19812-A

1995 PM

SECURITY AGREEMENT-TRUST DEED

Dated as of December 1, 1995

From

FLEET CREDIT CORPORATION

as Owner and Lessor

To

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,

as Security Trustee

[Fleet/MIMLIC-A]

452533.01.03
1415975

## TABLE OF CONTENTS


| SECTION | HEADING | PAGE |
|---|---|---|
| SECTION 1. | DEFINITIONS. | 5 |
| SECTION 2. | REGISTRATION OF NOTES. | 6 |
| Section 2.1. | Registration and Execution | 6 |
| Section 2.2. | Payment of the Notes | 6 |
| Section 2.3. | Registered Notes; The Register | 7 |
| Section 2.4. | Transfers and Exchanges of Notes; Lost or Mutilated Notes | 7 |
| Section 2.5. | The New Notes | 8 |
| Section 2.6. | Cancellation of Notes | 9 |
| Section 2.7. | Security Trustee as Agent | 9 |
| Section 2.8. | Ownership | 9 |
| SECTION 3. | COVENANTS AND WARRANTIES OF THE LESSOR | 10 |
| Section 3.1. | Lessor's Duties | 10 |
| Section 3.2. | Authorization of Lessor; Discharge of Liens | 10 |
| Section 3.3. | Further Assurances | 11 |
| Section 3.4. | After-Acquired Property | 11 |
| Section 3.5. | Recordation and Filing | 11 |
| Section 3.6. | Actions of the Lessor in Respect of the Lease | 11 |
| Section 3.7. | Power of Attorney in Respect of the Lease | 12 |
| Section 3.8. | Notice of Default | 12 |
| SECTION 4. | POSSESSION, USE AND RELEASE OF PROPERTY | 12 |
| Section 4.1. | Possession of Equipment | 12 |
| Section 4.2. | Release of Equipment — Event of Loss | 12 |
| Section 4.3. | Release of Equipment — Early Purchase Option | 13 |
| Section 4.4. | Release of Equipment — Consent of Noteholders | 13 |
| Section 4.5. | Protection of Purchaser | 13 |
| SECTION 5. | APPLICATION OF ASSIGNED RENT AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEE | 13 |
| Section 5.1. | Application of Moneys | 13 |
| Section 5.2. | Multiple Notes | 15 |
| Section 5.3. | Default | 15 |
| Section 5.4. | Excepted Rights | 16 |
| SECTION 6. | PREPAYMENT OF NOTES; NOTICES | 17 |
| Section 6.1. | Prepayments | 17 |
| Section 6.2. | Prepayment Pursuant to Section 11 of the Lease | 17 |

Section 6.3. Prepayment Pursuant to Early Purchase Option Rider to Lease ..... 17
Section 6.4. Notice of Prepayment; Partial Prepayment; Deposit of Moneys ..... 17
Section 6.5. Amortization Schedules ..... 18
Section 6.6. Withholding Taxes ..... 18

SECTION 7. DEFAULTS AND REMEDIES ..... 18

Section 7.1. Events of Default ..... 18
Section 7.2. Security Trustee's Rights ..... 19
Section 7.3. Certain Rights of the Lessor ..... 21
Section 7.4. Acceleration Clause ..... 23
Section 7.5. Waiver by Lessor ..... 23
Section 7.6. Effect of Sale ..... 24
Section 7.7. Application of Sale Proceeds ..... 24
Section 7.8. Discontinuance of Remedies ..... 24
Section 7.9. Cumulative Remedies ..... 25

SECTION 8. THE SECURITY TRUSTEE ..... 25

Section 8.1. Duties of Security Trustee ..... 25
Section 8.2. Security Trustee's Liability ..... 25
Section 8.3. No Responsibility of Security Trustee for Recitals ..... 27
Section 8.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification ..... 27
Section 8.5. Status of Moneys Received ..... 28
Section 8.6. Security Trustee May Hold Notes ..... 28
Section 8.7. Resignation of Security Trustee ..... 28
Section 8.8. Removal of Security Trustee ..... 28
Section 8.9. Appointment of Successor Security Trustee ..... 28
Section 8.10. Succession of Successor Security Trustee ..... 29
Section 8.11. Eligibility of Security Trustee ..... 29
Section 8.12. Successor Security Trustee by Merger ..... 29
Section 8.13. Co-Trustees ..... 30
Section 8.14. Warranties and Representations of the Security Trustee ..... 30

SECTION 9. LIMITATIONS OF LIABILITY ..... 31

SECTION 10. SUPPLEMENTAL SECURITY AGREEMENTS; WAIVERS ..... 31

Section 10.1. Supplemental Agreements without Noteholders' Consent ..... 31
Section 10.2. Waivers and Consents by Noteholders; Supplemental Agreements with Noteholders' Consent ..... 32
Section 10.3. Notice of Supplemental Security Agreements ..... 33
Section 10.4. Opinion of Counsel Conclusive as to Supplemental Security Agreements ..... 33

SECTION 11. MISCELLANEOUS ..... 33

Section 11.1. Successors and Assigns ..... 33
Section 11.2. Partial Invalidity ..... 33
Section 11.3. Communications ..... 33
Section 11.4. Discharge of Lien ..... 34
Section 11.5. Counterparts ..... 34
Section 11.6. Governing Law ..... 34
Section 11.7. Headings ..... 34

Signatures ..... 35

ATTACHMENTS TO SECURITY AGREEMENT-TRUST DEED:

Exhibit A — Form of Notes
Exhibit B — Form of Supplement to Security Agreement-Trust Deed

Annex 1 — Definitions

# SECURITY AGREEMENT-TRUST DEED

SECURITY AGREEMENT-TRUST DEED (*"Security Agreement"*) dated as of December 1, 1995 between FLEET CREDIT CORPORATION, a Rhode Island corporation (the *"Lessor"*), Lessor's post office address being 50 Kennedy Plaza, Fifth Floor, Providence, Rhode Island 02903, and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION (the *"Security Trustee"*), whose post office address is 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department.

## RECITALS

A. The defined terms used in this Security Agreement shall have the respective meanings indicated in Section 1 and Annex 1 unless elsewhere defined or the context shall otherwise require.

B. The Lessor has entered into a Note Purchase Agreement dated as of December 1, 1995 (the *"Note Purchase Agreement"*) with the Note Purchaser or Note Purchasers named therein (collectively, the *"Note Purchaser"*), providing for the commitment of the Note Purchaser to purchase from the Lessor on three separate Closing Dates three separate series of secured notes of the Lessor. All such secured notes shall be substantially in the form of the secured note attached hereto as Exhibit A. Each Closing Date is to occur on the Delivery Date of one of three Groups of Equipment to be delivered and accepted under the Lease. The first such Delivery Date is to occur on December 13, 1995, or such date thereafter as is mutually agreeable to the Lessee, the Lessor and the Note Purchaser, and the secured notes to be issued and sold on such date shall be Series A Secured Notes (the *"Series A Notes"*). The second such Delivery Date is to occur on January 31, 1996, or such date thereafter as is mutually agreeable to the Lessee, the Lessor and the Note Purchaser, and the secured notes to be issued and sold on such date shall be Series B Secured Notes (the *"Series B Notes"*). The third and final Delivery Date is to occur on February 28, 1996, or such date thereafter as is mutually agreeable to the Lessee, the Lessor and the Note Purchaser, and the secured notes to be issued and sold on such date shall be Series C Secured Notes (the *"Series C Notes"*). The Series A Notes, Series B Notes and Series C Notes are hereinafter collectively referred to as the *"Notes"*, and each such series of Notes is referred to as a *"Series of Notes"*.

C. The Note Purchase Agreement provides for the issuance and sale of the Notes to enable the Lessor to finance a portion of the acquisition cost of Items of Equipment to be leased to the Lessee pursuant to the Lease. On each of the three Delivery Dates referred to in Recital B above, a portion of the Items of Equipment is to be acquired by the Lessor from the Manufacturer and concurrently delivered to and accepted by the Lessee under the Lease as evidenced by the execution of a Lease Schedule between the Lessor and the Lessee dated such Delivery Date which, among other things, more fully describes such Items of Equipment. Concurrently with the execution and delivery of the Lease Schedule on each Delivery Date, the Lessor and the Security Trustee shall execute and deliver a Supplement to this Security Agreement describing the Items of Equipment identified in such Lease Schedule, which Supplement shall be substantially in the form of Exhibit B hereto and which

shall confirm the inclusion of such Items of Equipment as Collateral under Division I hereof. Such Supplement shall further specify the per annum rate of interest applicable to the Series of Notes being issued on such Delivery Date and the applicable amortization schedule for the monthly payment of principal and interest to be paid on such Series of Notes, which interest rate and payment schedule shall likewise be reflected in the Series of Notes then being issued. Each such Series of Notes shall mature on the 179th monthly anniversary date of the first day of the month next following the date of its issuance, and shall be payable in one installment of interest only payable on such first day of the month next following such date of issuance, followed by 179 monthly installments of principal and interest payable on the first day of each month thereafter.

D. Those Items of Equipment which are described in the Lease Schedule and the Supplement to this Security Agreement on each Delivery Date shall constitute a group of Items of Equipment (a *"Group"* or *"Group of Equipment"*) under this Security Agreement and the Series of Notes which is issued on such Delivery Date shall be the Series of Notes which is related to such Group and the term "Related Notes" shall mean that Series of Notes which is so related to the Group of Equipment in question.

E. The proceeds of each Series of Notes are to be applied by the Lessor to finance a portion of the Lessor's Cost of the Group of Equipment to which such Series of Notes is related.

F. 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 to secure the Indebtedness Hereby Secured have been done and performed.

NOW, THEREFORE, the Lessor in consideration of the premises and of the sum of Ten Dollars received by the Lessor from the Security Trustee and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure (i) the payment of the principal of and premium, if any, and interest on the Notes according to their tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured, and (ii) the performance and observance by the Lessor of all the covenants and conditions contained in the Notes, this Security Agreement and the Note Purchase Agreement, hereby grants to the Security Trustee, its successors in trust and assigns, forever, a security interest in, all and singular, the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the *"Collateral"*):

## DIVISION I

Collateral includes each and all of the Items of Equipment described in any Supplement to this Security Agreement described in Recital C hereto, together with all additions, improvements, accessories, and appurtenances appertaining or attached to any such Item of Equipment, whether now owned or hereafter acquired by the Lessor, except such thereof as remain the property of the Lessee under the Lease, *subject, however*, to Permitted Encumbrances.

## DIVISION II

Collateral also includes all right, title, interest, claims and demands of the Lessor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Lessor as lessor under the Lease, including, without limitation, but subject always to the exceptions, reservations and limitations contained in the following section entitled "EXCEPTED RIGHTS IN COLLATERAL":

(1) the immediate and continuing right to receive and collect all Rent, including without limitation Rental Payments, Stipulated Loss Value payments, all payments due pursuant to the Early Purchase Option Rider, insurance proceeds, condemnation or governmental taking awards, payments in respect of warranty claims, and other payments, tenders and security now or hereafter payable to or receivable by the Lessor under the Lease pursuant thereto,

(2) the right to make all waivers and agreements and to enter into any amendments relating to the Lease and to give and receive duplicate copies of all notices and other instruments or communications, and

(3) the right to take such action upon the occurrence of an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, to give all notices of Default under the Lease, and to do any and all other things whatsoever which the Lessor is or may be entitled to do under the Lease.

