreement and to take such reasonable action as may be requested by the Owner, at the Owner's sole cost and expense, to release and transfer to the Owner all of the Lender's rights in the Collateral.

5.09 Right to Cure.

(a) If an Event of Default under the Lease shall have occurred and be continuing and the Lender intends to exercise any of its remedies under Section 5.02 of this Security Agreement, the Lender shall give the Owner at least 10 Business Days' prior telephonic notice (confirmed in writing) of the date (the Enforcement Date) on which the Lender will exercise any such remedy.

(b) If the Event of Default under the Lease consists of the Lessee's failure to pay an installment of Basic Rent, the Owner, prior to the Enforcement Date,

may pay to the Lender an amount equal to any principal and interest (including overdue interest, if any) then due and payable on the Notes, and that payment by the Owner shall be deemed to cure any Security Agreement Default that arose or would otherwise have arisen because of the non-payment of the installment of Basic Rent.

(c) If the Event of Default under the Lease consists of any other default of the Lessee that can be cured by the payment of money, the Owner, prior to the Enforcement Date, may make such payment (pursuant to Section 5.05 of the Lease or otherwise), and, if that payment cures the Lessee's default and if no other Event of Default under the Lease (other than an Event of Default arising out of the Lessee's failure to reimburse the Owner pursuant to Section 5.05 of the Lease) shall have occurred and be continuing, then that payment by the Owner shall be deemed to cure the related Event of Default under this Security Agreement.

(d) The Owner may not exercise its right to cure Events of Default (i) under Section 5.09(b) by making payments more than two times in succession or, in any event, more than four times throughout the term of the Lease, or (ii) under Section 5.09(c) if the aggregate amount of the payments exceeds \$250,000 at any time or \$500,000 in total.

(e) The Owner shall not obtain any lien on any of the Collateral for or on account of cost or expenses incurred in connection with the exercise of its right under this Security Agreement to cure Events of Default, nor shall any claims of the Owner against the Lessee or any other Person for the repayment of such costs or expenses impair the right and security interest of the Lender in and to the Collateral.

(f) Upon the payment by the Owner of the amount of principal and interest then due and payable on the Notes, the Owner shall be subrogated to the rights of the Lender in respect of the installment of Basic Rent which was overdue at the time of such payment and in respect of the interest payable by the Lessee on account of its being overdue and, if no other Security Agreement Default shall have occurred and be continuing and if all principal, premium (if any) and interest payments due on the Notes have been paid at the time of receipt by the Lender of an installment of Basic Rent, the Owner shall be entitled to receive the installment and related overdue interest upon its receipt by the Lender. The Owner shall not be entitled to

recover any payment made by it under Section 5.02(b) to cure an Event of Default except pursuant to the foregoing right of subrogation.

5.10 Effect of Bankruptcy Proceedings Against Lessee. If a bankruptcy case has commenced and is continuing against the Lessee as debtor, and so long as the Owner and the Lender are subject to a stay, under Section 362 of the Bankruptcy Code or otherwise, which precludes the Owner and the Lender from terminating the Lease or otherwise enforcing the Owner's remedies pursuant to Article V of the Lease, the Lender shall not exercise any of its remedies under Section 5.02 of this Security Agreement, notwithstanding the continuation of an Event of Default; provided that there has not occurred and is continuing any of the events described in Sections 5.01(b), 5.01(d), 5.01(e) and 5.01(f).

ARTICLE VI

LIMITATION OF OWNER'S LIABILITY

6.01 Limitation of Liability. Anything in this Security Agreement to the contrary notwithstanding and only in the case of a Series 1-A or Series 2-A Note, neither the Lender nor the holder of any of the Series 1-A or Series 2-A Notes shall have any claim, remedy or right to proceed (at law or in equity) against the Owner in its individual corporate capacity, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Series 1-A or Series 2-A Notes from any source other than the Collateral, and the Lender, by its execution of this Security Agreement, and each holder any of the Series 1-A or Series 2-A Notes, by its acceptance of a Series 1-A or Series 2-A Note, waives and releases all personal liability of the Owner in its individual corporate capacity, and of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for and on account of that indebtedness, and the Lender and each holder agrees to look solely to the Collateral and not to any other assets of the Owner for the payment of that indebtedness; provided that the Owner in its individual corporate capacity shall be

liable for the payment of interest on the Series 1-A and Series 2-A Notes due on July 5, 1984.

