

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567
312-558-1000

TWX NUMBER
910-227-1154
TELECOPIER
312-750-8600

SUSAN G. LICHTENFELD

February 25, 1992

2-058A 17717

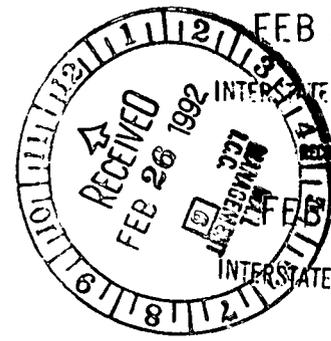
FEB 27 1992 - 3 20 PM

INTERSTATE COMMERCE COMMISSION
NEW YORK, NEW YORK 10017-4608
212-949-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
201-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, D.C. 20423



FEB 27 1992 - 3 20 PM

INTERSTATE COMMERCE COMMISSION

17717-1

FEB 27 1992 - 3 20 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are four fully executed and acknowledged copies of the Security Agreement-Trust Deed (the "Security Agreement"), dated as of February 1, 1992, between First Security Bank of Utah, National Association, as Owner-Trustee under Cypress Equipment Fund, Ltd. Trust No. 92-1, and State Street Bank and Trust Company of Connecticut, National Association, as Security Trustee, a primary document, as defined in the Commission's Rules for the Recordation of Documents.

Also enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are four fully executed and acknowledged copies of the Security Agreement-Trust Deed Supplement No. 1 (the "Supplement") dated February 25, 1992 between First Security Bank of Utah, National Association, as Owner-Trustee under Cypress Equipment Fund, Ltd. Trust No. 92-1, and State Street Bank and Trust Company of Connecticut, National Association, as Security Trustee, a secondary document as defined in the Commission's Rules for the Recordation of Documents. The Supplement relates to the above-described Security Agreement.

Country Parts

EB 27 3 15 PM '92

Mr. Sidney L. Strickland, Jr.
February 25, 1992
Page 2

The names and addresses of the parties to the enclosed Security Agreement and Supplement are:

Owner-Trustee: First Security Bank of Utah,
(Debtor) National Association, as Owner-
Trustee under Cypress Equipment
Fund, Ltd. Trust No. 92-1
79 South Main Street
Salt Lake City, Utah 84111

Security Trustee: State Street Bank and Trust Company
(Secured Party) of Connecticut, National Association
750 Main Street
Suite 1114
Hartford, CT 06103

A description of the railroad equipment covered by the enclosed documents is 23 SD-45 locomotives bearing marks and numbers SP 6767 through 6773, SP 6775 through 6780, SP 7489 through SP 7492, SP 7495 through SP 7498, and SP 7565 through SP 7566, all inclusive.

Also enclosed are two checks in the amount of \$16.00 each payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return three stamped original copies of each of the enclosed documents and the stamped photostatic copy of this letter to the messenger for delivery to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed two documents:

Primary Document to be Recorded

Security Agreement-Trust Deed, dated as of February 1, 1992, between First Security Bank of Utah, National Association, as Owner-Trustee under Cypress Equipment Fund, Ltd. Trust No. 92-1 (Debtor), and State Street Bank and Trust Company of Connecticut, National Association, as Security Trustee (Secured Party).

Mr. Sidney L. Strickland, Jr. .
February 25, 1992
Page 3

Secondary Documents to be Recorded

Security Agreement-Trust Deed Supplement No. 1, dated February 25, 1992, between First Security Bank of Utah, National Association, as Owner-Trustee under Cypress Equipment Fund, Ltd. Trust No. 92-1 (Debtor), and State Street Bank and Trust Company of Connecticut, National Association, as Security Trustee (Secured Party).

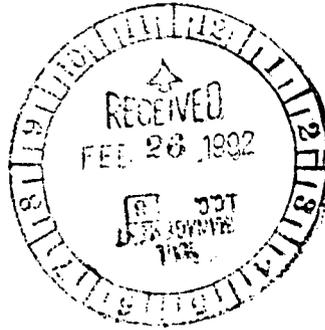
Very truly yours,


Susan E. Lichtenfeld

SGL:ed
w/encl.

cc: Robert W. Kleinman

CEF2
S/ED



REGISTRATION NO. 17718 FEB 1992

FEB 27 1992 - 3 20 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT-TRUST DEED

Dated as of February 1, 1992

Between

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION
as Owner-Trustee under Cypress Equipment Fund, Ltd.
Trust No. 92-1

and

STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, NATIONAL ASSOCIATION

TABLE OF CONTENTS

<u>SECTION</u>	<u>HEADING</u>	<u>PAGE</u>
PARTIES		1
RECITALS		1
1.	GRANT OF SECURITY	1
1.1	Equipment Collateral	2
1.2	The Lease	2
1.3	Assigned Agreements	3
1.4	Excepted Rights in Collateral	4
1.5	Duration of Security Interest	5
2.	EXECUTION, PAYMENT REGISTRATION, ETC. OF NOTES ..	5
2.1	Execution of Notes; Maximum Principal Amount; Calculation of Principal and Interest	5
2.2	Payment of Notes	6
2.3	The Register	7
2.4	Transfers and Exchanges of Notes; Lost or Mutilated Notes	7
2.5	The New Notes	8
2.6	Cancellation of Notes	9
2.7	Security Trustee as Agent	9
2.8	Ownership	9
2.9	Costs and Expenses of Issuance of New Notes	9
3.	COVENANTS AND WARRANTIES OF THE OWNER-TRUSTEE	9
3.1	Owner-Trustee's Duties	10
3.2	Warranty	10
3.3	Further Assurances	10
3.4	After-Acquired Property	11
3.5	Recordation and Filing	11
3.6	Actions with Respect to Collateral	11
3.7	Power of Attorney in Respect of the Lease ...	12
3.8	Notice of Default	12