## DIVISION III

Collateral also includes all right, title, interest, claims and demands of the Lessor in, to and under any and all contracts and agreements relating to any Items of Equipment or any rights or interests therein to which the Lessor is now or may hereafter be a party or has been granted rights therein by the Lessee, the Manufacturer or any other party, together with all rights, powers, privileges, options and other benefits of the Lessor thereunder (hereinafter collectively referred to as the *"Assigned Agreements"*).

It being the intent and purpose hereof that, subject always to the exceptions, reservations and limitations contained in the following section entitled "EXCEPTED RIGHTS IN COLLATERAL", the assignment and transfer to the Security Trustee of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Security Trustee shall have the right to collect and receive said Rent, and other sums for application in accordance with the provisions of Section 5 hereof at all times during the period from and after the date of this Security Agreement until the Indebtedness Hereby Secured has been fully paid and discharged.

## EXCEPTED RIGHTS IN COLLATERAL

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

(1) all rights to, payments of and provisions respecting any indemnity or other amount whether paid as Supplemental Rent or otherwise under Sections 16 or 33 of the Lease which by the terms of the Lease are payable to or for the benefit of the Lessor or its successors, assigns, agents, servants, officers, directors or employees for their respective accounts and, subject to the same limitations as are provided in paragraph (8) below, all other rights arising from any misrepresentation or breach of warranty by the Lessee under Section 33 of the Lease;

(2) any proceeds payable in respect of insurance policies maintained by the Lessee pursuant to Section 12 of the Lease which by the terms of such policies or the terms of the Lease are payable to or for the benefit of the Lessor for its own account and any proceeds payable in respect of insurance policies maintained by the Lessor separately for its own account;

(3) all rights of the Lessor under Section 14 of the Lease, including the right to receive repayments of advances made by the Lessor;

(4) whether or not an Event of Default under this Security Agreement has occurred and is continuing, the right at all times to receive all notices, certificates, opinions of counsel and other documents and information to be furnished to the Lessor under any of the Operative Agreements;

(5) all amounts of interest or late charges due and payable with respect to any of the Excepted Rights in Collateral;

(6) subject to clause (7) below, so long as no Event of Default under the Lease or under this Security Agreement shall have occurred and be continuing, all rights of the Lessor, as lessor under the Lease, to jointly with the Security Trustee, but not separately, enter into, execute and deliver any amendments, modifications, waivers or consents in respect of any provision of the Lease;

(7) whether or not an Event of Default under this Security Agreement has occurred and is continuing, all rights of the Lessor, as lessor under the Lease, to jointly with the Security Trustee, but not separately, enter into, execute and deliver any amendments, modifications, waivers or consents in respect of the Lease which would (i) reduce the amount or delay the time of the payment of any Rent, Stipulated Loss Value or damages payable thereunder, (ii) modify, waive or change any of the provisions of Sections 7, 8, 9, 11, 12, 16, 18, 22, 23 or 35 of the Lease in a manner

which would decrease the obligations of Lessee thereunder or (iii) increase the obligations of the Lessor under the Lease; *provided* that, so long as no Event of Default under this Security Agreement shall have occurred and be continuing, the Lessor shall have the exclusive right to exercise the rights of Lessor upon return of Equipment and to exercise the rights of Lessor under Section 19 of the Lease with respect to Lessee's renewal options; and *provided further* that at all times the Lessor shall have the right, to the exclusion of the Security Trustee, (i) to exercise any election or option to make any decision or determination or to give or receive any notice, consent, waiver or approval in respect of any Excepted Rights (including, without limitation, the right to modify or amend Section 33 of the Lease), (ii) except in connection with the exercise of remedies under Section 25 of the Lease, to approve appraisers with respect to matters relating to the Lessor's tax position or (iii) to approve attorneys and receive notices, certificates, reports, filings and opinions with respect to matters relating to the Lessor's tax position; and

(8) all rights of the Lessor under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Lessor on account of any Excepted Rights in Collateral *provided* that the rights excepted and reserved by this paragraph (8) shall not be deemed to include the exercise of any remedies provided for in Section 25 of the Lease, except that the Lessor may proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants and terms of Excepted Rights in Collateral or to recover damages for the breach thereof but not to terminate the Lease.

TO HAVE AND TO HOLD the Collateral unto the Security Trustee, its successors and assigns, forever, IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all present and future holders of the Notes without preference, priority or distinction of any Note over any other Note by reason of priority at the time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever; *provided always, however*, that these presents are upon the express condition that if (i) the Lessor shall pay or cause to be paid all the Indebtedness Hereby Secured, and (ii) the Lessor shall observe, keep and perform all the terms and conditions, covenants and agreements contained herein and in the Note Purchase Agreement and the Notes, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise, this Security Agreement shall, subject to Section 11.4, remain in full force and effect.

SECTION 1. DEFINITIONS.

The defined terms used in this Security Agreement shall have the respective meanings indicated in Annex 1 attached hereto unless otherwise defined or the context shall otherwise require.

SECTION 2. REGISTRATION OF NOTES.

*Section 2.1. Registration and Execution.* The Notes shall be signed on behalf of the Lessor by any person who, at the date of the actual execution of such Note, shall be a proper officer of the Lessor. Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto shall be entitled to the benefits of this Security Agreement or be valid or obligatory for any purpose. Such certificate by the Security Trustee upon any Note executed by the Lessor shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Security Agreement. The authentication by the Security Trustee of any Note issued hereunder shall not be construed as a representation or warranty by the Security Trustee as to the validity or security of this Security Agreement or of such Note, and the Security Trustee shall in no respect be liable or answerable for the use made of such Note or the proceeds thereof. The Security Trustee shall, upon presentation to it of Notes duly executed on behalf of the Lessor, authenticate such Notes upon the written request of the Lessor so to do and shall thereupon deliver such Notes to or upon the written order of the Lessor.

*Section 2.2. Payment of the Notes.* (a) The principal of, premium, if any, and interest on the Notes shall be payable at the principal corporate trust office of the Security Trustee, in lawful money of the United States of America. Payment of principal and interest on the Notes shall be made only upon presentment or surrender of the Notes to the Security Trustee for notation thereon of the amount of such payment. Final payment of any Note shall be made only against surrender of such Note to the Security Trustee at the principal office of the Security Trustee. Any payment or prepayment of amounts due on the Notes in accordance with the terms thereof and hereof which is due on a date which is not a Business Day shall be payable, without any additional interest or late charges on such payment or prepayment, on the next succeeding Business Day.

(b) Notwithstanding the foregoing provisions of paragraph (a) of this Section 2.2, if any Note is held by the Note Purchaser, any Affiliate of the Note Purchaser, any other institutional investor, any Affiliate of any other institutional investor or a nominee of any thereof, the Security Trustee shall, if so requested in writing by such holder (and Section 5 of the Note Purchase Agreement shall constitute such written request in the case of the Note Purchaser), make payment of interest on such Notes and shall make payments or prepayments (except in the case of a payment or prepayment which will discharge all indebtedness of the Lessor evidenced by such Note) of the principal thereof, and any premium, by check, duly mailed, by first-class mail, postage prepaid, or delivered to such holder at its address appearing on the Register as defined in Section 2.3 hereof and such holder (or the person for whom such holder is a nominee) will, before selling, transferring or otherwise disposing of such Note, make a notation on such Note of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof and will present such Note to the Security Trustee for transfer and notation as provided in Sections 2.4 and 2.5 hereof. All payments so made shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sums so paid. The Security Trustee will keep an accurate record of all payments made to the holders

of the Notes, whether such payments are made in person, by check or by wire transfer. The Security Trustee is authorized to act in accordance with the foregoing provisions and shall not be liable or responsible to any such holder or to the Lessor or to any other person for any act or omission on the part of the Lessor or such holder in connection therewith.

(c) So long as any Note is held by the Note Purchaser, any Affiliate of the Note Purchaser, any other institutional investor, any Affiliate of any other institutional investor or a nominee of any thereof, the Security Trustee will, upon written notice from any Note Purchaser or its nominee given not less than 20 days prior to the payment or prepayment of the Notes (and the instructions set forth in Schedule 1 to the Note Purchase Agreement shall constitute such notice with respect to the Note Purchaser) cause all subsequent payments and prepayments of the principal of, and interest and premium, if any, on the Notes held by such holder or its nominee to be made to any bank in the continental United States as shall be specified in such notice by wire transfer in immediately available Federal Reserve funds to such bank, on each such date such payment or prepayment is due, provided that such bank has facilities for the receipt of a wire transfer. The Security Trustee will transmit any such wire transfer, together with any and all amounts received by the Security Trustee and payable to the Lessor pursuant to the terms hereof from its offices not later than 12:00 noon, Salt Lake City, Utah, time, on each such date payment or prepayment is due, *provided* that the Security Trustee has received Federal Reserve or other funds current and immediately available on such date prior to 10:00 A.M., Salt Lake City, Utah time on such date. In the event that by reason of its negligence the Security Trustee does not transmit any such payment or prepayment to such Noteholder, the Lessor in immediately available funds on such date (or, if such date is not a Business Day, on the next succeeding Business Day without any additional interest or late charges on such payment or prepayment) by 12:00 noon, Salt Lake City, Utah time, the Security Trustee shall pay interest on such payment or prepayment at the Late Rate.

*Section 2.3. Registered Notes; The Register.* The Notes shall be issuable only as fully registered Notes in the form attached hereto as Exhibit A. The Lessor shall cause to be kept at the principal office of the Security Trustee a register for the registration and transfer of the Notes (herein called the "*Register*"). The names and addresses of the holders of the Notes, the transfers of the Notes and the names and addresses of the transferees of all Notes shall be registered in the Register.

*Section 2.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes.* (a) The holder of any Note may transfer such Note upon the surrender thereof at the principal office of the Security Trustee. Thereupon, the Lessor shall execute in the name of the transferee a new Note or Notes of the same Series and in an aggregate principal amount equal to the original principal amount of the Note so surrendered, and the Security Trustee shall authenticate and deliver such new Note or Notes to such transferee. By the acceptance of such Note or Notes, such transferee shall be deemed to have made the representation contained in the last sentence of Section 3.2 of the Note Agreement, or if such transferee is unable to make such representation, then such transferee shall, as a condition to such execution and authentication of such new Note or Notes, make such other representation as

shall reasonably confirm that the holding of such Note or Notes by such transferee shall not result in a violation of ERISA or the regulations issued thereunder.

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

(c) Unless specifically required by law, no notarial act shall be necessary for the transfer or exchange of any Note pursuant to this Section 2.4, and the holder of any Note issued as provided in this Section 2.4 shall be entitled to any and all rights and privileges granted under this Security Agreement to a holder of a Note.

(d) In case any Note shall become mutilated or be destroyed, lost or stolen, the Lessor, upon the written request of the holder thereof, shall execute and deliver a new Note in exchange and substitution for and of the same series as the mutilated Note, or in lieu of and in substitution for and of the same series as the Note so destroyed, lost or stolen. The applicant for a substituted Note shall furnish to the Lessor and to the Security Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, and the applicant shall also furnish to the Lessor and to the Security Trustee evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Note and of the ownership thereof. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Lessor may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note), if the applicant for such payment shall furnish to the Lessor and to the Security Trustee such security or indemnity as they may require to save them harmless, and shall evidence to the satisfaction of the Lessor and the Security Trustee the mutilation, destruction, loss or theft of such Note and the ownership thereof. If the Note Purchaser, any Affiliate of the Note Purchaser, any other institutional investor, any Affiliate of any other institutional investor, or a nominee of any thereof is the owner of any such lost, stolen or destroyed Note, then the affidavit of the president, vice president, treasurer or assistant treasurer of such holder setting forth the fact of loss, theft or destruction and of its ownership of the Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no security or indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such holder to indemnify the Lessor and the Security Trustee (including their attorneys' fees) for any claims or actions against them resulting from the issuance of such new Note.