6.02 Lender's Rights. Subject to Section 6.01 of this Security Agreement, nothing contained in this Article VI shall limit, restrict or impair the rights of the Lender to accelerate the maturity of the Notes upon the occurrence of a Security Agreement Default, to bring suit and obtain a judgment against the Owner on the Notes or to exercise all rights and remedies provided under this Security Agreement (including the right to proceed against the Lessee under the Lease) or otherwise to realize upon the Collateral.

6.03 Liability for Breach of Covenants, etc. The Owner, in its individual corporate capacity (but not any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Owner), shall remain personally liable for the correctness when given of its representations and warranties in Section 4.02 of the Participation Agreement, for the correctness of its representations and warranties in any certificate furnished to the Lender pursuant to any of the Finance Agreements or related documents and for the breach of its covenants in Article III of this Security Agreement and in Article V of the Participation Agreement.

ARTICLE VII

EXCHANGE AND REPLACEMENT OF NOTES

7.01 Exchange of Notes. The Owner shall at any time at the request of the holder of any Note, as soon as practicable after the surrender of such Note to the Owner, execute and deliver new Series 1-A, Series 2-A, Series 1-B or Series 2-B Notes, as appropriate, in exchange therefor, payable to the order of the holder or such person or persons as may be designated by such holder, dated the same date as the surrendered Note, in denominations of not less than \$25,000, in an aggregate principal amount equal to the original principal amount of such Note and substantially in the form of such Note with appropriate variations. The holder of such surrendered Note

shall endorse such surrendered Note and shall make a notation on each new Note of the amount of all payments of principal previously made on the surrendered Note with respect to which such new Note is issued and the date to which interest on such surrendered Note has been paid.

7.02 Mutilation, Destruction, Loss or Theft. If any Note shall become mutilated, destroyed, lost or stolen, the Owner shall, upon the written request of the holder of such Note, execute and deliver to such holder, in replacement thereof, a new Note in the same face amount and dated the same date as the Note so mutilated, destroyed, lost or stolen. If the Note being replaced has become mutilated, such Note shall be surrendered to the Owner. If the Note being replaced has been destroyed, lost or stolen, the holder of such Note shall furnish to the Owner such security or indemnity as may be required by it to save it harmless and evidence satisfactory to the Owner of the destruction, loss or theft of such Note and the ownership thereof; provided that if the holder of such Note is the Lender or another institutional investor, the written undertaking of such holder delivered to the Owner shall be sufficient security and indemnity.

ARTICLE VIII

MISCELLANEOUS

8.01 Successors and Assigns. Whenever any of the parties to this Security Agreement is referred to, the reference shall be taken to include that party's successors and assigns; and all covenants and agreements of the Owner and the Lender contained in this Security Agreement shall bind and inure to the benefit of their respective successors and assigns.

8.02 Severability. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any of its other provisions unenforceable or invalid, and the unenforceability or invalidity of any provision in one jurisdiction shall not affect that provision's enforcement or validity in any other jurisdiction; provided that nothing contained in this Section 8.02 shall be construed to

be in derogation of any rights or immunities of the Owner under Article VI, or to amend or modify any limitations or restrictions imposed on the Lender or the holder of any Note, or their respective successors and assigns, under Article V.

8.03 Notices. All notices to be given under this Security Agreement shall be in writing and shall be delivered personally, sent by certified or registered first class mail, postage prepaid, or dispatched by tested telex, cable or courier to the intended recipient at its address set forth below unless the recipient has given written notice of another address for the receipt of notices.