4.	POSSESSION, USE AND RELEASE OF PROPERTY	12
4.1	Possession of Collateral	12
4.2	Release of Collateral - Casualty or Early Termination	12
4.3	Release of Collateral - Expiration of Lease Term	13
4.4	Protection of Purchaser	13
5.	APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURITY TRUSTEE	13
5.1	Application of Rents and Other Payments	13
5.2	Multiple Notes	15
5.3	Default	15
6.	PREPAYMENT OF NOTES	15
7.	DEFAULTS AND OTHER PROVISIONS	16
7.1	Events of Default	16
7.2	Security Trustee's Rights	17
7.3	Certain Rights of the Owner-Trustee	19
7.4	Acceleration Clause	21
7.5	Waiver by Owner-Trustee	21
7.6	Effect of Sale	22
7.7	Application of Proceeds	22
7.8	Discontinuance of Remedies	23
7.9	Cumulative Remedies	23
8.	THE SECURITY TRUSTEE	24
8.1	Duties of Security Trustee	24
8.2	Security Trustee's Liability	24
8.3	No Responsibility of Security Trustee for Recitals	27
8.4	Certain Limitations on Security Trustee's Rights to Compensation and Indemnification ..	27
8.5	Status of Moneys Received	27
8.6	Resignation of Security Trustee	28
8.7	Removal of Security Trustee	28
8.8	Appointment of Successor Security Trustee ...	29
8.9	Succession of Successor Security Trustee	29
8.10	Eligibility of Security Trustee	29
8.11	Successor Security Trustee by Merger	30
8.12	Co-Trustees	30
9.	LIMITATIONS OF LIABILITY	30

10. SUPPLEMENTS; WAIVERS	31
10.1 Supplemental Security Agreements Without Noteholders' Consent	31
10.2 Waivers and Consents by Noteholders; Supple- mental Security Agreements with Noteholders' Consent	32
10.3 Notice of Supplemental Security Agreements .	33
10.4 Opinion of Counsel Conclusive as to Supple- mental Security Agreements	33
11. MISCELLANEOUS	33
11.1 Successors and Assigns	33
11.2 Severability	33
11.3 Communications	34
11.4 Release	35
11.5 Governing Law	35
11.6 Counterparts	35
11.7 Headings	35

ATTACHMENTS TO SECURITY AGREEMENT-TRUST DEED

SCHEDULE 1 TO SECURITY AGREEMENT-TRUST DEED
SCHEDULE 2 TO SECURITY AGREEMENT-TRUST DEED (PART 1)
SCHEDULE 2 TO SECURITY AGREEMENT-TRUST DEED (PART 2)
EXHIBIT A TO SECURITY AGREEMENT-TRUST DEED
AUTHENTICATION CERTIFICATE
EXHIBIT B TO SECURITY AGREEMENT-TRUST DEED

SECURITY AGREEMENT-TRUST DEED

THIS SECURITY AGREEMENT-TRUST DEED dated as of February 1, 1992 (the "Security Agreement") is between FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely in its capacity as trustee (the "Owner-Trustee") under the Cypress Equipment Fund, Ltd. Trust No. 92-1, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (the "Security Trustee"). The post office addresses of the Owner-Trustee and the Security Trustee are set forth in Section 11.3.

R E C I T A L S:

A. The capitalized terms used in this Security Agreement shall have the meanings specified in Annex 1 hereto unless otherwise herein defined or the context hereof shall otherwise require.

B. The Owner-Trustee, the Trustor, the Note Purchaser and the Security Trustee have entered into a Participation Agreement providing for the commitment of the Note Purchaser to purchase on the Equipment Closing Date, Notes of the Owner-Trustee in an aggregate principal amount not to exceed \$5,169,432.80. The Notes are to be dated the date of issue, are to be in registered form and shall bear interest at such rate, be payable as to principal, premium, if any, and interest on such date or dates, and shall contain such other terms and provisions as shall be set forth in this Security Agreement and in the form of Note attached hereto as Exhibit A.

C. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Owner-Trustee under the terms of the Notes, this Security Agreement or the Participation Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

D. All of the requirements of law relating to the transaction contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY.

The Owner-Trustee, in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of

and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all of the Owner-Trustee's covenants and conditions in the Notes and in this Security Agreement and in the Participation Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant unto the Security Trustee, its successors in trust and assigns for the ratable use and benefit of the holders of the Notes, a security interest in all and singular of the Owner-Trustee's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1, 1.2 and 1.3 hereof; excluding, however, the Excepted Rights in Collateral (all of which properties other than the Excepted Rights in the Collateral, being hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. Collateral includes (i) the Equipment, described in the Security Agreement Supplement, the form of which is attached hereto as Exhibit B and made a part hereof, which constitutes the Equipment leased and delivered under the Lease; together with (i) all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, (ii) all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all the rents, issues, income, profits and avails therefrom, and (iii) all proceeds, including, without limitation, insurance proceeds, and products of any of the foregoing.

1.2. The Lease. Collateral also includes all right, title, interest, claims and demands of the Owner-Trustee 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 Owner-Trustee as lessor under the Lease, including, without limitation:

(a) the immediate and continuing right to receive and collect all Rent, Casualty Value and Termination Value payments, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable or receivable by the lessor under the Lease pursuant thereto, except those sums reserved as Excepted Rights in the Collateral;

(b) the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any provision thereof, except with regard to the right of the Owner-Trustee or the Trustor to receive those sums reserved as Excepted Rights in

the Collateral; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing, the Security Trustee may not make any waivers or enter into any amendments to the Lease or any provision thereof without the consent of the Owner-Trustee, which consent shall not be unreasonably withheld; and

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

it being the intent and purpose hereof that 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 all Rent and Casualty Value and Termination Value payments 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.

Notwithstanding any provision of this Security Agreement to the contrary, nothing herein shall restrict, abrogate or abridge any right available to the Owner-Trustee under the Lease to:

- (i) receive copies of notices, records, reports or other documents provided by the Lessee under the Lease;
- (ii) inspect the Equipment and the Lessee's records with respect thereto;
- (iii) provide or carry insurance in addition to that required by the Lessee under the Lease; and
- (iv) to protect and preserve the Equipment.