*Section 2.5. The New Notes.* (a) Each new Note (herein, in this Section 2.5, called a *"New Note"*) issued pursuant to Section 2.4(a) or (d) hereof in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 2.5, called an "Old Note") shall be dated the date of such Old Note. The Security Trustee shall mark on each New Note (i) the date to which principal and interest have been paid on such Old Note, (ii)

all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) Upon the issuance of a New Note pursuant to Section 2.4(a) or (d) hereof, the transferring Noteholder shall be obligated to pay any tax or other governmental charges and expenses connected therewith and any other related charges, but not any charges of the Lessor or the Security Trustee or their respective counsel.

(c) All New Notes issued pursuant to Section 2.4(a) or (d) hereof in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Lessor evidencing the same debt as the Old Notes and shall be entitled to the benefits and security of this Security Agreement to the same extent as the Old Notes.

(d) Upon the issuance of any Note pursuant to this Security Agreement, the Lessor shall deliver to the Security Trustee two copies of an amortization schedule prepared by the Lessor with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment. The Security Trustee shall deliver, or send by first-class mail, postage prepaid, one copy of the applicable schedule to the holder of such Note.

*Section 2.6. Cancellation of Notes.* All Notes surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Security Trustee for cancellation and, if surrendered to the Security Trustee, shall be cancelled by it, and no Notes shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Security Agreement. The Security Trustee shall deliver a certificate to the Lessor specifying any cancellation of Notes which has been made, and all such cancelled Notes shall be delivered to or disposed of as directed by the Lessor.

*Section 2.7. Security Trustee as Agent.* The Security Trustee is hereby appointed the agent of the Lessor for the payment, registration, transfer and exchange of Notes. Subject to the provisions of Section 2.2 hereof, Notes may be presented for payment at, and notices or demands with respect to the Notes or this Security Agreement may be served or made at, the principal corporate trust office of the Security Trustee.

*Section 2.8. Ownership.* The person in whose name any Note shall be registered shall be deemed and treated as the owner thereof for all purposes of this Security Agreement and neither the Lessor nor the Security Trustee shall be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on

such Note shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Lessor and the Security Trustee may deem and treat the registered owner of any Note as the owner thereof without production of such Note.

SECTION 3. COVENANTS AND WARRANTIES OF THE LESSOR.

The Lessor covenants, warrants and agrees for the benefit of the Security Trustee and the holders of the Notes as follows:

*Section 3.1. Lessor's Duties.* The Lessor covenants and agrees well and truly to perform, abide by and be governed and restricted by each and all of its covenants and agreements set forth in the Note Purchase 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 its covenants and agreements were fully set out herein and as though any amendment or supplement to the Note Purchase Agreement were fully set out in an amendment or supplement to this Security Agreement.

*Section 3.2. Authorization of Lessor; Discharge of Liens.* The Lessor has the right, power and authority to grant a security interest in the Collateral to the Security Trustee for the uses and purposes herein set forth. The Lessor agrees that it will, in its individual capacity and at its own cost and expense, without regard to the provisions of Section 9 hereof, promptly take such action as may be necessary to duly discharge any liens and encumbrances on the Collateral which result from claims against the Lessor and not related to the transactions contemplated by the Operative Agreements or the ownership of the Equipment (the *"Lessor Liens"*) and further agrees to indemnify and hold harmless the Security Trustee and the Noteholder from and against any costs or expenses (including reasonable legal fees and expenses) incurred, in each case, as a result of the imposition or enforcement of any such Lessor Lien; *provided, however,* that any lien which is attributable solely to the Lessor and would otherwise constitute a Lessor Lien hereunder shall not constitute a Lessor Lien hereunder, so long as (a) the existence of such Lien poses no material risk of the sale, forfeiture or loss of the Collateral or any interest therein, (2) the existence of such Lien does not interfere in any way with the use or operation of the Equipment by Lessee, (3) the existence of such Lien does not affect the priority or perfection of, or otherwise jeopardize, the Lien of this Security Agreement, (4) Lessor is diligently contesting such Lien by appropriate proceedings, and (5) the existence of such Lien does not result in actual interruption in the receipt and distribution by the Security Trustee in accordance with this Security Agreement of Rent assigned to the Security Trustee for the benefit of the Noteholders. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Lessor is named and which the Lessor has signed, as debtor or mortgagor, now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

*Section 3.3. Further Assurances.* The Lessor will, at no expense to the Security Trustee, 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, and requested in writing by the Security Trustee.

*Section 3.4. After-Acquired Property.* Any and all property described or referred to in the granting clauses hereof which is hereafter acquired by the Lessor shall ipso facto, and without any further conveyance, assignment or act on the part of the Lessor or the Security Trustee, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 3.4 contained shall be deemed to modify or change the obligation of the Lessor under Section 3.3 hereof.

*Section 3.5. Recordation and Filing.* The Lessor will cause this Security Agreement and all supplements hereto, the Lease and all supplements thereto, the Assigned Agreements and all supplements thereto and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Security Trustee in such manner and in such place as may be requested in writing by the Security Trustee in order to fully preserve and protect the rights of the Security Trustee hereunder.

*Section 3.6. Actions of the Lessor in Respect of the Lease.* The Lessor will not:

(a) declare a default or exercise the remedies of the Lessor under the Lease, except in respect of Excepted Rights in Collateral (but with respect thereto only upon the terms and conditions expressly permitted in clause (8) of the section of the granting clauses of this Security Agreement entitled "EXCEPTED RIGHTS IN COLLATERAL"), or, except as specifically permitted as set forth in the definition of "Excepted Rights in Collateral," terminate, modify or accept a surrender of, or offer or agree to any termination, waiver, modification or surrender of, the Lease or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof; or

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

(c) except as provided in the Operative Agreements, sell, mortgage, transfer, assign or hypothecate (other than to the Security Trustee 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.

*Section 3.7. Power of Attorney in Respect of the Lease.* The Lessor does hereby irrevocably constitute and appoint the Security Trustee, its true and lawful attorney with full power of substitution, for it and in its name, place and stead to, upon the occurrence of an Event of Default under the Lease and while the same is continuing, ask, demand, collect, receive and receipt for any and all Rent and other sums which are assigned under the granting clauses hereof (it being understood and agreed that any Rent or other sums included within the definition of Excepted Rights in Collateral are not so assigned) and to endorse the name of the Lessor on all commercial paper given in payment or in part payment thereof, and to sue for, compound and give acquittance for, to settle, adjust or compromise any claim for any and all such Rent and other sums (other than Rent and other sums included within the definition of Excepted Rights in Collateral) as fully as the Lessor could itself do, 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 Lessor or otherwise, which the Security Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Security Trustee in and to such Rent and other sums and the security intended to be afforded hereby.

*Section 3.8. Notice of Default.* The Lessor further covenants and agrees that it will give the Security Trustee prompt written notice of any event or condition constituting an Event of Default under the Lease if a Responsible Officer of the Lessor has actual knowledge of such event or condition. The Security Trustee agrees that upon receipt of such notice, or in the event a Responsible Officer of the Security Trustee shall otherwise have actual knowledge of an event or condition constituting an Event of Default under the Lease or hereunder, it will give prompt written notice thereof to each Noteholder identified in the Register, the Lessee and, except as to a notice received from the Lessor, the Lessor.

SECTION 4. POSSESSION, USE AND RELEASE OF PROPERTY.

*Section 4.1. Possession of Equipment.* So long as no Event of Default under the Security Agreement shall have occurred and be continuing, the Lessor shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; *provided* always, that the possession, enjoyment, control and use thereof shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease or by any sublessee under a sublease permitted by Section 20 of the Lease shall not constitute a violation of this Section 4.1.

*Section 4.2. Release of Equipment — Event of Loss.* So long as no Default or Event of Default under the Lease shall have occurred and be continuing, the Security Trustee shall execute a release in respect of an Item of Equipment subject to an event of loss when instructed in writing by the Lessee for settlement pursuant to Section 11 of the Lease by written notice and upon receipt from the Lessee of all sums payable for such Item of Equipment in compliance with Section 11 of the Lease and Section 5.2 of this Security Agreement. The Security Trustee agrees to execute such instruments as the Lessor or the Lessee shall reasonably request to evidence such release and consents to all appropriate filings to confirm such release of public record.

*Section 4.3. Release of Equipment — Early Purchase Option.* So long as no Default or Event of Default under the Lease shall have occurred and be continuing, the Security Trustee shall execute a release in respect of a Group of Equipment which is purchased by the Lessee pursuant to the Early Purchase Option Rider which is attached to the Lease in accordance with the final paragraph of Section 18 thereof upon receipt from the Lessee of all sums payable for such Group of Equipment in compliance with said Early Purchase Option Rider and Section 6.3 of this Security Agreement. The Security Trustee agrees to execute such instruments as the Lessor or the Lessee shall reasonably request to evidence such release and consents to all appropriate filings to confirm such release of public record.

*Section 4.4. Release of Equipment — Consent of Noteholders.* The Lessor may sell or otherwise dispose of the Equipment then subject to the security interest of this Security Agreement and the Security Trustee shall release the same from the security interest 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 all the Indebtedness Hereby Secured.

*Section 4.5. Protection of Purchaser.* No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Security Trustee 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 the Equipment be under obligation to ascertain or inquire into the condition upon which any such sale is hereby authorized.

## SECTION 5. APPLICATION OF ASSIGNED RENT AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEE.

*Section 5.1. Application of Moneys.* As more fully set forth in the granting clauses hereof, the Lessor has hereby granted to the Security Trustee a security interest in Rent (other than Supplemental Rent constituting Excepted Rights in Collateral) due and to become due under the Lease in respect of the Equipment as security for the Notes. Except as provided in Sections 5.3 or 5.4 hereof:

(a) *Rental Payments.* The amounts from time to time received by the Security Trustee which constitute payment of the installments of Rental Payments under the Lease shall be applied *first*, to the payment of the installments of principal and interest on the Notes (and in each case first to interest and then to principal) which have matured or will mature on or before the due date of the installments of Rental Payments which are received by the Security Trustee, and *second*, the balance, if any, of such amounts shall be paid to or upon the order of the Lessor immediately upon the receipt thereof.

(b) *Supplemental Rent.* The amounts, if any, from time to time received by the Security Trustee which constitute payments of Supplemental Rent (other than payments of Stipulated Loss Value, amounts which are payable under the Early

Purchase Option Rider and any other amounts which are payable directly to the Security Trustee or the Noteholders) shall be paid to or upon the order of the Lessor.

(c) *Stipulated Loss Value Payments.* The amounts from time to time received by the Security Trustee which constitute payment by the Lessee of the Stipulated Loss Value of an Item of Equipment pursuant to Section 11 of the Lease shall be applied by the Security Trustee as follows:

(i) *First*, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Related Notes to be prepaid pursuant to subparagraph (c)(ii) to the extent such interest is not paid by the payment of Rental Payments due on such date;

(ii) *Second*, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment of the principal amount of the Related Notes so that each of the remaining installments of each Related Note shall be reduced in the proportion that the principal amount of the prepayment of principal bears to the unpaid principal amount of the Related Notes immediately prior to the prepayment; and

(iii) *Third*, the balance, if any, of such amounts held by the Security Trustee after making the payments provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Lessor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

The *"Loan Value"* in respect of any Item of Equipment shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Lessor's Cost of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Lessor's Cost of all Items of Equipment in the same Group as the Items of Equipment for which settlement is being made which are then subject to the Lease (including the Lessor's Cost of such Item of Equipment for which settlement is then being made), times (B) the unpaid principal amount of the Related Notes immediately prior to the prepayment provided for in this Section 5.1(c) (after giving effect to all payments of installments of principal made or to be made on the date of prepayment provided for in this Section 5.1(c)). *"Group"* and *"Related Notes"* shall have the meanings provided therefor in Recital D hereto.