If to the Lender:

101 California Street, Suite 2800
San Francisco, California 94111
Attention: Operations Department

If to the Owner:

381 East Broadway
Salt Lake City, Utah 84111
Attention: Contracts Administration

Notices given in accordance with this Section 8.03, if delivered personally, shall be effective upon receipt, if sent by mail, shall be effective five calendar days after mailing, and if dispatched by telex, cable or courier, shall be effective one business day after dispatch.

8.04 Counterparts. This Security Agreement may be executed and delivered in any number of counterparts, each counterpart constituting an original, but all counterparts, constituting but one agreement.

8.05 Governing Law. This Security Agreement shall be deemed to be a contract made under the laws of the State of California and shall be governed by and construed in accordance with the laws of that State.

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

IN WITNESS WHEREOF, the Owner and the Lender have executed this Security Agreement as of the date first above written.

OWNER

LENDER

FIRST SECURITY LEASING COMPANY

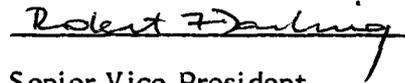
WELLS FARGO LEASING CORPORATION

By



Its Senior Vice President

By



Its Senior Vice President

By

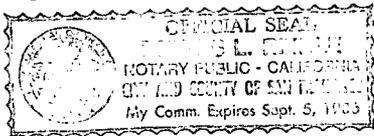


Its Vice President



STATE OF CALIFORNIA)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO)

On this 8th day of December, 1983, before me personally appeared William C. McGregor, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of FIRST SECURITY LEASING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and 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.



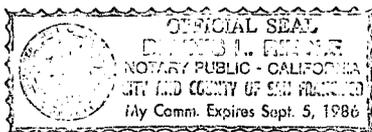
Dennis L. Riedle
Notary Public

(Notarial Seal)

My Commission expires Sept. 5 1986

STATE OF CALIFORNIA)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO)

On this 8th day of December, 1983, before me personally appeared Robert F. Darling, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of WELLS FARGO LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and 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.



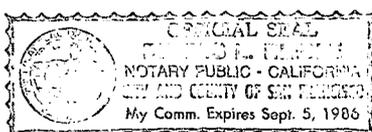
Dennis L. Riedle
Notary Public

(Notarial Seal)

My Commission expires Sept. 5, 1986

STATE OF CALIFORNIA)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO)

On this 8th day of December, 1983, before me personally appeared Glenn P. Davis, to me personally known, who, being by me duly sworn, says that he is a Vice President of WELLS FARGO LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and 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.



Dennis L. Riedle
Notary Public

(Notarial Seal)

My Commission expires Sept. 5, 1986

SECURITY AGREEMENT
ANNEX I

FIRST SECURITY LEASING COMPANY
NONREOURSE SECURED NOTE DUE JULY 5, 2004
SERIES 1-A NOTE

\$ _____

No. 1-A - _____

(Funding Date)

FOR VALUE RECEIVED, FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), hereby promises to pay to the order of WELLS FARGO LEASING CORPORATION, a California corporation (the Lender), the principal sum of _____ DOLLARS (\$ _____), together with interest on the principal balance from time to and including time remaining unpaid (i) during the period from the date hereof to July 5, 1984, at the rate of ____%* per annum (computed on the basis of a 360-day year of twelve 30-day months) and (ii) thereafter, at a rate per annum (computed on the basis of a 360-day year of twelve 30-day months) equal from time to time to 3.25% plus the interest rate per annum payable by Wells Fargo & Company on its six-month commercial paper, or, if Wells Fargo & Company is not then issuing six-month commercial paper, on its commercial paper having a maturity date closest to six months (but not more than nine months nor fewer than three months), or, if Wells Fargo & Company is not then issuing commercial paper of fewer than nine months nor more than three months maturity, 3% plus a rate equal to 107% of the preceding five-day average yield of six-month U. S. Treasury bills, as published in Federal Bulletin No. H-15 (the "Floating Rate"), such Floating Rate to be determined on July 5, 1984 and on each Rent Payment Date thereafter for the succeeding six-month period and to be certified by the Lender to the Owner and the Lessee.