1.3. Assigned Agreements. Collateral also includes all right, title, interest, claims and demands of the Owner-Trustee in, to and under the Purchase Agreements Assignment and any and all other contracts and agreements relating to the Equipment or any rights or interests therein to which the Owner-Trustee is now or may hereafter be a party, together with all rights, powers, privileges, licenses, easements, options and other benefits of the Owner-Trustee under each thereof, including, without limitation, the right to make

all waivers and agreements, to give and receive all notices and other instruments or communications, to take such action upon the occurrence of a default thereunder, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted thereby or by law, and to do any and all other things which the Owner-Trustee is or may be entitled to do thereunder; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing, the Security Trustee may not make any waivers or enter into any amendments to the Purchase Agreements Assignment or any other agreement relating to the Equipment or any provision thereof or take any other actions pursuant to the provisions of this Section 1.3 without the consent of the Owner-Trustee, which consent shall not be unreasonably withheld.

1.4. Excepted Rights In Collateral. Whenever used in the Security Agreement, Excepted Rights in the Collateral shall mean and include:

- (i) any indemnity payable to the Owner-Trustee or the Trustor pursuant to Section 9 of the Lease, that by the terms thereof is payable to the Owner-Trustee or the Trustor for its own account in respect of its own loss (or liability) or a loss (or liability) sustained by the Owner-Trustee or the Trustor;
- (ii) any proceeds of insurance payable to the Trustor or the Owner-Trustee under insurance maintained by the Trustor or the Owner-Trustee that shall be in addition to the insurance required to be maintained by the Lessee pursuant to the terms of the Lease, and any proceeds of public liability insurance policies carried for the benefit of the Trustor or the Owner-Trustee;
- (iii) any rights against the Lessee acquired by subrogation to the rights of the Security Trustee pursuant to Section 7.3 hereof or the right to seek reimbursement from the Lessee for amounts paid by the Owner-Trustee in respect of Lessee's obligations under the Lease, to the extent permitted by Section 7.3 hereof;
- (iv) the rights of the Trustor or the Owner-Trustee to pursue legal remedies to compel payment by the Lessee of any of the amounts referred to in the foregoing clauses (i) through (iii), except the right to terminate the Lease and exercise remedies against the Equipment;

- (v) the right to consent to any amendment, modification or waiver of the provisions of the Lease which relate solely to Excepted Rights in the Collateral; and
- (vi) any payments, proceeds, amounts or rights in respect of any Item of the Equipment that shall have been released from the Lien of this Security Agreement.

1.5. Duration of Security Interest. Except as otherwise expressly set forth herein, the Security Trustee, its successors in trust and assigns shall have and hold the Collateral forever; provided, however, that such security interest is granted upon the express condition that if the Owner-Trustee shall pay or cause to be paid all the indebtedness hereby secured then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void, and in such event the Security Trustee shall (upon the request of the Owner-Trustee and at no cost to the Security Trustee) execute and deliver to the Owner-Trustee such instrument or instruments as may be necessary or appropriate in order to make clear upon the public records the title of the Owner-Trustee in and to the Collateral.

SECTION 2: EXECUTION, PAYMENT, REGISTRATION, ETC. OF NOTES.

2.1. Execution of Notes; Maximum Principal Amount; Calculation of Principal and Interest. (a) The Notes shall be signed on behalf of the Owner-Trustee by any Person who, at the date of the actual execution of such Note, shall be a proper officer of the Owner-Trustee. 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 Owner-Trustee 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 Owner-Trustee, authenticate such Notes upon the written request of the Owner-Trustee so to do and shall thereupon deliver such Notes to or upon the written order of the Owner-Trustee signed by any person who, at the date of the actual execution of such order, shall be a proper officer of the Owner-Trustee.

(b) The principal amount of the Notes to be issued hereunder shall not exceed \$5,169,432.80.

(c) The principal of the Notes shall be payable in monthly installments on the twenty-fifth day of each month commencing March 25, 1992, and ending April 25, 1996. The installment of principal payable on each such payment date shall be determined in accordance with the amortization schedule set forth in Schedule 1 hereto. Notwithstanding such Schedule, the installment of principal payable on April 25, 1996, shall be sufficient to discharge fully the indebtedness under the Notes.

(d) The unpaid principal amount of each Note shall bear interest at the rate per annum equal to the sum of (i) 1.25% and (ii) the rate per annum paid from time to time by banks in the City of London to other such banks for United States dollar deposits for a 30-day period, as the same shall be determined by the Security Trustee from The Wall Street Journal or other published quotations available on the Business Day immediately preceding each interest calculation date. The interest rate as so calculated shall be effective from each interest payment date (or the date of the Note, in the case of the first interest calculation period) through and including the next interest payment date, at which time the interest rate shall be recalculated by the Security Trustee using the formula hereinabove set forth. Such interest shall be payable on the dates for the payment of installments of principal. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months, except that actual days elapsed shall be used for a partial month. Any amounts due under the Notes not paid when due shall bear interest for the period for which the same shall be overdue at a rate per annum equal to 125% of the rate per annum specified in the first sentence of this Section 2.1(d) (such rate being hereinafter called the "Overdue Rate"); provided, however, that so long as no Event of Default shall have occurred and be continuing under the Lease, no amount of principal or interest due under any Note shall be considered overdue (and no additional interest shall accrue from the original payment date for such principal and interest) until the first to occur of (i) the date which is ten (10) days after the due date under the Note for such payment of principal and interest and (ii) the date the Lessee actually pays the installment of rent under the Lease which was due (without regard to any grace periods under the Lease) on the date such principal and interest was due under the Note.

2.2. Payment of Notes. (a) The principal of, premium, if any, and interest on the Notes shall be payable at the principal office of the Security Trustee, in lawful money of the United States of America. 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 on the immediately preceding Business Day.

2.3. The Register. (a) The Notes shall be issuable as fully registered Notes in substantially the form attached hereto as Exhibit A. The Owner-Trustee 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.