(d) *Early Purchase Option Payments.* The amounts from time to time received by the Security Trustee which constitute payment by the Lessee in respect of a Group of Equipment pursuant to the Early Purchase Option Rider attached to the Lease in accordance with the final paragraph of Section 18 thereof or any other amount payable pursuant to said Rider shall be applied by the Security Trustee as follows:

(i) *First,* to the payment of the accrued and unpaid interest on the Related Notes to the extent such interest is not paid by the payment of Rental Payment due on such date;

(ii) *Second,* to the prepayment of the entire unpaid principal amount of the Related Notes, plus a prepayment premium equal to 1% of such principal amount then being prepaid; and

(iii) *Third,* the balance, if any, of such amounts held by the Security Trustee after making the payments provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Lessor on the date of payment of the amounts provided in the preceding clauses (i) and (ii).

(e) *Insurance Proceeds.* The amounts received by the Security Trustee in accordance with the terms of Section 12 of the Lease from time to time which constitute proceeds of insurance on account of or for any loss or damage in respect of the Equipment maintained pursuant to Section 12 of the Lease, shall be held by the Security Trustee as a part of the Collateral and shall be applied by the Security Trustee from time to time to any one or more of the following purposes:

(i) if the Equipment which was lost, damaged or destroyed is to be repaired or replaced, the insurance proceeds shall, so long as no Default or Event of Default under the Lease has occurred and is continuing, be released to the Lessee for such repair, restoration or replacement of the Equipment; or

(ii) if the Lease is terminated with respect to any Item or Items of Equipment in accordance with the provisions of Section 11 thereof and the Lessee has paid the Stipulated Loss Value of the subject Equipment, the insurance proceeds shall be released to the Lessee.

(f) *Condemnation Awards.* Any amounts received by or payable to the Security Trustee from time to time which constitute the award, compensation or damages payable for the condemnation or taking of any of the Items of Equipment for any public or quasi-public use (less the actual costs, fees and expenses incurred in the collection thereof) shall, so long as the Lessee has paid to the Security Trustee the Stipulated Loss Value thereof for application pursuant to Section 5.1(c), be released to or upon the joint order of the Lessee and the Lessor.

*Section 5.2. Multiple Notes.* If more than one Note or Related Note is outstanding at the time any such application is made to the Notes or the Related Notes, as the case may be, such application shall be made on all outstanding Notes or Related Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

*Section 5.3. Default.* (a) Except as provided in Section 5.3(b) or 5.4 hereof, if an Event of Default under this Security Agreement has occurred and is continuing, all amounts

received by the Security Trustee (other than any amounts received in respect of Excepted Rights in Collateral) shall be applied in the manner provided for in Section 7 hereof in respect of proceeds and avails of the Collateral.

(b) Notwithstanding anything to the contrary contained in the Operative Agreements, if a Default or Event of Default under the Security Agreement shall have occurred and be continuing, all amounts received by the Security Trustee that would otherwise be distributable to the Lessor shall be held by the Security Trustee pursuant to the Security Agreement as collateral security for the obligations secured hereby until the date (the *"Distribution Date"*) which is the earliest to occur of (i) the date on which the Security Trustee shall have actual knowledge that such Default or Event of Default shall have been cured, (ii) the date upon which the unpaid principal amount of the Notes shall have been declared to be immediately due and payable pursuant to Section 7.2(b), and (iii) if such Default or Event of Default results solely from a Default or Event of Default under the Lease, 180 days after the occurrence of such Default or Event of Default if the Security Trustee is not exercising remedies with respect to such Default or Event of Default under the Lease. If such Distribution Date occurs as a result of clause (ii) above, such amounts shall be applied pursuant to Section 7. If such Distribution Date occurs as a result of clauses (i) or (iii) above, such amounts shall be distributed in accordance with the provisions of Section 5.1(a) hereof.

(c) Any amounts held by the Security Trustee pursuant to this Section 5.3 shall be invested by the Security Trustee from time to time in Permitted Investments (as hereinafter defined) selected by the Security Trustee. Unless otherwise expressly provided in this Security Agreement, any income realized as a result of any such investment, net of the Security Trustee's reasonable fees and expenses in making such investment, shall be held and applied by the Security Trustee in the same manner as the principal amount of such investment is to be applied and any losses, net of earnings, shall be applied by the Security Trustee against the principal amount invested. The Security Trustee shall not be liable for any loss resulting from any investment required to be made by it under this Security Agreement other than by reason of its willful misconduct or negligence, and any such investment may be sold (without regard to its maturity) by the Security Trustee without instructions whenever the Security Trustee reasonably believes such sale is necessary to make a distribution required by this Security Agreement. Permitted Investments shall mean notes or securities maturing in one year or less issued by the U.S. Government or any agency thereof and in such event backed by the "full faith and credit" of the U.S. Government; *provided* that the Security Trustee shall use its best efforts to minimize possible break cost in selecting maturities for such investments.

*Section 5.4. Excepted Rights.* All amounts constituting Excepted Rights received by the Security Trustee shall be paid by the Security Trustee to the Person or Persons entitled thereto.

SECTION 6. PREPAYMENT OF NOTES; NOTICES.

*Section 6.1. Prepayments.* Neither any prepayment of any Notes nor any purchase by the Lessor of any Notes may be made except to the extent and in the manner expressly permitted by this Security Agreement. Every prepayment of Notes required or permitted to be made pursuant to Section 5 or Section 7 shall be made in accordance with the provisions of this Section 6.

*Section 6.2. Prepayment Pursuant to Section 11 of the Lease.* In the event of a termination of the Lease with respect to any Item or Items of Equipment by the Lessee pursuant to Section 11 of the Lease, on the date of such termination the Lessor shall prepay and apply, and there shall become due and payable, a principal amount of the Related Notes equal to the Loan Value, together with all accrued interest thereon to the date of prepayment, plus all other amounts then due to the holders of the Related Notes hereunder or under the Note Purchase Agreement.

*Section 6.3. Prepayment Pursuant to Early Purchase Option Rider to Lease.* In the event of a termination of the Lease with respect to any Group of Equipment by the Lessee pursuant to the Early Purchase Option Rider to the Lease, on the date of such termination the Lessor shall prepay and apply, and there shall become due and payable, the entire unpaid principal amount of the Related Notes, a prepayment premium equal to 1% of such prepaid principal amount, all accrued interest thereon to the date of prepayment, plus all other amounts then due to the holders of the Notes hereunder or under the Note Purchase Agreement.

*Section 6.4. Notice of Prepayment; Partial Prepayment; Deposit of Moneys.* (a) In the case of any prepayment of the Notes or Related Notes, as the case may be, notice thereof in writing to the holders of the Notes to be prepaid shall be sent by the Security Trustee as agent and attorney-in-fact of the Lessor by United States certified mail, postage prepaid, to the holder of each Note to be prepaid at its address set forth in the Register, at least thirty days prior to the date fixed for prepayment provided written notice to the Security Trustee of such prepayment has been received by the Security Trustee at least 45 days prior to the date fixed for prepayment; *provided* that no such notice shall be required of the Lessor in connection with any prepayment of the Notes pursuant to Section 5.1(c) or Section 7.3(b) hereof. Any notice so mailed shall be conclusively presumed to have been given to such holder whether or not such holder actually receives such notice. Such notice shall specify the date fixed for prepayment, the provision hereof under which such prepayment is being effected and that on the date fixed for prepayment there will become due and payable upon each Note or portion thereof so to be prepaid, at the place where the principal of the Notes to be prepaid is payable, the specified amount of principal thereof, together with the accrued interest to such date, and after such date interest thereon shall cease to accrue.

(b) In the event of any partial prepayment of the Related Notes, the aggregate principal amount of the Related Notes to be prepaid shall be prorated by the Security Trustee among the holders thereof in proportion to the unpaid principal amount of such Related Notes held by them, and the Security Trustee shall designate the portions of the Related Notes of each such holder to be prepaid.

(c) On or prior to the date fixed for any prepayment of Notes or Related Notes, as the case may be, the moneys required for such prepayment shall be deposited with the Security Trustee by the Lessor. Interest on any Note designated for prepayment or on any portion of the principal amount of any Note designated for prepayment shall cease upon the date fixed for prepayment unless default shall be made in the payment of the amount payable upon the prepayment thereof.

*Section 6.5. Amortization Schedules.* On the date of the partial prepayment of any Note, the Lessor shall deliver to the Security Trustee two copies of an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of such partial prepayment and the unpaid principal balance of such Note after each such installment payment. The Security Trustee shall deliver, or send by first-class mail, postage prepaid, one such copy of the applicable schedule to the holder of such Note.

*Section 6.6. Withholding Taxes.* The Security Trustee agrees to withhold, to the extent required by applicable law, from each payment due hereunder with respect to any Note held by a Non-U.S. Person, withholding taxes at the appropriate rate required under applicable law, and will, on a timely basis, deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, all in the manner required under applicable law. The Security Trustee shall promptly furnish to each affected Noteholder (but in no event later than the due date thereof) a U.S. Treasury Form 1042S and Form 8109-B (or similar forms at any relevant time in effect) indicating payment in full of any such withholding taxes withheld from any payments by the Security Trustee to such Persons together with all such other information and documents reasonably requested by the affected Noteholder necessary or appropriate to enable such affected Noteholder to substantiate a claim for credit or deduction with respect thereto for income tax purpose of the jurisdiction where such affected Noteholder is located. In the event that a Noteholder that is a Non-U.S. Person has furnished to the Security Trustee a duly exercised and properly completed U.S. Treasury Form W-8, 4224 or 1001 (or such successor form or forms as may be required by the United State Treasury Department), no withholding taxes shall be withheld by the Security Trustee from payments under the Note or Notes held by such Noteholder. Under no circumstances shall Lessor or Lessee have liability to cause any withholding of taxes with respect to any Note or Notes.

## SECTION 7. DEFAULTS AND REMEDIES.

*Section 7.1. Events of Default.* Any of the following occurrences or acts shall constitute an *"Event of Default"* under this Security Agreement:

(a) Subject to Section 7.3 hereof, default in payment of an installment of the principal of, premium, if any, or interest on, any Note when and as the same shall become due and payable and any such default shall continue unremedied for ten (10) consecutive days;

(b) Subject to Section 7.3 hereof, an Event of Default under the Lease shall have occurred and be continuing, other than an Event of Default in respect of, but solely in respect of, Excepted Rights in Collateral;

(c) Failure on the part of the Lessor in the due observance or performance of any covenant or agreement to be observed or performed by the Lessor under this Security Agreement or any of the other Operative Agreements, and such Default shall continue unremedied for ten (10) consecutive days after the earlier of (i) written notice thereof from the Security Trustee or any Noteholder to the Lessor and (ii) the date on which a Responsible Officer of the Lessor shall have actual knowledge of such Default; *provided* that, if such failure arises under Section 3.2 hereof and is capable of being remedied, no such failure shall constitute an Event of Default hereunder for a period of 30 days after such notice;

(d) Any representation or warranty on the part of the Lessor made herein or in any of the other Operative Agreements or in any report, certificate, financial or other statement furnished in connection with this Security Agreement or any of the other Operative Agreements or the transactions contemplated herein or therein, shall prove to have been false in any material respect when made or furnished;

(e) Lessor becomes insolvent or fails generally to pay its debts as such debts become due, or causes or suffers an order for relief to be entered against it under applicable Federal or state bankruptcy law, or makes an appointment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for Lessor or for the major part of its property;

(f) A custodian, trustee or receiver is appointed for Lessor or for the major part of its property and is not discharged within 60 days after such appointment; or

(g) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief of any bankruptcy law or similar law for the relief of debtors, are instituted by or against Lessor and, if instituted against Lessor, are consented to or are not dismissed within 60 days after such institution.