* Insert 13.35% in the case of Notes issued on any Funding Date in 1983 and the rate equal to 3.85% plus the five-day average yield of six-month U. S. Treasury bills, as published in the most recently issued Federal Reserve Bulletin No. H-15 available on the Funding Date, in the case of Notes issued on any Funding Date in 1984.

Principal and interest shall be payable (i) in one installment of interest only on July 5, 1984 for the period from and excluding the date hereof to and including July 5, 1984, and (ii) thereafter in 20 consecutive semi-annual installments of combined principal and interest beginning on January 5, 1985 and on the fifth day of each of the months of July and January thereafter until the final maturity date of this Note, each payment to be in an amount equal to the sum of (a) the accrued and unpaid interest on this Note to the date of payment, and (b) the amount of principal set forth in Annex A to this Note for the month and year in which payment is due; provided that, regardless of the amount set forth in Annex A, the last payment shall be in an amount sufficient to discharge all accrued unpaid interest on, and the unpaid principal amount of, this Note.

Interest on any overdue principal and (to the extent permitted by applicable law) any overdue interest shall be paid at the rate of 1% in excess of the interest rate from time to time effective on this Note.

All payments of principal of and interest on this Series A Note (the "Note") shall be made at the principal office of the Lender, 101 California Street, San Francisco, California 94111 or such other place as the holder of this Note shall designate in writing to the Owner, in lawful money of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

This Note is issued under the Participation Agreement, dated as of November 15, 1983 (the Participation Agreement), between the Owner and the Lender, and is secured pursuant to the Security Agreement, dated as of November 15, 1983 (the Security Agreement), between the Owner and the Lender.

The holder of this Note is entitled to all of the benefits and security provided for or referred to in the Participation Agreement and the Security Agreement, which set out the nature and extent of the security and the rights of the holder of this Note and the Owner in respect of that security. Capitalized terms used in this Note without being defined are defined in the Security Agreement.

This Note may be declared due prior to its expressed maturity date only in the events, on the terms and in the manner provided for in the Security Agreement, and

may be prepaid in part only upon the occurrence of a Event of Loss or termination of the Lease in respect of an Item of Equipment (as defined in the Lease) pursuant to Section 4.01(b) of the Security Agreement. The Owner may repurchase this Note only under the circumstances described in Sections 4.01(c) and 5.08 of the Security Agreement upon payment to the holder of the aggregate unpaid principal amount of this Note, together with all accrued interest to the date of payment, plus all other sums then payable to the holder hereof pursuant to the terms of this Note, the Security Agreement and the Participation Agreement.

Anything in the Security Agreement to the contrary notwithstanding, neither the Lender nor the holder of this Note nor any of their successors or assigns, shall have any claim, remedy or right to proceed (at law or in equity) against the Owner in its individual corporate capacity, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note from any source other than the Collateral, and the holder of this Note, by its acceptance of this Note, waives and releases all personal liability of the Owner in its individual corporate capacity, and of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for and on account of that indebtedness; and the holder of this Note agrees to look solely to the Collateral and not to any other assets of the Owner for payment of that indebtedness; provided that the Owner in its individual corporate capacity shall be liable for the payment of interest on this Note due on July 5, 1984. The rights of the holder of this Note to exercise certain remedies upon the occurrence of a Security Agreement Default and to realize upon the Collateral are set out in Articles V and VI of the Security Agreement.

If the scheduled date for any payment of interest on, or principal of, this Note shall not be a Business Day, then payment need not be made until the next succeeding Business Day, and (provided such payment is made on the next succeeding Business Day) that payment shall have the same force and effect as though it had been made on the scheduled date, and no interest shall accrue on the amount of the payment from and after such scheduled date. Business Day means a day other than a Saturday, Sunday or a holiday upon which banks in the States of California, Michigan or Utah are required or authorized to close.

This Note is transferable by endorsement and delivery; provided that until the Owner shall have received written notice of transfer of this Note from its holder of record, or until this Note, duly endorsed, shall have been presented to the Owner at its principal corporate office by the transferee for the purpose of having the Note reissued in the name of the transferee, the Owner may treat the person in whose name this Note is issued (or the last transferee of whom the Owner has been notified, as the case may be) as the person to whom payments of principal and interest should be made and as the holder of record for all other purposes.