(b) The holder of any Note may transfer such Note upon the surrender thereof at the principal office of the Security Trustee, or upon notice to the Security Trustee as provided in Section 6.2 of the Participation Agreement. If such Noteholder has surrendered its Note to the Security Trustee, thereupon, the Owner-Trustee shall execute in the name of the transferee a new Note or Notes 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. The holder of any Note desiring to so transfer said Note shall provide a written request to the Owner-Trustee and the Security Trustee for the issuance of a new Note, specifying the name and address of the new payee or payees. If the holder of the Note shall designate that there shall be more than one transferee of such Note, the Owner-Trustee and the Security Trustee shall not be authorized to deliver a new Note or Notes in denominations of less than \$100,000 in principal amount.

2.4. Transfers and Exchanges of Notes; Lost or Mutilated Notes. (a) The holder of any Note may at any time surrender such Note at the principal office of the Security Trustee in exchange for an equal aggregate principal amount of Notes.

(b) No notarial seal 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.

(c) In case any Note shall become mutilated or be destroyed, lost or stolen, the Owner-Trustee, upon the written request of the holder thereof, shall execute and the Security Trustee shall authenticate and deliver a new Note in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. The applicant for a substitute Note shall furnish to the Owner-Trustee 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 Owner-Trustee may, instead of issuing a substitute 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 Owner-Trustee and to the Security Trustee such security or indemnity as they may require to save them harmless, and shall provide evidence to the satisfaction of the Owner-Trustee and the Security Trustee of the mutilation, destruction, loss or theft of such Note and the ownership thereof. If an institutional Noteholder or its nominee or the Note Purchaser is the owner of any mutilated, destroyed, lost or stolen Note, then the affidavit of its Secretary or Assistant Secretary in form reasonably satisfactory to the Owner-Trustee and the Security Trustee setting forth the fact of destruction, loss or theft and such Noteholder's ownership of the Note at the time of such mutilation, destruction, loss or theft shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such Noteholder in form reasonably satisfactory to the Owner-Trustee and the Security Trustee, to indemnify the Owner-Trustee and the Security Trustee from all risks resulting from the authentication and delivery of the substitute Note.

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 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, and (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New 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) All New Notes issued pursuant to Section 2.4 in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of the Owner-Trustee 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.

(c) Upon the issuance of any Note pursuant to this Security Agreement, the Security Trustee shall deliver to the holder thereof an amortization schedule with respect to such Note setting forth the amount of the scheduled principal payment to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such payment.

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 or, 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 Owner-Trustee specifying any cancellation of Notes which has been made. All such cancelled Notes shall be held by the Security Trustee until this Security Agreement shall have been discharged, at which time the Security Trustee shall either deliver such cancelled Notes in a manner necessary to effect the discharge and release of this Security Agreement or, if no such delivery is necessary, such Notes shall be delivered to or disposed of as directed by the Owner-Trustee.

2.7. Security Trustee as Agent. The Security Trustee is hereby appointed the agent of the Owner-Trustee for the payment, registration, transfer and exchange of the Notes. 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.

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 Owner-Trustee 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 Owner-Trustee and the Security Trustee may deem and treat the registered owner of any Note as the owner and holder thereof without production of such Note.

2.9. Costs and Expenses of Issuance of New Notes. Upon the issuance of a new Note pursuant to Sections 2.3 or 2.4, the Owner-Trustee and the Security Trustee may require from the party requesting such new Note payment of a sum to reimburse said parties for, or provide funds for the payment of, any tax or other governmental charge in connection with the issuance of such new Note.

SECTION 3. COVENANTS AND WARRANTIES OF THE OWNER-TRUSTEE.

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

3.1. Owner-Trustee's Duties. The Owner-Trustee covenants and agrees well and truly to perform, abide by and be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Participation Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Participation Agreement were fully set out in an amendment or supplement to this Security Agreement. The Owner-Trustee undertakes to perform only such duties as are expressly and specifically set forth herein and in the other Operative Agreements and no implied obligations or covenants shall be read into this Security Agreement or any other Operative Agreements against the Owner-Trustee.

3.2. Warranty. The Owner-Trustee has the right, power and authority under the Trust Agreement to grant a security interest in the Collateral to the Security Trustee for the uses and purposes herein set forth; and the Owner-Trustee will warrant and defend the title to the Collateral against all claims and demands of persons claiming by, through or under the Owner-Trustee, excepting only this Security Agreement and Permitted Encumbrances. The Owner-Trustee also 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 Owner-Trustee in its individual capacity and not related to the ownership of the Equipment or the administration of the Trust Estate. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Owner-Trustee is named and which the Owner-Trustee 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.

3.3. Further Assurances. The Owner-Trustee will, upon the request of and at no expense to the Security Trustee, (a) execute a Security Agreement Supplement in the form of Exhibit B attached hereto specifically identifying the Equipment, and (b) do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the Rent and other sums due and to become due under the Lease, the Owner-Trustee covenants and agrees that it will notify the Lessee of the assignment hereunder and direct the Lessee

to make all payments of such Rents and other sums due and to become due under the Lease directly to the Security Trustee or as the Security Trustee may direct in writing.

3.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Owner-Trustee 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 Owner-Trustee under Section 3.3 hereof.

3.5. Recordation and Filing. The Owner-Trustee will cooperate fully with the Lessee and/or the Security Trustee in any effort to cause this Security Agreement and all supplements hereto, the Lease 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.

3.6. Actions with Respect to Collateral. The Owner-Trustee will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, the Lease (except as otherwise expressly provided herein), or, except as permitted under the Lease, 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;

(b) receive or collect any payment of Rent, Casualty Value or Termination Value under the Lease prior to the date of payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Security Trustee hereunder) any payment of Rent, Casualty Value or Termination Value which is then due or to accrue in the future under the Lease in respect of the Equipment; or

(c) 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.

3.7. Power of Attorney in Respect of the Lease. Except with respect to Excepted Rights in the Collateral, the Owner-Trustee 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 ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1 hereof (with full power if an Event of Default shall have occurred and be continuing hereunder to settle, adjust or compromise any claim thereunder as fully as the Owner-Trustee 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 Owner-Trustee 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 rents and other sums and the security intended to be afforded hereby.

3.8. Notice of Default. Each party hereto further covenants and agrees that it will give the other party hereto, the Trustor and each Noteholder, prompt written notice of any event or condition constituting an Event of Default under the Lease if it has actual knowledge of such event or condition.