*Section 7.2. Security Trustee's Rights.* The Lessor agrees that when any Event of Default under this Security Agreement has occurred and is continuing, the Security Trustee shall, without limitation of all other rights and remedies available at law or in equity, have the rights, options, duties and remedies of a secured party, and the Lessor shall have the rights and duties of a debtor, under the Uniform Commercial Code of Rhode Island (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, 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) In the case of an Event of Default pursuant to Section 7.1(b), the Security Trustee may, and upon the written request of the holders of at least 35% in principal amount of the Notes then outstanding shall, after notice to the Lessor in accordance with Section 7.3, declare the Lease to be in default and may proceed to exercise all rights, privileges and remedies of the Lessor under the Lease and may exercise all such rights and remedies either in the name of the Security Trustee or in the name of the Lessor for the use and benefit of the Security Trustee;

(b) The Security Trustee may, and upon the written request of the holders of at least 35% in principal amount of the Notes then outstanding shall, after notice to the Lessor in accordance with Section 7.3, 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;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Security Trustee 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 Lessee or the Lessor 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 and may otherwise exercise any and all of the rights and powers of the Lessor in respect thereof;

(d) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Security Trustee 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 Lessor once at least 20 days prior to the date of such sale, and any other notice which may be required by law if said notice is insufficient, 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 Security Trustee 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; *provided, however,* that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and the Security Trustee or the holder or holders of any Notes, or of any interest therein, may bid and become the purchaser at any such sale; and

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Security Trustee 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 specific performance of any covenant or agreement

herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or, subject to the provisions of Section 9 hereof, for the recovery of judgment for the Indebtedness Hereby Secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

So long as no Event of Default under this Security Agreement has occurred and is continuing (other than an Event of Default under this Security Agreement resulting from an Event of Default under the Lease), it is understood and agreed that the Security Trustee shall not be entitled to proceed to foreclose the Lien of this Security Agreement unless it shall, to the extent that it is then entitled to do so hereunder and under the Lease, have exercised or be exercising one or more remedies referred to in Section 25 of the Lease (as it shall determine in its sole good faith discretion) for the purpose of terminating the Lease and repossessing the Equipment; *provided, however,* that the Security Trustee may proceed to foreclose the Lien of this Security Agreement if (i) the Security Trustee shall have been stayed or otherwise prevented by operation of law from exercising such remedies under the Lease for a continuous period of 180 days, or (ii) such stay or prevention no longer applies and the Lessee (or its bankruptcy trustee) has not assumed the Lease or entered into an agreement with the Security Trustee providing for the continued use of the Equipment by Lessee.

*Section 7.3. Certain Rights of the Lessor.* The Security Trustee shall give the holders of the Notes and the Lessor prompt written notice of any Event of Default under this Security Agreement of which the Security Trustee has knowledge and shall give the holders of the Notes and the Lessor not less than ten days prior written notice (the *"Enforcement Notice"*) of the date (the *"Enforcement Date"*) on which the Security Trustee will exercise any remedy or remedies pursuant to Section 7.2 hereof. If an Event of Default under this Security Agreement shall have occurred and be continuing the Lessor shall have the following rights hereunder:

(a) *Right to Cure.* In the event that as a result of the occurrence of an Event of Default in respect of the payment of Rental Payments under the Lease relating to a Group of Equipment, the Security Trustee shall have insufficient funds to pay any installment of principal and interest on any Related Note on the day it becomes due and payable then, so long as no Event of Default under this Security Agreement which is not concurrently being cured pursuant to the second paragraph of this Section 7.3(a) shall have occurred and be continuing (other than any such Default resulting from such failure), the Lessor may, but shall not be obligated to, pay to the Security Trustee prior to the Enforcement Date, an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Related Notes, and, unless the Lessor has cured the immediately preceding 12 monthly payments of Rental Payments relating to such Group of Equipment, or in the aggregate 24 previous Events of Default in respect of the payment of Rental Payments under the Lease relating to such Group of Equipment, such payment by such Lessor shall be deemed to cure any Event of Default which

would otherwise have arisen on account of the non-payment by the Lessee of such installment of Rental Payments under the Lease relating to such Group of Equipment.

In the event of the occurrence of an Event of Default under the Lease (other than a default in payment of Rental Payments) which can be cured by the payment of money, then, so long as no Event of Default under this Security Agreement which is not concurrently being cured pursuant to the first paragraph of this Section 7.3(a) shall have occurred and be continuing (other than any such Default resulting from such failure), the Lessor may, but shall not be obligated to, cure such Event of Default by making such payment prior to the Enforcement Date as is necessary to accomplish the observance or performance of the defaulted covenant, condition or agreement to the party entitled to the same; *provided* that the Lessor shall not have any such right to cure any such Event of Default if the amount of such payment when added to the amount of any prior payments made by the Lessor pursuant to this paragraph and unreimbursed by the Lessee would exceed $1,000,000.

Except as hereinafter in this Section 7.3(a) provided, the Lessor shall not, as a result of its exercising the right to remedy any such Event of Default, obtain any lien, charge or encumbrance of any kind on the Equipment or any Rent payable under the Lease for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Lessor against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Security Trustee in and to the Collateral. Upon such payment by the Lessor of the amount of principal and interest then due and payable on the Notes and all other amounts due and owing hereunder and under the other Operative Agreements, the Lessor shall be subrogated to the rights of the Security Trustee and the holders of the Notes in respect of any Rental Payment which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefore, if no other Event of Default under this Lease or the Security Agreement shall have occurred and be continuing and if all principal and interest payments due on the Notes have been paid at the time of receipt by the Security Trustee of such Rental Payments, the Lessor shall be entitled to receive such Rental Payments and such interest upon receipt thereof by the Security Trustee; *provided* that (i) in the event the principal and interest on the Notes shall have become due and payable pursuant to Section 7.2(b) hereof, such subrogation shall, until principal of and interest on all Notes shall have been paid in full, be subordinate to the rights of the Security Trustee and the holders of the Notes in respect of such payment of Rental Payments and such interest on such overdue Rental Payments prior to receipt by the Lessor of any amount pursuant to such subrogation, and (ii) the Lessor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

(b) *Option to Purchase Notes.* Whether or not the Lessor shall then have the right to cure an Event of Default under the Lease pursuant to Section 7.3(a) above, if (i) the unpaid principal amount of the Notes shall have been declared to be immediately due and payable pursuant to Section 7.2(b), or (ii) an Event of Default

under the Lease shall have occurred and be continuing, no Event of Default hereunder has occurred and is continuing except as a result thereof, and such Event of Default under the Lease and the absence of any Event of Default hereunder except as aforesaid shall continue for a period of more than 180 days during which the Security Trustee shall not have commenced the termination of the Lease or otherwise commenced the exercise of a remedy which is commercially reasonable taking into consideration the nature of the Event of Default under the Lease, or (iii) the Security Trustee terminates the Lease, repossesses the Equipment or commences legal proceedings to foreclose title to the Equipment hereunder, the Lessor may, in any such case, at its option purchase all of the Notes then outstanding within 30 days of any such event, by payment of the entire unpaid principal amount thereof, all accrued interest thereon to the date of prepayment and all other sums then due and payable to such holder hereunder or under the Note Purchase Agreement, the Lease or such Notes. The holders of the Notes agree that they will, upon receipt from the Lessor of an amount equal to the aggregate unpaid principal amount of all Notes, together with accrued interest thereon and all other Indebtedness Hereby Secured, forthwith sell, assign, transfer and convey to the Lessor (without recourse or warranty of any kind), all of the right, title and interest of the holders in and to this Security Agreement, the Lease and the Notes. If the Lessor shall so request, each holder will comply with all the provisions of Section 2.4 hereof to enable new Notes to be issued to the Lessor in such denominations as the Lessor shall request. All charges and expenses required pursuant to Section 2.5 hereof in connection with the issuance of any such new Note or Notes shall be borne by the Lessor.

*Section 7.4. Acceleration Clause.* In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon and all other sums required to be paid by the Lessor pursuant to this Security Agreement, shall at once become and be immediately due and payable; also, in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note or Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes so turned in, including principal and interest thereof, out of the net proceeds of such sale.

*Section 7.5. Waiver by Lessor.* To the extent now or at any time hereafter enforceable under applicable law, the Lessor covenants that it will not at any time insist upon or plead, or in any manner whatsoever 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 right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property or any part thereof sold pursuant to any provision herein contained, and hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Lessor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not

invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Security Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

*Section 7.6. Effect of Sale.* Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Lessor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Lessor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Lessor, its successors or assigns (subject, however, to the then existing rights, if any of the Lessee under the Lease).

*Section 7.7. 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 Security Trustee, or the holder or holders of the Notes, and to the payment of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) *Second*, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal and interest, but without premium; 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 with application on each Note to be made, first, to the unpaid interest thereof and second, to unpaid principal thereon; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid;

(c) *Third*, to the payment of any other amounts then due and payable to the holders of the Notes or the Security Trustee under any of the Operative Agreements; and

(d) *Fourth*, to the payment of the surplus, if any, to the Lessor.

*Section 7.8. Discontinuance of Remedies.* In case the Security Trustee 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, then and in every such case the Lessor, the Security Trustee and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

*Section 7.9. Cumulative Remedies.* No delay or omission of the Security Trustee or the holder of any Note to exercise any right or power arising from any default, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Security Trustee 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 therein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, Collateral or guaranty for the payment of the Indebtedness Hereby Secured operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Security Trustee or holder of any of the Notes be required to first look to, enforce or exhaust such other additional security, Collateral or guaranties.

SECTION 8. THE SECURITY TRUSTEE.

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

*Section 8.1. Duties of Security Trustee.* The Security Trustee undertakes (a) except while an Event of Default under this Security Agreement shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (b) while an Event of Default under this Security Agreement 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 their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Security Trustee upon receipt of instruments furnished to the Security Trustee pursuant to the provisions of this Security Agreement, shall examine the same to determine whether or not such instruments conform to the requirements of this Security Agreement.

*Section 8.2. 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 willful misconduct, except that:

(a) unless an Event of Default under this Security Agreement 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, Officer's Certificate, opinion of counsel, 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 but shall not be under any duty or obligation to 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 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;

(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) whether or not an Event of Default under this Security Agreement 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 hereunder and furnished, from time to time as it may require, with reasonable security and indemnity; and

(h) whether or not an Event of Default under this Security Agreement shall have occurred, whenever it is provided in this Security Agreement that the Security Trustee consents 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 60% in principal amount of the Notes

then outstanding 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 at least 60% in principal amount of the Notes from time to time outstanding 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.

*Section 8.3. No Responsibility of Security Trustee for Recitals.* The recitals and statements contained herein and in the Notes (except for the Security Trustee's certificate of authentication endorsed on the Notes) shall be taken as the recitals and statements of the Lessor, 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 Lessor 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 Lessor 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. The Security Trustee shall release no funds pursuant to the Operative Agreements unless said funds have been received by the Security Trustee pursuant to said Operative Agreements.