This Note shall be construed and enforced in accordance with and governed by the laws of the State of California.

OWNER
FIRST SECURITY LEASING COMPANY

By _____

Its _____

NOTICE: THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

Annex A: Debt Amortization Schedule

SECURITY AGREEMENT
ANNEX II

FIRST SECURITY LEASING COMPANY
NONRE COURSE SECURED NOTE DUE JULY 5, 2004
SERIES 2-A NOTE

\$ _____

No. 2-A - _____

(Funding Date)

FOR VALUE RECEIVED FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), hereby promises to pay to the order of WELLS FARGO LEASING CORPORATION, a California corporation (the Lender), the principal sum of _____ DOLLARS

(\$ _____), together with interest on the principal balance from time to and including time remaining unpaid (i) during the period from the date hereof to July 5, 1984, at the rate of ____%* per annum (computed on the basis of a 360-day year of twelve 30-day months) and (ii) thereafter, at a rate per annum (computed on the basis of a 360-day year of twelve 30-day months) equal from time to time to 3.25% plus the interest rate per annum payable by Wells Fargo and Company on its six-month commercial paper, or, if Wells Fargo & Company is not then issuing six-month commercial paper, on its commercial paper having a maturity date closest to six months (but not more than nine months nor fewer than three months), or, if Wells Fargo & Company is not then issuing commercial paper of fewer than nine months nor more than three months maturity, 3% plus a rate equal to 107% of the preceding five-day average yield of six-month U. S. Treasury bills, as published in Federal Bulletin No. H-15 (the "Floating Rate"), such Floating Rate to be determined on July 5, 1984 and on each Rent Payment Date thereafter for the succeeding six-month period and to be certified by the Lender to the Owner and the Lessee.

* Insert 13.35% in the case of Notes issued on any Funding Date in 1983 and the rate equal to 3.85% plus the five-day average yield of six-month U. S. Treasury bills, as published in the most recently issued Federal Reserve Bulletin No. H-15 available on the Funding Date, in the case of Notes issued on any Funding Date in 1984.

Principal and interest shall be payable (i) in one installment of interest only on July 5, 1984 for the period from and excluding the date hereof to and including July 5, 1984, and (ii) thereafter in 20 consecutive semi-annual installments of combined principal and interest beginning on January 5, 1985 and on the fifth day of each of the months of July and January thereafter until the final maturity date of this Note, each payment to be in an amount equal to the sum of (a) the accrued and unpaid interest on this Note to the date of payment, and (b) the amount of principal set forth in Annex A to this Note for the month and year in which payment is due; provided that, regardless of the amount set forth in Annex A, the last payment shall be in an amount sufficient to discharge all accrued unpaid interest on, and the unpaid principal amount of, this Note.

Interest on any overdue principal and (to the extent permitted by applicable law) any overdue interest shall be paid at the rate of 1% in excess of the interest rate from time to time effective on this Note.

All payments of principal of and interest on this Series A Note (the "Note") shall be made at the principal office of the Lender, 101 California Street, San Francisco, California 94111 or such other place as the holder of this Note shall designate in writing to the Owner, in lawful money of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

This Note is issued under the Participation Agreement, dated as of November 15, 1983 (the Participation Agreement), between the Owner and the Lender, and is secured pursuant to the Security Agreement, dated as of November 15, 1983 (the Security Agreement), between the Owner and the Lender.

The holder of this Note is entitled to all of the benefits and security provided for or referred to in the Participation Agreement and the Security Agreement, which set out the nature and extent of the security and the rights of the holder of this Note and the Owner in respect of that security. Capitalized terms used in this Note without being defined are defined in the Security Agreement.