SECTION 4. POSSESSION, USE AND RELEASE OF PROPERTY.

4.1. Possession of Collateral. While the Owner-Trustee is not in default hereunder, it shall be permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 4.1.

4.2. Release of Collateral - Casualty or Early Termination. So long as no Event of Default under the Lease has occurred and is continuing to the knowledge of the Security Trustee, the Security Trustee shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement of Casualty Value or Termination Value pursuant to Section 10 or 11 of the Lease upon receipt from the Lessee of written notice designating the Item of Equipment in respect of which the Lease will terminate and the receipt from the Lessee of all sums payable for such Item of Equipment in compliance with Section 10 or 11 of the Lease. The Security Trustee agrees to execute such instruments as the Owner-Trustee shall reasonably request to evidence such release and

consents to all appropriate filings to confirm such release of public record.

4.3. Release of Collateral - Expiration of Lease Term.

The original term of the Lease with respect to certain of the Items of Equipment will expire prior to the final maturity of the Notes. So long as no Event of Default under the Lease has occurred and is continuing to the knowledge of the Security Trustee, the Security Trustee shall execute a release in respect of any Item of Equipment as to which the original term of the Lease has expired unless the Item of Equipment is re-leased to the Lessee (by extension of the term of the Lease or otherwise), in which case such Item of Equipment shall continue to remain subject to the Lien of this Security Agreement; provided, however, that if at the time of such re-lease of an Item of Equipment to the Lessee, the Lessee's equipment trust certificates are rated A or better by Standard & Poor's Corp. or A2 or better by Moody's Investors Services, Inc., the Security Trustee shall execute a release in respect of such Item of Equipment to the Owner-Trustee.

4.4. Protection of Purchaser. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Security 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 any item or unit of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

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

5.1 Application of Rents and Other Payments. As more fully set forth in Section 1.2 hereof, the Owner-Trustee has hereby granted to the Security Trustee a security interest in Rents, Casualty Values, Termination Values, issues, profits, income, insurance proceeds and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. So long as no Default or Event of Default has occurred and is continuing to the knowledge of the Security Trustee:

(a) Rent. The amounts from time to time received by the Security Trustee which constitute payment by the Lessee of installments of Rent under the Lease shall be applied, first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Notes which have become due and payable or will become due and payable on or before the due date of such installment of Rent which is received by the Security

Trustee, and then the balance, if any, of such amounts shall be paid to or upon the order of the Owner-Trustee on the later of (i) such due date and (ii) the first business day following the receipt thereof.

(b) Application of Rent When Payment is Insufficient to Cover Installment of Principal and Interest. The parties hereto acknowledge that the amount of Rent payable under the Lease is subject to adjustment, from time to time, to reflect changes in certain prevailing interest rates. If on any date for the payment of principal or interest on the Notes the Rent or other amounts then payable under the Lease shall be less than the amount of principal and interest then due on the Notes (including principal required to be prepaid by Section 6 hereof), the amount of such Rent or other payment shall be allocated first, to the payment of interest then due on the Notes, and second, to the payment of installments or prepayments of principal then due on the Notes. To the extent, if any, that any amount of principal shall not be so paid on any date in accordance with the provisions of Section 2.1 hereof, or in accordance with the requirements for prepayment set forth in Section 6 hereof, the remaining installments of principal and payments of interest shall be increased to restore, as soon as possible (taking into account the amount of Rent required to be paid by the Lessee under the Lease on each remaining installment payment date), the schedule of principal amortization originally contemplated by this Security Agreement and the Notes, and to amortize fully all principal and accrued interest on the Notes not later than April 25, 1996.

In case any such adjustment of the schedule of principal amortization shall be necessary, the Owner-Trustee shall prepare and deliver to the Security Trustee and each Noteholder, within 30 days of the event requiring such adjustment, a new schedule of amortization of principal, substantially in the form of Schedule 1 hereto, and a new schedule of payments of principal of the Notes, complying with the provisions of this Section.

(c) Casualty or Termination Value. The amounts from time to time received by the Security Trustee which constitute settlement by the Lessee of amounts payable as Casualty Value or Termination Value pursuant to Sections 10 or 11 of the Lease as to any Item of Equipment shall be applied by the Security Trustee as follows:

(i) First, to the payment of an amount, if any, equal to the accrued and unpaid interest on that portion of the Notes to be prepaid;

(ii) Second, to the prepayment of the principal balance of the Notes in an amount and in accordance with the procedures set forth in Section 6; and

(iii) Third, the balance, if any, of such amounts held by the Security Trustee after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Owner-Trustee.

5.2. Multiple Notes. If more than one Note is outstanding at the time such application is made, such application shall be made on all outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

5.3. Default. If an Event of Default referred to in Section 7 hereof has occurred and is continuing, all amounts received by the Security Trustee pursuant to Section 1 hereof shall be applied in the manner provided for in Section 7 in respect of proceeds and avails of the Collateral.

SECTION 6. PREPAYMENT OF NOTES. If the Lease shall be terminated with respect to any Item of the Equipment pursuant to Section 10 thereof or otherwise, or if any Item of the Equipment shall be lost or destroyed in circumstances requiring payment by the Lessee in respect thereof pursuant to Section 11 of the Lease, the Owner-Trustee shall prepay the Notes in whole or in part as set forth below on the date specified in the Lease for payment by the Lessee with respect to such termination or loss or destruction, or if earlier, on the date such payment is made.

Any such prepayment shall be in an amount equal to the unpaid principal amount of the Notes with respect to the Item of Equipment for which the Lease has been terminated or which was so lost or destroyed, as set forth in Schedule 2 hereto, together with interest on such amounts, to the extent accrued.

In case of any prepayment of the principal amount of any Note pursuant hereto, the aggregate amount of each installment of principal of the Notes becoming due after application of such prepayment shall, to the extent appropriate, be reduced by the amount attributable to the Item of Equipment

for which the Lease has been terminated or that has been lost or destroyed, as specified in Schedule 2 hereto. Such reduction shall be applied to each Note ratably, without priority of one over the other.

SECTION 7. DEFAULTS AND OTHER PROVISIONS.