*Section 8.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification.* The Security Trustee agrees that it shall have no right against the Note Purchasers or any other holder of the Notes 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 Lessor under Section 2 of the Note Purchase Agreement for such payment and indemnification and that it shall have no rights against the Collateral for such compensation, expenses, disbursements and indemnification except to the extent provided for in Sections 7.7(a) and 8.2(h) hereof.

*Section 8.5. Status of Moneys Received.* Subject to Section 5.3 hereof, 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.

*Section 8.6. 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 Lessor or any affiliated corporation, or the Security Trustee may act as depositary or otherwise in respect to other securities of the Lessor or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

*Section 8.7. 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 Lessor and all holders of the Notes at the time outstanding, specifying a date (not earlier than 60 days after the date of such notice) when such resignation shall take effect; *provided* that in no event shall any such resignation be effective until a successor Security Trustee has been appointed pursuant to Section 8.9 hereof.

Such resignation shall take effect on the day on which a qualified successor Security Trustee shall have been appointed as provided in Section 8.9 and shall have accepted in writing its obligations hereunder.

*Section 8.8. 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 delivered to the Security Trustee with a copy to the Lessor, specifying the removal and the date when it shall take effect; *provided* that in no event shall any such removal be effective until a successor Security Trustee has been appointed pursuant to Section 8.9 hereof.

Such removal shall take effect on the day on which a qualified successor Security Trustee shall have been appointed as provided in Section 8.9 and shall have accepted in writing its obligations hereunder.

*Section 8.9. 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, by an instrument or instruments in writing executed by such holders and filed with such successor Security Trustee.

If a successor Security Trustee shall not be appointed pursuant to this Section within 60 days after notice of such resignation or removal or becoming incapable of acting, the Lessor 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 to act until such time, if any, as a successor shall have been appointed as above provided. Promptly after any such appointment, the Lessor or the retiring Security Trustee, as the case may be, shall give notice thereof by first-class mail, postage prepaid, to each holder of the Notes at the time outstanding. Any successor Security Trustee appointed by the Lessor or the retiring Security Trustee, as the case may be, shall immediately and without further act, be superseded by any successor Security Trustee appointed by a majority in aggregate principal amount of the Notes at the time outstanding.

*Section 8.10. Succession of Successor Security Trustee.* Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Lessor 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 Lessor 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 7.7(a) hereof.

*Section 8.11. 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 any State thereof, 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 8.7 hereof.

*Section 8.12. 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 8.11, 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.

*Section 8.13. 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 Lessor 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 Lessor and the Security Trustee may consider necessary or desirable. If the Lessor 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 under this Security Agreement shall have occurred and be continuing, the Security Trustee alone shall have power to make such appointment.

*Section 8.14. Warranties and Representations of the Security Trustee.* The Security Trustee warrants and represents for the benefit of the Lessor, the Note Purchasers and any other Noteholders that:

(a) The Security Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States and has the corporate power and authority to enter into and perform its obligations under this Security Agreement;

(b) This Security Agreement has been duly authorized, executed and delivered by the Security Trustee and constitutes a valid and binding obligation of the Security Trustee enforceable against the Security Trustee in accordance with the terms hereof;

(c) The execution and delivery of this Security Agreement and compliance by the Security Trustee with all of the provisions hereof do not and will not contravene any law of the United States or the State of Utah, or any order of any court or governmental authority or agency applicable to or binding on the Security Trustee or contravene the provisions of, or constitute a default under, its articles of association or its by-laws or any indenture, mortgage, contract or other agreement or instrument to which the Security Trustee is a party or by which the Security Trustee or any of its property may be bound or affected;

(d) There are no proceedings pending or, to the knowledge of the Security Trustee, threatened, and to the knowledge of the Security Trustee there is no existing basis for any such proceedings, against or affecting the Security Trustee in or before any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, might impair the ability of the Security Trustee to perform its obligations under this Security Agreement; and

(e) No authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body of the United States or the State of Utah is required for the due execution, delivery and performance by the Security Trustee of this Security Agreement; *provided* that the Security Trustee makes no representation or warranty with respect to compliance with Federal or state laws pertaining to the issuance and sale of securities or which govern the ownership or use of railroad rolling stock.

SECTION 9. LIMITATIONS OF LIABILITY.

Anything in this Security Agreement to the contrary notwithstanding, neither the Security Trustee, the holder of any Note nor the successors or assigns of any of said persons, shall have any claim, remedy or right to proceed against the Lessor or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Lessor, whether by virtue or any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of indebtedness evidenced by the Notes or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Security Agreement or the Notes, from any source other than the Collateral. The Security Trustee by the execution of this Security Agreement and the holders of the Notes by acceptance thereof, waive and release any liability of the Lessor in its general corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Lessor for and on account of such indebtedness or such liability, and the Security Trustee and the holders of the Notes agree to look solely to the Collateral for the payment of said indebtedness or the satisfaction of such liability; *provided*, however, nothing herein contained shall limit, restrict or impair the right of the Security Trustee to accelerate the maturity of the Notes upon an Event of Default under this Security Agreement; to bring suit and obtain a judgment against the Lessor on the Notes for purposes of realizing upon the Collateral or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral; *provided further* that nothing contained in this Section 9 shall limit the liability of the Lessor in its general corporate capacity for any breach of any covenant, warranty, agreement or indemnity obligation as set forth in Section 3.2 hereof or to limit the liability of the Lessor in its general corporate capacity for its gross negligence or willful misconduct.

SECTION 10. SUPPLEMENTAL SECURITY AGREEMENTS; WAIVERS.

*Section 10.1. Supplemental Agreements without Noteholders' Consent.* The Lessor and the Security Trustee from time to time and at any time, subject to the restrictions in this Security Agreement contained, may enter into an agreement or agreements supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

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

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

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

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

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

*Section 10.2. Waivers and Consents by Noteholders; Supplemental Agreements with Noteholders' Consent.* Upon the waiver or consent of the holders of at least 60% in aggregate principal amount of the Notes (a) the Lessor may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Security Agreement or any agreement supplemental hereto, or (b) the Lessor and the Security Trustee may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any agreement supplemental hereto or modifying in any manner the rights and obligations of the holders of the Notes and the Lessor; *provided*, that no such waiver or supplemental agreement shall (i) impair or affect the right of any holder to receive payments or prepayments of the principal of and payments of the interest and premium, if any, on its Note, as therein and herein provided, without the consent of such holder, (ii) permit the creation of any lien or security interest with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding, (iii) effect the deprivation of the holder of any Note of the benefit of the security interest of this Security Agreement upon all or any part of the Collateral without the consent of such holder, (iv) reduce the aforesaid percentage of the aggregate principal amount of Notes, the holders of which are required to consent to any such waiver or supplemental agreement pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, or (v) modify the rights, duties or immunities of the Security Trustee, without the consent of the holders of all of the Notes at the time outstanding.

*Section 10.3. Notice of Supplemental Security Agreements.* Promptly after the execution by the Lessor and the Security Trustee of any supplemental agreement pursuant to the provisions of Section 10.1 or 10.2 hereof, the Security Trustee shall give written notice, setting forth in general terms the substance of such supplemental agreement, together with a conformed copy thereof, mailed, first-class, postage prepaid, to each holder of the Notes at its address set forth in the Register. Any failure of the Security Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

*Section 10.4. Opinion of Counsel Conclusive as to Supplemental Security Agreements.* The Security Trustee is hereby authorized to join with the Lessor in the execution of any such supplemental agreement authorized or permitted by the terms of this Security Agreement and to make the further agreements and stipulations which may be therein contained, and the Security Trustee may receive an opinion of counsel as conclusive evidence that any supplemental agreement executed pursuant to the provisions of this Section 10 complies with the requirements of this Section 10.

SECTION 11. MISCELLANEOUS.

*Section 11.1. 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 Lessor or by or on behalf of the Security Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

*Section 11.2. Partial Invalidity.* The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 11.2 shall be construed to amend or modify the immunities of the Lessor in its general corporate capacity provided for in Section 9 hereof, or to amend or modify any limitations or restrictions of the Security Trustee or the holder of any Note or their respective successors or assigns under said Section 9.

*Section 11.3. Communications.* Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by a telecommunications device capable of creating a written record sent to the following addresses (and any such notice shall become effective upon receipt by the addressee or, if not actually received prior thereto, shall be deemed to have been received three Business Days after the date when it shall have been mailed by registered or certified mail, all charges prepaid) or at such other address as any such party may from time to time designate by written notice to the other parties named below:

| | |
|---|---|
| If to the Lessor: | Fleet Credit Corporation<br>50 Kennedy Plaza<br>Fifth Floor<br>Providence, Rhode Island 02903<br>Attention: Customer Accounts |
| If to the Security Trustee: | First Security Bank of Utah, National Association, as Security Trustee<br>79 South Main Street<br>Salt Lake City, Utah 84111<br>Attention: Corporate Trust Department |
| If to the Note Purchaser: | To the address listed on Schedule 1 to the Note Purchase Agreement |
| If to the Lessee: | Minnesota Corn Processors<br>400 W. Main Street, Suite 201<br>Marshall, MN 56258-1236<br>Attention: President and General Manager |

*Section 11.4. Discharge of Lien.* Upon presentation of satisfactory evidence that all Indebtedness Hereby Secured has been fully paid or discharged and all other amounts then due all holders of the Notes and the Security Trustee under this Security Agreement or under the Note Purchase Agreement or the Lease, the Security Trustee shall execute and deliver to, and as directed in writing by, the Lessor an appropriate instrument releasing the Equipment and all other items constituting Collateral from the lien of this Security Agreement, and this Security Agreement shall terminate. Thereupon the Security Trustee agrees to execute such instruments as the Lessor or the Lessee shall reasonably request to evidence such release and consents to all appropriate filings to confirm such release of public record.

*Section 11.5. 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.

*Section 11.6. Governing Law.* This Security Agreement shall be governed by an construed in accordance with the laws of the State of Rhode Island, except as otherwise required by mandatory provisions of law.

*Section 11.7. 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.

IN WITNESS WHEREOF, the Lessor has caused this Security Agreement to be executed and First Security Bank of Utah, National Association, 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, all as of the day and year first above written.

FLEET CREDIT CORPORATION

By _____
Its Vice President

OWNER AND LESSOR

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION

By _____
Its Authorized Officer

SECURITY TRUSTEE

IN WITNESS WHEREOF, the Lessor has caused this Security Agreement to be executed and First Security Bank of Utah, National Association, 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, all as of the day and year first above written.

FLEET CREDIT CORPORATION

By_____
Its Vice President

OWNER AND LESSOR

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION

By_____
Its Authorized Officer

SECURITY TRUSTEE

STATE OF RHODE ISLAND )
) SS
COUNTY OF Providence )

On this 8th day of December, 1995, before me personally appeared Steven L. Aalvik, to me personally known, who being by me duly sworn, says that he is a Vice President of FLEET CREDIT CORPORATION, that said instrument was signed 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.

Sandra Beaumont
Notary Public

(SEAL)

My commission expires April 25, 1996.

STATE OF UTAH )
) SS
COUNTY OF SALT LAKE )

On this ____ day of December, 1995, before me personally appeared, _____, to me personally known, who being by me duly sworn, says that he is a _____ of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION 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 and foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(SEAL)

My commission expires _____

STATE OF RHODE ISLAND )
) SS
COUNTY OF _____ )

On this ____ day of December, 1995, before me personally appeared Steven L. Aalvik, to me personally known, who being by me duly sworn, says that he is a Vice President of FLEET CREDIT CORPORATION, that said instrument was signed 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 _____

STATE OF UTAH )
) SS
COUNTY OF SALT LAKE )

On this 6th day of December, 1995, before me personally appeared, Brett R. King, to me personally known, who being by me duly sworn, says that he is a Trust Officer of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION 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 and foregoing instrument was the free act and deed of said corporation.