This Note may be declared due prior to its expressed maturity date only in the events, on the terms and in the manner provided for in the Security Agreement, and may be prepaid in part only upon the occurrence of a Event of Loss or termination of the Lease in respect of an Item of Equipment (as defined in the Lease) pursuant to Section 4.01(b) of the Security Agreement. The Owner may repurchase this Note only under the circumstances described in Sections 4.01(c) and 5.08 of the Security Agreement upon payment to the holder of the aggregate unpaid principal amount of this Note, together with all accrued interest to the date of payment, plus all other sums then payable to the holder hereof pursuant to the terms of this Note, the Security Agreement and the Participation Agreement.

Anything in the Security Agreement to the contrary notwithstanding, neither the Lender nor the holder of this Note nor any of their successors or assigns, shall have any claim, remedy or right to proceed (at law or in equity) against the Owner in its individual corporate capacity, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note from any source other than the Collateral, and the holder of this Note, by its acceptance of this Note, waives and releases all personal liability of the Owner in its individual corporate capacity, and of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for and on account of that indebtedness; and the holder of this Note agrees to look solely to the Collateral and not to any other assets of the Owner for payment of that indebtedness; provided that the Owner in its individual corporate capacity shall be liable for the payment of interest on this Note due on July 5, 1984. The rights of the holder of this Note to exercise certain remedies upon the occurrence of a Security Agreement Default and to realize upon the Collateral are set out in Articles V and VI of the Security Agreement.

If the scheduled date for any payment of interest on, or principal of, this Note shall not be a Business Day, then payment need not be made until the next succeeding Business Day, and (provided such payment is made on the next succeeding Business Day) that payment shall have the same force and effect as though it had been made on the scheduled date, and no interest shall accrue on the amount of the payment from

and after such scheduled date. Business Day means a day other than a Saturday, Sunday or a holiday upon which banks in the States of California, Michigan or Utah are required or authorized to close.

This Note is transferable by endorsement and delivery; provided that until the Owner shall have received written notice of transfer of this Note from its holder of record, or until this Note, duly endorsed, shall have been presented to the Owner at its principal corporate office by the transferee for the purpose of having the Note reissued in the name of the transferee, the Owner may treat the person in whose name this Note is issued (or the last transferee of whom the Owner has been notified, as the case may be) as the person to whom payments of principal and interest should be made and as the holder of record for all other purposes.

This Note shall be construed and enforced in accordance with and governed by the laws of the State of California.

OWNER
FIRST SECURITY LEASING COMPANY

By _____

Its _____

NOTICE: THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

Annex A: Debt Amortization Schedule

SECURITY AGREEMENT
ANNEX III

FIRST SECURITY LEASING COMPANY
_____* RECURSE SECURED NOTE DUE JULY 5, 1984
SERIES I-B NOTE

\$ _____

No. 1-B - _____

(Funding Date)

FOR VALUE RECEIVED, FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), hereby promises to pay to the order of WELLS FARGO LEASING CORPORATION, a California corporation (the Lender), the principal sum of _____ DOLLARS (\$ _____), together with interest on the principal balance from time to time remaining unpaid at the rate of _____%* per annum (computed on the basis of a 360-day year of twelve 30-day months). The entire amount of principal and accrued interest shall be due and payable on July 5, 1984.

Interest on any overdue principal and (to the extent permitted by applicable law) any overdue interest shall be paid at the rate of 1% in excess of the interest rate effective on this Note.

All payments of principal of and interest on this Note (the "Note") shall be made at the principal office of the Lender, 101 California Street, San Francisco, California 94111 or such other place as the holder of this Note shall designate in writing to the Owner, in lawful money of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

* Insert 13.35% in the case of Notes issued on any Funding Date in 1983 and the rate equal to 3.85% plus the five-day average yield of six-month U. S. Treasury bills, as published in the most recently issued Federal Reserve Bulletin No. H-15 available on the Funding Date, in the case of Notes issued on any Funding Date in 1984.

This Note is issued under the Participation Agreement, dated as of November 15, 1983 (the Participation Agreement), between the Owner and the Lender, and is secured pursuant to the Security Agreement dated as of November 15, 1983 (the Security Agreement), between the Owner and the Lender.

The holder of this Note is entitled to all of the benefits and security provided for or referred to in the Participation Agreement and the Security Agreement, which set out the nature and extent of the security and the rights of the holder of this Note and the Owner in respect of that security. Capitalized terms used in this Note without being defined are defined in the Security Agreement.