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

(a) Default in payment of an installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and such default shall continue unremedied for ten (10) days;

(b) An Event of Default (as defined in the Lease) shall have occurred and be continuing under the Lease;

(c) Default on the part of the Owner-Trustee in the due observance or performance of any covenant or agreement to be observed or performed by the Owner-Trustee under this Security Agreement or the Participation Agreement, and such default shall continue unremedied for thirty (30) days after written notice from the Security Trustee to the Owner-Trustee specifying the default and demanding the same to be remedied;

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

(e) Any claim, lien or charge (other than Permitted Encumbrances and liens, charges and encumbrances which the Lessee is obligated to discharge pursuant to the provisions of the Lease) shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed (or bonded in a manner reasonably satisfactory to the Security

Trustee) within thirty (30) days after written notice from the Security Trustee or the holder of any Note to the Owner-Trustee, the Trustor and the Lessee demanding the discharge or removal thereof;

(f) The Owner-Trustee or the Trust shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(g) An involuntary case or other proceeding shall be commenced against the Trust or the Owner-Trustee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days.

7.2. Security Trustee's Rights. The Owner-Trustee agrees that when any Event of Default has occurred and is continuing, the Security Trustee shall have the rights, options, duties and remedies of a secured party, and the Owner-Trustee shall have the rights and duties of a debtor, under the Uniform Commercial Code of Utah, and without limiting the foregoing, the Security Trustee may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Security Trustee may, and upon the written request of the holders of at least 66 - 2/3% in principal amount of the Notes then outstanding shall, by

notice in writing to the Owner-Trustee and the Trustor, 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;

(b) Subject always to the 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 Owner-Trustee, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold, and to collect and receive all earnings, revenues, rents, issues, proceeds and income of the Collateral and every part thereof, to make alterations, improvements and additions thereon or remove and dispose of any portion of the Collateral and to otherwise exercise any and all of the rights and powers of the Owner-Trustee in respect thereof;

(c) Subject always to the 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 any such sale by registered mail to the Owner-Trustee and the Trustor, at least ten (10) days prior to (i) the date of any public sale or (ii) the date on or after which any private sale may take place, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, at public auction to the highest bidder or at private sale or sales conducted in a commercially reasonable manner, 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. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such

sale or sales, or for any such adjourned sale or sales, without further published notice, and the Security Trustee or the holder or holders of the Notes, or of any interest therein, or the Owner-Trustee may bid and become the purchaser at any such sale;

(d) Subject always to the existing rights of the Lessee under the Lease, if any, the Security Trustee may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the 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; and

(e) Subject always to the existing rights of the Lessee under the Lease, if any, the Security Trustee may proceed to exercise all rights, privileges and remedies of the Owner-Trustee 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 Owner-Trustee for the use and benefit of the Security Trustee and the Noteholders.

Notwithstanding the foregoing, the Security Trustee hereby agrees that if any Event of Default has occurred and is continuing hereunder which is caused by or is also an Event of Default under, and as defined in, the Lease, then the Security Trustee shall proceed to foreclose its security interest in the Collateral only if it is concurrently exercising or attempting to exercise one or more remedies provided in the Lease, unless it is then stayed or otherwise prevented from doing so by operation of law.

7.3. Certain Rights of the Owner-Trustee.

(a) Right to Cure. The Security Trustee shall give the holders of the Notes, the Owner-Trustee and the Trustor written notice of any Default or Event of Default of which the Security Trustee has knowledge and if such Default or Event of Default arises out of the nonpayment of Rent under the Lease or out of such other Default or Event of Default under the Lease which can be cured by the payment of money, the Security Trustee shall give the Owner-Trustee and the Trustor not less than ten (10) Business

Days' prior written notice of the date (the "Enforcement Date") on or after which the Security Trustee will exercise any remedy or remedies pursuant to Section 7.2 hereof, or the remedy of terminating the Lease pursuant to the provisions of Section 14.2 thereof. If such a Default or Event of Default shall have occurred and be continuing, the Owner-Trustee shall have the following rights hereunder:

(i) in the event of the occurrence of an Event of Default resulting from the failure of the Lessee to pay Rent, on or prior to the Enforcement Date, the Owner-Trustee or the Trustor may, but shall not be obligated to, pay to the Security Trustee an amount equal to any principal and interest (including interest, if any, on overdue payments of principal and interest) then due and payable on the Notes, and unless the Owner-Trustee has cured Defaults or Events of Default in respect of the six (6) immediately preceding payments of Rent or any nine (9) total Defaults or Events of Default in respect of the payment of Rent, such payment by the Owner-Trustee under this Section 7.3(a) shall be deemed to cure any such Default or Event of Default under the Lease and any Default or Event of Default hereunder resulting therefrom which would otherwise have arisen on account of such non-payment by the Lessee of such installment of Rent under the Lease.

(ii) in the event that a Default or Event of Default (other than a default in the payment of Rent) which can be cured by the payment of money has occurred, on or prior to the Enforcement Date, the Owner-Trustee or the Trustor may, but shall not be obligated to, cure such Default or Event of Default by making such payment as is necessary to accomplish the observance or performance of the defaulted covenant, condition or agreement to the party entitled to the same.

The Owner-Trustee shall not, by exercising the right to cure any such Default or Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Owner-Trustee 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 Owner-Trustee of the amount of principal and interest then due and payable on the Notes, the Owner-Trustee shall be subrogated to the rights of the Security Trustee in respect of any Rent 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 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 Rent and such interest, the Owner-Trustee shall be entitled to receive such Rent and such interest upon receipt thereof by the Security Trustee. The Owner-Trustee may attempt to recover from the Lessee any amount paid by it under this Section 7.3(a) by demanding of the Lessee payment of such amount, commencing an action at law against the Lessee for the payment of such amount or taking other appropriate action against the Lessee.