NOTARY PUBLIC
ANDREA FREDRICKSON
79 South Main 3rd Flr.
S.L.C., UT 84111
COMMISSION EXPIRES
JUNE 15, 1999
STATE OF UTAH

Andrea Fredrickson
Notary Public

(SEAL)

My commission expires _____

**FLEET CREDIT CORPORATION**

____% Series ___ Secured Note, Due _____

No. R- _____, 19___

$

FOR VALUE RECEIVED, the undersigned, FLEET CREDIT CORPORATION, a Rhode Island corporation (the *"Lessor"*), promises to pay to

or registered assigns,
the principal sum of

DOLLARS ($ )

together with interest from the date hereof until maturity at the rate of ____% per annum (computed on the basis of a 360-day year of twelve consecutive 30-day months) in installments as follows:

(a) one installment of interest only payable on _____, 1996; followed by

(b) one hundred seventy-eight (178) installments of principal and/or interest, each in the amount set forth in Schedule I attached hereto, each such installment payable on _____ 1, 1996 and on the 1st day of each month thereafter to and including _____ , 201__; followed by

(c) a final installment on _____, 201__in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date.

The Lessor further promises to pay interest at the Late Rate on each overdue installment of principal and (to the extent legally enforceable) upon each overdue installment of interest, in each case from and after the maturity of each such installment until paid. All payments of principal of and interest on this Note shall be made at the principal office of the Security Trustee, in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts. Any payment or prepayment of amounts due on this Note in accordance with the terms hereof and of the Security Agreement (as hereinafter defined) which is not a Business Day shall be payable, without any additional interest or late charges on such payment or prepayment, on the next succeeding Business Day.

This Note is one of the Lessor's ____% Series ___ Secured Notes due _____ (the *"Series ___ Notes"*) in an aggregate principal amount not exceeding $_____ which together with its Series ___ Secured Notes (the *"Series ___ Notes"*) in an aggregate principal amount not exceeding $_____, and its Series ____ Secured

Notes (the *"Series ___ Notes"*) in an aggregate principal amount not exceeding $_____ (the Series A Notes, the Series B Notes and the Series C Notes are hereinafter collectively referred to as the *"Notes"*) are (i) issued under and pursuant to the Note Purchase Agreement dated as of December ____, 1995 (the *"Note Purchase Agreement"*) among the Lessor and _____ and (ii) equally and ratably secured by that certain Security Agreement-Trust Deed dated as of December ____, 1995 (the *"Security Agreement"*) between the Lessor and First Security Bank of Utah, National Association (the *"Security Trustee"*), as supplemented and amended. Reference is made to the Security Agreement and all supplements and amendments thereto executed pursuant to the Security Agreement for a description of the Collateral, and the nature and extent of the security and rights of the Security Trustee, the holder or holders of the Notes and of the Lessor in respect thereof. Reference is made to that certain Supplement to Security Agreement-Trust Deed No. ____ dated as of the date of issuance of the original Series ____ Notes for a description of certain Items of Equipment which constitute a Group of Equipment under the Security Agreement and to which Group of Equipment the Series ___ Notes are related and treated as Related Notes for certain purposes under the Security Agreement.

This Note and said other Notes may be declared due prior to their expressed maturity date and certain prepayments (which are required to be applied ratably on all outstanding Notes) are required to be made thereon and optional prepayments may be made thereon, all in the events, on the terms and in the manner provided for in the Security Agreement.

The terms and provisions of the Security Agreement and the rights and obligations of the Lessor and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Security Agreement.

On and subject to the conditions contained in the Security Agreement, this Note is transferable by the registered holder hereof in person or by its duly authorized attorney on the Register (as defined in the Security Agreement) to be kept for that purpose at said principal office of the Security Trustee. On and subject to the conditions contained in the Security Agreement, this Note is exchangeable for Notes of other denominations. The Lessor and the Security Trustee may deem and treat the person in whose name this Note is registered on said Register as the absolute owner hereof (whether or not this Note shall be overdue) for the purpose of receiving payment and for all other purposes, and neither the Lessor nor the Security Trustee shall be affected by any notice to the contrary.

This Note shall not be valid until the certificate of authentication hereon shall have been signed by the Security Trustee.

This Note and the Security Agreement are governed by the laws of the State of Rhode Island.

Anything in this Note to the contrary notwithstanding, neither the Security Trustee nor any holder hereof, nor their respective successors or assigns shall have any claim, remedy or right to proceed against the Lessor or any incorporator or any past, present or

future subscriber to the capital stock of, or stockholder, officer, or director of the Lessor, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note or any sum owing under the Security Agreement from any source other than the Collateral (as defined in the Security Agreement). The Security Trustee and the holder of this Note by its acceptance hereof waive and release any liability of the Lessor in its general corporate capacity, and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Lessor for and on account of such indebtedness or such liability, and the Security Trustee and the holder of this Note agree to look solely to the Collateral for the payment of said indebtedness or the satisfaction of such liability; *provided, however*, nothing herein contained shall limit, restrict or impair the right of the Security Trustee to accelerate the maturity of this Note upon an Event of Default under the Security Agreement, to bring suit and obtain a judgment against the Lessor on this Note for purposes of realizing upon the Collateral or to exercise all rights and remedies provided under the Security Agreement or otherwise realize upon the Collateral; *provided further* that nothing contained herein shall be construed to limit the liability of the Lessor in its general corporate capacity for any breach of any covenant, warranty, agreement or indemnity obligation as set forth in Section 3.2 of the Note Purchase Agreement or to limit the liability of the Lessor in its general corporate capacity for its gross negligence or willful misconduct.

FLEET CREDIT CORPORATION

By_____
Its Vice President

## FORM OF SECURITY TRUSTEE'S CERTIFICATE

This is one of the Notes described in the within-mentioned Security Agreement.

_____, 199__.

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not in its individual capacity but solely as Security Trustee

By_____
Its Authorized Officer

## SUPPLEMENT TO SECURITY AGREEMENT-TRUST DEED NO. ____

SUPPLEMENT TO SECURITY AGREEMENT-TRUST DEED NO. ____ dated _____, 199__ (this *"Supplement No. ___"*) between FLEET CREDIT CORPORATION, a _____ corporation (the *"Lessor"*), and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, as Security Trustee (the *"Security Trustee"*).

### RECITALS

A. The Lessor has heretofore executed and delivered a Security Agreement-Trust Deed dated as of December ____, 1995 (the *"Security Agreement"*) to the Security Trustee as security for the payment in full of all principal of, and interest on all series of Notes of the Lessor more fully described therein not exceeding $_____ in aggregate principal amount.

B. The Security Agreement provides for the issuance thereunder of three separate Series of Notes and the execution and delivery in connection with each such series of a Supplement to the Security Agreement which shall more particularly describe certain Items of Equipment and which Items shall thereupon become a portion of the Collateral under the Security Agreement and shall constitute a Group of Equipment under the Security Agreement.

C. This Supplement No. ___ is executed and delivered in connection with the issuance under the Security Agreement on this date of the Series ___ Notes of the Lessor. The Series ___ Notes are related to the Group of Equipment which is comprised of those Items of Equipment which are described in this Supplement No. __ and the Series __ Notes are the Related Notes to said Group for all purposes of the Security Agreement.

D. The Lessor confirms that the per annum rate of interest applicable to and payable in respect of the Series ___ Notes is _____% and that the Series __ Notes shall be repaid as to principal and interest in accordance with the amortization schedule attached to this Supplement No. ___ as Schedule 1, and that such rate of interest and schedule of payments shall be reflected in the Series __ Notes as issued.

E. The Lessor desires to confirm that a security interest is granted by the Security Agreement and this Supplement No. ___ in respect of the Items of Equipment herein described and to constitute such Items as a Group of Equipment and to confirm that the Series __ Notes are the Related Notes to such Group.

F. All requirements of law have been fully complied with and all other acts and things necessary to make this Supplemental Security Agreement No. ___ a valid, binding and legal instrument according to its terms for the purposes herein expressed have been done and performed.

EXHIBIT B
(to Security Agreement-Trust Deed)

G. The terms which are capitalized herein shall have the same meaning as set forth in the Security Agreement unless otherwise defined herein or the context hereof shall otherwise require.

NOW, THEREFORE, the Lessor in consideration of the premises and of the sum of Ten Dollars received by the Lessor from the Security Trustee and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and interest on all Notes according to their tenor and effect and to secure the payment of all other indebtedness secured by the Security Agreement as supplemented hereby and the performance and observance of all the covenants and conditions contained in the Notes, the Security Agreement as supplemented hereby and the Note Purchase Agreement, does hereby grant a security interest in and does hereby assign to the Security Trustee and its assigns the following described properties, rights, interests and privileges, which shall thereupon and does hereby constitute a portion of the Collateral:

All Items of Equipment described in Schedule 2 to this Supplement No. _____, which Items of Equipment constitute the Group of Equipment as to which the Series _____ Notes are the Related Notes, but excluding, however, all Excepted Rights.

TO HAVE AND TO HOLD the Collateral unto the Security Trustee, its successors and assigns forever, upon the terms herein set forth, for the equal and proportionate benefit, security and protection of all present and future holders of the Notes outstanding under the Security Agreement, without preference, priority or distinction of any Note or any Series of Note over and any other Note or any Series of Note by reason of priority at the time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever, *provided, always, however,* that these presents are upon the express condition that if the Lessor shall pay or cause to be paid all the indebtedness secured by the Security Agreement as supplemented hereby and shall observe, keep and perform all the terms and conditions, covenants and agreements contained herein and in the Security Agreement and the Notes, then these presents and the estate hereby granted and conveyed shall cease and the Security Agreement as supplemented hereby shall become null and void; otherwise the Security Agreement as supplemented hereby shall remain in full force and effect.

This Supplemental Security Agreement No. __ shall be construed in connection with and as part of the Security Agreement and all terms, conditions and covenants contained in the Security Agreement except as herein modified shall be and remain in full force and effect.

This Supplemental Security Agreement No. __ may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original, but all together only one instrument.

IN WITNESS WHEREOF, the Lessor has caused this Supplement No. __ to be executed, all as of the day and year first above written.