This Note may be declared due prior to its expressed maturity date only in the events, on the terms and in the manner provided for in the Security Agreement, and may be prepaid in part only upon the occurrence of a Event of Loss in respect of an Item of Equipment (as defined in the Lease) pursuant to Section 4.01(b) of the Security Agreement. The Owner may repurchase this Note only under the circumstances described in Section 5.08 of the Security Agreement upon payment to the holder of the aggregate unpaid principal amount of this Note, together with all accrued interest to the date of payment, plus all other sums then payable to the holder hereof pursuant to the terms of this Note, the Security Agreement and the Participation Agreement.

Anything in the Security Agreement to the contrary notwithstanding, neither the Lender nor the holder of this Note nor any of their successors or assigns, shall have any claim, remedy or right to proceed (at law or in equity) against any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note, and the holder of this Note, by its acceptance of this Note, waives and releases all personal liability of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for and on account of that indebtedness. The rights of the holder of this Note to exercise certain remedies upon the occurrence of a Security Agreement Default and to realize upon the Collateral are set out in Articles V and VI of the Security Agreement.

If the scheduled date for any payment of interest on, or principal of, this Note shall not be a Business Day, then payment need not be made until the next succeeding Business Day, and (provided such payment is made on the next succeeding Business Day) that payment shall have the same force and effect as though it had been made on the scheduled date, and no interest shall accrue on the amount of the payment from and after such scheduled date. Business Day means a day other than a Saturday, Sunday or a holiday upon which banks in the States of California or Utah are required or authorized to close.

This Note is transferable by endorsement and delivery; provided that until the Owner shall have received written notice of transfer of this Note from its holder of record, or until this Note, duly endorsed, shall have been presented to the Owner at its principal corporate office by the transferee for the purpose of having the Note reissued in the name of the transferee, the Owner may treat the person in whose name this Note is issued (or the last transferee of whom the Owner has been notified, as the case may be) as the person to whom payments of principal and interest should be made and as the holder of record for all other purposes.

This Note shall be construed and enforced in accordance with and governed by the laws of the State of California.

OWNER
FIRST SECURITY LEASING COMPANY

By _____

Its _____

NOTICE: THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

SECURITY AGREEMENT
ANNEX IV

FIRST SECURITY LEASING COMPANY

_____* RECURSE SECURED NOTE DUE JULY 5, 1984

SERIES 2-B NOTE

\$ _____

No. 2-B - _____

(Funding Date)

FOR VALUE RECEIVED, FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), hereby promises to pay to the order of WELLS FARGO LEASING CORPORATION, a California corporation (the Lender), the principal sum of _____ DOLLARS (\$ _____), together with interest on the principal balance from time to time remaining unpaid at the rate of _____%* per annum (computed on the basis of a 360-day year of twelve 30-day months). The entire amount of principal and accrued interest shall be due and payable on July 5, 1984.

Interest on any overdue principal and (to the extent permitted by applicable law) any overdue interest shall be paid at the rate of 1% in excess of the interest rate effective on this Note.

All payments of principal of and interest on this Note (the "Note") shall be made at the principal office of the Lender, 101 California Street, San Francisco, California 94111 or such other place as the holder of this Note shall designate in writing to the Owner, in lawful money of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

* Insert 13.35% in the case of Notes issued on any Funding Date in 1983 and the rate equal to 3.85% plus the five-day average yield of six-month U. S. Treasury bills, as published in the most recently issued Federal Reserve Bulletin No. H-15 available on the Funding Date, in the case of Notes issued on any Funding Date in 1984.

This Note is issued under the Participation Agreement, dated as of November 15, 1983 (the Participation Agreement), between the Owner and the Lender, and is secured pursuant to the Security Agreement dated as of November 15, 1983 (the Security Agreement), between the Owner and the Lender.