(b) Option to Prepay Notes. If, prior to a sale of the Collateral or the making of a contract therefor, or within 10 days after the Security Trustee shall have notified the Owner-Trustee of its intention to take possession of or sell or retain the Collateral or to terminate the Lease and exercise remedies thereunder, the Owner-Trustee shall tender full payment of the total unpaid principal of all the Notes then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this Security Agreement and the Operative Agreements as well as all proper expenses of the Security Trustee incurred in enforcing this Security Agreement and taking possession of, storing, preparing the Collateral for, and otherwise arranging for, the sale of the Collateral, then in such event absolute right to the possession of, title to and property in the Collateral shall pass to and vest in the Owner-Trustee.

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, shall at once become and be immediately due and payable; also, in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes owned by such purchaser or purchasers 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 such Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in cash.

7.5. Waiver by Owner-Trustee. To the extent permitted by law, the Owner-Trustee covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any

benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Owner-Trustee 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 power, law or laws had been made or enacted.

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 Owner-Trustee in and to the property sold, and shall be a perpetual bar, both at law and in equity, against the Owner-Trustee, its successors and assigns, and against any and all Persons claiming the property sold or any part thereof under, by or through the Owner-Trustee, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

7.7. Application of 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 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 any compensation due and owing to the Security Trustee and of all taxes, assessments or Liens superior to the Lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

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

any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, with application on each Note to be made, first, to the unpaid interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; such application to be made upon presentation of the several Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the surplus, if any, to the Owner-Trustee, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

7.8. Discontinuance of Remedies. Holders of at least 66-2/3% in principal amount of the Notes then outstanding, may upon written notice to the Security Trustee, direct the Security Trustee to discontinue any enforcement proceedings commenced by the Security Trustee. Without limiting the foregoing, the holders of at least 66-2/3% in principal amount of the Notes then outstanding, may upon written notice to the Security Trustee (which shall in turn notify the Owner-Trustee and the Trustor), rescind an acceleration of the maturity of the Notes, and direct that the payment schedule on the Notes shall be that which existed immediately prior to such acceleration, if (i) all Events of Default, other than the non-payment of any portion of the Notes which has become due and payable solely by reason of the acceleration of the Notes, have been cured or waived, and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. 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 Owner-Trustee, 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.

7.9. Cumulative Remedies. No delay or omission of the Security Trustee or of the holder of any Note to exercise any right or power arising from any Default or Event of Default under this Agreement shall exhaust or impair any such right or power or prevent its exercise during the continuance thereof. No waiver by the Security Trustee, or the holder of any Note, of any such Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting

therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Security Trustee or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranty.

SECTION 8. THE SECURITY TRUSTEE

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

8.1. Duties of Security Trustee. The Security Trustee undertakes (i) except while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Security Agreement, and (ii) while an Event of Default actually known to the Security Trustee shall have occurred and be continuing, to exercise such of the rights and powers as are vested in it by this Security Agreement and to use the same degree of care and skill in their exercise as an ordinary 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.

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 actually known to the Security Trustee shall have occurred and be continuing, the Security Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Security Agreement and no

implied covenants or obligations shall be read into this Security Agreement against the Security Trustee but the duties and obligations of the Security Trustee shall be determined solely by the express provisions of this Security Agreement; and

(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, Note, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgement, 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; and

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

(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; and

(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 required percentage of the holders of the Notes; and

(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; and

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

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

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Security Agreement that the Security Trustee consent to any act or omission by any Person or that the Security Trustee exercise its discretion in any manner, the Security Trustee shall seek the written acquiescence of all of the Noteholders and, unless written evidence of the acquiescence of the holders of at least 66-2/3% in principal amount of the Notes then outstanding 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, that holders of 66-2/3% 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; provided, however, that 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 holders of Notes not

parties to such direction or would be contrary to the terms of the Lease.

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 Owner-Trustee, 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 Owner-Trustee 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 Owner-Trustee to the Collateral or the descriptions 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 any Person 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 lien hereof in accordance with the provisions of this Security Agreement.

8.4. Certain Limitations on Security Trustee's Rights to Compensation and Indemnification. Except to the extent otherwise expressly provided in the Operative Agreements, the Security Trustee shall have no right against the holder of any Note for the payment of compensation for its services hereunder or any expenses or disbursement 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 Trustor under Section 2.6 the Participation Agreement for such payment and indemnification, and it shall have no lien on or security interest in the Collateral as security for such compensation, expenses, disbursements and indemnification except to the extent provided for in Section 7.7 hereof.

8.5. Status of Moneys Received. (a) 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 (except as herein otherwise provided with

respect to the funds referred to in paragraph (b) of this Section) 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. The Security Trustee and any affiliated corporation may not become the owner of any Note secured hereby. The Security Trustee and any affiliated corporation may be interested in any other financial transaction with the Owner-Trustee or any affiliated corporation, or the Security Trustee may act as depository or otherwise in respect to other securities of the Owner-Trustee or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

(b) Upon the written direction of holders of a majority in aggregate principal amount of the Notes, the Security Trustee shall invest and reinvest any funds from time to time held by the Security Trustee in direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged to provide for the payment of principal and interest, maturing not more than ninety (90) days from the date of such investment. Upon any sale or payment of any investment, the proceeds thereof, plus any interest received by the Security Trustee thereon shall be held by the Security Trustee as part of the fund from which such investment was made for application as a part of such fund.

8.6 Resignation of Security Trustee. The Security Trustee may resign and be discharged from the trusts created hereby by delivering notice thereof pursuant to Section 11.3 to the Owner-Trustee, the Trustor and all holders of the Notes at the time outstanding, specifying a date (not earlier than sixty (60) days after the date of such notice) when such resignation shall take effect.

Such resignation shall take effect on the day specified in such notice, unless previously a successor Security Trustee shall have been appointed as provided in Sections 8.8 and 8.9, in which event such resignation shall take effect immediately upon the appointment of such successor Security Trustee; provided, however, that no such resignation shall be effective hereunder unless and until a successor Security Trustee shall have been appointed and shall have accepted such appointment as provided in Sections 8.8 and 8.9.

8.7. 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 (other than the Security Trustee) at the time outstanding and delivered to the Security Trustee with a copy to the Owner-Trustee, specifying the removal and the date when it shall take effect; provided, however, that no such removal shall be effective hereunder unless and until a successor trustee shall have been appointed and shall have accepted such appointment as provided in Sections 8.8 and 8.9.