FLEET CREDIT CORPORATION

By_____
Its Vice President

OWNER AND LESSOR

**SERIES ____ NOTES**
**AMORTIZATION SCHEDULE**

SCHEDULE 1
(to Supplement to Security Agreement-Trust Deed No. ____)

## DESCRIPTION OF GROUP OF EQUIPMENT
## RELATING TO
## SERIES ____ SECURED NOTES

The Group of Equipment which relates to the Series ____ Secured Notes consists of ____ 19,636 gallon, 110 ton, lined tank railcars, DOT _____, manufactured by Trinity Industries, Inc., Spec. No. _____, which bear the following reporting mark and numbers:

| REPORTING MARK | CAR NUMBERS |
|---|---|

SCHEDULE 2
(to Supplement to Security Agreement-Trust Deed No. __)

DEFINITIONS

Re: MINNESOTA CORN PROCESSORS

ANNEX 1

[Fleet/MIMLIC-A]

452536.01.03
1415975

## TABLE OF CONTENTS

(Not a part of the Agreement)


| HEADING | PAGE |
|---|---|
| GENERAL PROVISIONS | 1 |
| DEFINED TERMS | 1 |
| Affiliate | 1 |
| Assigned Agreement | 1 |
| Bankruptcy Code | 1 |
| Bill of Sale | 1 |
| Business Day | 1 |
| Closing Date | 1 |
| Code | 1 |
| Collateral | 2 |
| Default under the Lease | 2 |
| Default under the Security Agreement | 2 |
| Delivery Date | 2 |
| Early Purchase Option Rider | 2 |
| Enforcement Date | 2 |
| Enforcement Notice | 2 |
| Equipment | 2 |
| ERISA | 2 |
| Event of Default under the Lease | 2 |
| Event of Default under the Security Agreement | 2 |
| Excepted Rights in Collateral | 2 |
| Group" or "Group of Equipment | 2 |
| ICC | 2 |
| Indebtedness Hereby Secured | 3 |
| Late Rate | 3 |
| Lease | 3 |
| Lease Schedules | 3 |
| Lessee | 3 |
| Lessor | 3 |
| Lessor Agreements | 3 |
| Lessor's Cost | 3 |
| Lessor's Interest | 3 |
| Lien | 3 |
| Loan Value | 3 |
| Manufacturer | 3 |
| Master Lease | 3 |
| Note and Notes | 4 |

Noteholder ..... 4
Note Purchase Agreement ..... 4
Note Purchaser ..... 4
Notice and Acknowledgment of Assignment ..... 4
Officer's Certificate ..... 4
Operative Agreements ..... 4
Permitted Encumbrances ..... 5
Person ..... 5
Prime Rate ..... 5
Register ..... 5
Rent ..... 5
Rental Payments ..... 5
Responsible Officer of the Lessor ..... 5
Responsible Officer of the Security Trustee ..... 5
Security ..... 5
Security Agreement ..... 5
Security Trustee ..... 5
Series A, B and C Notes ..... 5
Series of Notes ..... 6
Stipulated Loss Value ..... 6
Supplement ..... 6
Supplemental Rent ..... 6

## DEFINITIONS

Re: Minnesota Corn Processors

GENERAL PROVISIONS

The following terms shall have the following meanings for all purposes of the Operative Agreements referred to below, unless otherwise defined in an Operative Agreement or the context thereof shall otherwise require. In the case of any conflict between the provisions of this Definition Annex and the provisions of the main body of any Operative Agreement, the provisions of the main body of such Operative Agreement shall control the construction of such Operative Agreement.

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended and supplemented from time to time, and (ii) references to parties to agreements shall be deemed to include the successors and permitted assigns of such parties.

DEFINED TERMS

*"Affiliate"* shall mean any Person who or which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, another Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, firm or corporation, whether though the ownership of voting securities, by contract or otherwise.

*"Assigned Agreement"* shall mean any agreement referred to in Division III of the Granting Clauses of the Security Agreement.

*"Bankruptcy Code"* shall mean the Federal Bankruptcy Code as amended from time to time, 11 U.S.C. ¶101 *et seq.*

*"Bill of Sale"* shall mean any Bill of Sale from the Manufacturer to the Lessor pursuant to which the Manufacturer shall convey to the Lessor title to any Item of Equipment.

*"Business Day"* shall mean any day other than a Saturday, Sunday or other day on which banking institutions in the State of Rhode Island or Utah are authorized or required to be closed.

*"Closing Date"* shall be the dates specified in, or shall otherwise be determined in accordance with, Section 1.1(a) of the Note Purchase Agreement.

*"Code"* shall mean the Internal Revenue Code of 1986, as amended, and any successor code.

*"Collateral"* shall have the meaning specified in the Granting Clauses of the Security Agreement.

*"Default"* under the Lease shall mean any event which would constitute an Event of Default under the Lease if any requirement in connection therewith for the giving of notice or the lapse of time, or both, had been satisfied.

*"Default"* under the Security Agreement shall mean any event which would constitute an Event of Default under the Security Agreement if any requirement in connection therewith for the giving of notice, or the lapse of time, or both, had been satisfied.

*"Delivery Date"* shall mean the date on which a Group of Equipment shall be delivered and accepted by the Lessee under the Lease, which date shall be the Closing Date with respect to such Group under the Note Purchase Agreement.

*"Early Purchase Option Rider"* shall mean the Early Purchase Option Rider attached to the Lease pursuant to the final paragraph of Section 18 of the Lease.

*"Enforcement Date"* shall have the meaning specified in Section 7.3 of the Security Agreement.

*"Enforcement Notice"* shall have the meaning specified in Section 7.3 of the Security Agreement.

*"Equipment"* shall mean collectively those tank railcars (and *"Item"* or *"Item of Equipment"* shall mean individually each railcar) described in any Lease Schedule and any Supplement to the Security Agreement, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed on any item thereof which are the property of the Lessor pursuant to the terms of the Lease.

*"ERISA"* shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor law.

*"Event of Default"* under the Lease is defined in Section 24 thereof.

*"Event of Default"* under the Security Agreement is defined in Section 7.1 thereof.

*"Excepted Rights in Collateral"* shall have the meaning specified in the Granting Clauses of the Security Agreement.

*"Group"* or *"Group of Equipment"* shall have the meaning specified in Recital D of the Security Agreement and the Items of Equipment which constitute such Group shall be identified in the applicable Supplement.

*"ICC"* means the Interstate Commerce Commission or any successor thereto.

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

*"Late Rate"* shall mean interest at the annual rate equal to the Prime Rate plus 2%; *provided* that, in respect of any payment in respect to any series of Notes, *"Late Rate"* shall mean the per annum rate of interest applicable to such series plus 2%.

*"Lease"* shall mean the Lease Schedules and the Master Lease together with the Notice and Acknowledgment of Assignment, and as the same or any thereof may be amended or supplemented from time to time.

*"Lease Schedules"* shall mean any Lease Schedule delivered pursuant to the Master Lease between the Lessor, as lessor, and the Lessee, as lessee and shall include any supplement, amendment or restatement thereof.

*"Lessee"* shall mean Minnesota Corn Processors, a Minnesota corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all of the assets thereof.

*"Lessor"* shall mean the Fleet Credit Corporation, a Rhode Island corporation, and any permitted successor or assign pursuant to Section 3.3(a) of the Note Purchase Agreement.

*"Lessor Agreements"* shall mean those Operative Agreements to which the Lessor is a party.

*"Lessor's Cost"* shall mean, for each Item of Equipment, the purchase price paid by the Lessor to the Manufacturer pursuant to the Note Purchase Agreement for all of the Items of Equipment on a Lease Schedule divided by the number of Items on such Schedule.

*"Lessor's Interest"* shall mean Lessor's ownership interest in the Equipment and its rights and interests under the Lease and the Assigned Agreements.

*"Lien"* shall mean any mortgage, pledge, security interest, lien, encumbrance or other charge of any kind on property.

*"Loan Value"* shall have the meaning specified in Section 5.1(c) of the Security Agreement.

*"Manufacturer"* shall mean Trinity Industries, Inc.

*"Master Lease"* shall mean that certain Master Equipment Lease Agreement as of dated as of December 1, 1995 between Lessor, as lessor and the Lessee, as lessee

*"Note"* shall mean any of, and *"Notes"* shall mean all of, the then outstanding Notes, and "outstanding", when used with reference to Notes shall mean, as of any particular time, all Notes delivered by the Lessor and secured by the Security Agreement, including each and every Series of Notes, except:

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

(b) Notes for the payment or prepayment of which moneys in the necessary amount shall have been deposited in trust with the Security Trustee; *provided* that if such Notes are to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as provided in Section 6.4 of the Security Agreement, or provision satisfactory to the Security Trustee shall have been made for giving such notice; and

(c) Notes in lieu of or in substitution for which other Notes shall have been delivered pursuant to the terms of Section 2.4 of the Security Agreement.

*"Noteholder"* shall mean the holder of any Note issued and outstanding under the Security Agreement.

*"Note Purchase Agreement"* shall mean the Note Purchase Agreement dated as of December 1, 1995 between the Lessor and the Note Purchaser.

*"Note Purchaser"* shall mean any Note Purchaser or collectively all Note Purchasers named in Schedule 1 to the Note Purchase Agreement, as the context shall require.

*"Notice and Acknowledgment of Assignment"* shall mean that certain Notice and Acknowledgment of Assignment executed and delivered pursuant to Section 4(b) of the Note Purchase Agreement.

*"Officer's Certificate"* shall mean a certificate signed in the case of a corporation by the Chairman of the Board, the President or any Vice President, the Treasurer or an Assistant Treasurer of such corporation, in the case of a partnership by the Chairman of the Board, the President or any Vice President, the Treasurer or an Assistant Treasurer of a corporate general partner, and in the case of a commercial bank or trust company, the Chairman or Vice Chairman of the Executive Committee, or the Treasurer, any Trust Officer, any Vice President, any Executive or Senior or Second or Assistant Vice President, Secretary or Assistant Secretary, or any other officer or assistant officer customarily performing the functions similar to those performed by the Persons who at the time shall be such officers, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

*"Operative Agreements"* shall mean and include the Note Purchase Agreement, the Bills of Sale, the Notice and Acknowledgment of Assignment, the Lease, the Notes outstanding at the time of reference and the Security Agreement.

*"Permitted Encumbrances"* shall mean (i) the lien of the Security Agreement, (ii) the interest of the Lessee under the Lease and (iii) the interest of any assignee or sublessee pursuant to and in accordance with Section 20 of the Lease.

*"Person"* shall mean an individual, partnership, corporation, firm, trust or unincorporated organization, and a government or agency or political subdivision thereof.

*"Prime Rate"* shall mean for any day the rate announced by Fleet National Bank, National Association, from time to time as its prime rate for domestic (United States) commercial loans in effect on such day (such Prime Rate is not necessarily intended to be the lowest rate of interest charged by Fleet National Bank, National Association in connection with the extensions of credit).

*"Register"* shall mean the register caused to be kept by the Lessor at the principal office of the Security Trustee for the purpose of recording the registration and transfer of the Notes.

*"Rent"* shall mean all Rental Payments and Supplemental Rent.

*"Rental Payments"* shall mean the rent payable pursuant to Section 4 of the Lease as more specifically described in paragraphs 9 and 14 of the Lease Schedules.

*"Responsible Officer"* of the Lessor shall mean any officer of the Lessor.

*"Responsible Officer"* of the Security Trustee shall mean the President, any Vice President, Trust Officer, Corporate Trust Officer or any other Officer of the Corporate Trust department of the Security Trustee.

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

*"Security Agreement"* shall mean the Security Agreement - Trust Deed dated as of December 1, 1995 between the Lessor, as debtor, and the Security Trustee, as secured party, as amended or supplemented from time to time.

*"Security Trustee"* shall mean First Security Bank of Utah, National Association and its successors in trust not in its individual capacity but solely as security trustee under the Security Agreement.

*"Series A Notes"* shall mean the Series A Secured Notes of the Lessor issued on the first Closing Date under the Security Agreement as provided in Section 1.1(a) of the Note Purchase Agreement, *"Series B Notes"* shall mean the Series B Secured Notes of the Lessor as so issued on the second Closing Date and *"Series C Notes"* shall mean the Series C Secured Notes of the Lessor as so issued on the third and final Closing Date.

*"Series of Notes"* shall mean each of the series of Series A Notes, Series B Notes and Series C Notes.

*"Stipulated Loss Value"* of an Item as of any payment date shall mean the amount determined in accordance with Section 11 of the Lease and the related Lease Schedule.

*"Supplement"* shall mean any Supplement to Security Agreement-Trust Deed executed and delivered by the Lessor pursuant to the Security Agreement.

*"Supplemental Rent"* shall mean all amounts, liabilities and obligations which the Lessee is obligated to pay under the Lease, including, but not limited to, Stipulated Loss Value and payments under Sections 13, 16 and 33 of the Lease.