The holder of this Note is entitled to all of the benefits and security provided for or referred to in the Participation Agreement and the Security Agreement, which set out the nature and extent of the security and the rights of the holder of this Note and the Owner in respect of that security. Capitalized terms used in this Note without being defined are defined in the Security Agreement.

This Note may be declared due prior to its expressed maturity date only in the events, on the terms and in the manner provided for in the Security Agreement, and may be prepaid in part only upon the occurrence of a Event of Loss in respect of an Item of Equipment (as defined in the Lease) pursuant to Section 4.01(b) of the Security Agreement. The Owner may repurchase this Note only under the circumstances described in Section 5.08 of the Security Agreement upon payment to the holder of the aggregate unpaid principal amount of this Note, together with all accrued interest to the date of payment, plus all other sums then payable to the holder hereof pursuant to the terms of this Note, the Security Agreement and the Participation Agreement.

Anything in the Security Agreement to the contrary notwithstanding, neither the Lender nor the holder of this Note nor any of their successors or assigns, shall have any claim, remedy or right to proceed (at law or in equity) against any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note, and the holder of this Note, by its acceptance of this Note, waives and releases all personal liability of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Owner for and on account of that indebtedness. The rights of the holder of this Note to exercise certain remedies upon the occurrence of a Security Agreement Default and to realize upon the Collateral are set out in Articles V and VI of the Security Agreement.

If the scheduled date for any payment of interest on, or principal of, this Note shall not be a Business Day, then payment need not be made until the next succeeding Business Day, and (provided such payment is made on the next succeeding Business Day) that payment shall have the same force and effect as though it had been made on the scheduled date, and no interest shall accrue on the amount of the payment from and after such scheduled date. Business Day means a day other than a Saturday, Sunday or a holiday upon which banks in the States of California or Utah are required or authorized to close.

This Note is transferable by endorsement and delivery; provided that until the Owner shall have received written notice of transfer of this Note from its holder of record, or until this Note, duly endorsed, shall have been presented to the Owner at its principal corporate office by the transferee for the purpose of having the Note reissued in the name of the transferee, the Owner may treat the person in whose name this Note is issued (or the last transferee of whom the Owner has been notified, as the case may be) as the person to whom payments of principal and interest should be made and as the holder of record for all other purposes.

This Note shall be construed and enforced in accordance with and governed by the laws of the State of California.

OWNER
FIRST SECURITY LEASING COMPANY

By _____

Its _____

NOTICE: THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY BE OFFERED OR SOLD ONLY IF REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

SECURITY AGREEMENT
ANNEX V

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Description and Marks</u>	<u>Vendor</u>	<u>DOT Class</u>	<u>Approximate Equipment Cost Per Item</u>
<u>Group I Items of Equipment</u>				
50	23,000-gallon tank cars, DOWX 70000 through 70049 inclusive	General American Transportation Corp.	111A100W-1 23M Gal TC	\$ 65,000
	<u>Class 1:</u> DOWX 70000 through 70004			
	<u>Class 2:</u> DOWX 70005 through 70009			
	<u>Class 3:</u> DOWX 70010 through 70014			
	<u>Class 4:</u> DOWX 70015 through 70019			
	<u>Class 5:</u> DOWX 70020 through 70024			
	<u>Class 6:</u> DOWX 70025 through 70029			
	<u>Class 7:</u> DOWX 70030 through 70034			
	<u>Class 8:</u> DOWX 70035 through 70039			
	<u>Class 9:</u> DOWX 70040 through 70044			
	<u>Class 10:</u> DOWX 70045 through 70049			
10	17,000-gallon tank cars, DOWX 80000 through 80009 inclusive	American Car and Foundry	105-A500W 17M Gal PD	\$ 54,800
	<u>Class 11:</u> DOWX 80000 through 80004			

Class 12: DOWX 80005
through 80009

Group 2 Items of Equipment

13	3,000-cubic foot covered hopper cars, DOWX 35000 through 35012 inclusive	North American Car Company	LO - HO 3,000 FT ³	\$ 74,000
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Class 13: DOWX 35000
through 35004

Class 14: DOWX 35005
through 35009

Class 15: DOWX 35010
through 35012