8.8. 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 (other than the Security Trustee) at the time outstanding, by an instrument or instruments in writing executed by such Noteholders and filed with such successor Security Trustee and the Owner-Trustee.

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

8.9. Succession of Successor Security Trustee. Any successor Security Trustee appointed hereunder shall execute, acknowledge and deliver to the Owner-Trustee 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 the title to 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, and the predecessor Security Trustee shall also assign and deliver to the successor Security Trustee any property subject to the lien of this Security Agreement which may then be in its possession.

8.10. Eligibility of Security Trustee. The Security Trustee shall be a state or national bank or trust company in good standing, organized under the laws of the United States of America or of any state and having (or shall have a parent which has) a capital, surplus and undivided profits aggregating at least \$25,000,000, 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 8.6.

8.11. 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 8.10, 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.

8.12. 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 Owner-Trustee 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, jointly with the Security Trustee, or separate trustee or separate trustees, of all or any part of the Collateral, and to vest in such Person or Persons in such capacity, such interest in the Collateral or any part thereof, and such rights, powers, duties, trusts or obligations as the Owner-Trustee and the Security Trustee may consider necessary or desirable. If the Owner-Trustee shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Security Trustee alone shall have the power to make such appointment.

SECTION 9. LIMITATIONS OF LIABILITY.

Anything in this Security Agreement to the contrary notwithstanding, neither the Security Trustee nor the holder of any Note nor the successors or assigns of any of said Persons, shall have any claim, remedy or right to proceed against First Security Bank of Utah, National Association in its individual corporate capacity, the Trustor or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Trustor or First Security Bank of Utah, National Association, 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 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, from any source other than the Collateral, including the Rent, other than Excepted Rights in Collateral. The Security Trustee by the execution of this Security Agreement and the holders of the Notes by acceptance thereof, waive and release any personal liability of the Trustor and First Security Bank of Utah, National Association, in its individual corporate capacity and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Trustor or First Security Bank of Utah, National Association, 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, including the Rent, other than Excepted Rights in Collateral, for the payment of said indebtedness or the satisfaction of such liability; provided, however, nothing herein contained shall limit, restrict or impair the rights of the holders of the Notes or 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 Owner-Trustee on the Notes; or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral; or to recover against the Trustor for the breach of any of its representations, warranties, covenants or agreements contained in the Participation Agreement, the Trust Agreement or any other agreement or document executed by the Trustor in its individual capacity.

SECTION 10. SUPPLEMENTS; WAIVERS.

10.1. Supplemental Security Agreements Without Noteholders' Consent. The Owner-Trustee and the Security Trustee from time to time and at any time, subject to the restrictions in this Security Agreement contained, may, without the Noteholders' consent, enter into an agreement or agreements supplemental hereto, 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 Owner-Trustee;

(b) to subject to the Lien of this Security Agreement additional property hereafter acquired by the Owner-Trustee and intended to be subjected to the Lien of this Security Agreement and to correct and amplify the description of the Collateral;

(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; and

(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 covenants to perform all requirements of any such supplemental agreement.

No restriction or obligation imposed upon the Owner-Trustee may, except as otherwise provided in this Security Agreement, be waived or modified by any such supplemental agreement.

10.2. Waivers and Consents by Noteholders; Supplemental Security Agreements with Noteholders' Consent. Upon the waiver or consent of the holders of at least 66-2/3% in aggregate principal amount of the Notes then outstanding (x) the Owner-Trustee 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 (y) the Owner-Trustee 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 Owner-Trustee; provided, however, 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 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 Lien and 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 Security Trustee and of the holders of all of the Notes at the time outstanding.

The Owner-Trustee shall not pay or cause to be paid to any Noteholder any remuneration for or in connection with such Noteholder's consent to any waiver or consent unless each Noteholder is paid remuneration in a ratable amount (based on the proportion which the principal balance of such Noteholder's Note bears to the principal balance of all of the Notes).

10.3. Notice of Supplemental Security Agreements.

Promptly after the execution by the Owner-Trustee and the Security Trustee of any waiver, consent or supplemental agreement pursuant to the provisions of this Section 10, the Security Trustee shall give written notice, setting forth in general terms the substance of such waiver, consent or supplemental agreement, together with a conformed copy thereof, mailed, first-class, postage prepaid, to each holder of the Notes. 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 waiver, consent or supplemental agreement.

10.4. Opinion of Counsel Conclusive as to Supplemental Security Agreements. The Security Trustee is hereby authorized to join with the Owner-Trustee 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.

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, promises and agreements in this Security Agreement contained by or on behalf of the Owner-Trustee 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.

11.2. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.3. Communications. All communications provided for herein shall be in writing or by a telecommunications device capable of creating a written record, and any such notice shall become effective (a) upon personal delivery thereof, including, without limitation, by overnight mail and courier service, (b) five (5) days after the date on which it shall have been mailed by United States mail, certified or registered, postage prepaid, return receipt requested, or (c) in the case of notice by such a telecommunications device, when properly transmitted, addressed to each party at the following addresses:

If to the Owner-Trustee:

First Security Bank of Utah, National Association,
as Trustee under Cypress Equipment Fund, Ltd.,
Trust No. 92-1
79 South Main Street
Salt Lake City, Utah 84111
Fax No.: (801) 350-5053
Confirmation No.: (801) 350-5630

If to the Trustor:

Cypress Equipment Fund, Ltd.
c/o Cypress Equipment Management Corporation
Suite 1900
One Sansome Street
San Francisco, CA 94104
Attention: Alex Najjar
Fax No.: (415) 955-4660
Confirmation No.: (415) 951-4610

If to the Security Trustee:

State Street Bank and Trust Company of Connecticut,
National Association
750 Main Street
Suite 1114
Hartford, CT 06103
Attention: Corporate Trust Department
Fax No.: (203) 244-1899
Confirmation No.: (203) 244-1800

If to the holders of Notes:

at their addresses for notices set forth in the Register;

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other parties. The Security Trustee shall deliver to the Trustor (as hereinabove provided) a copy of each notice delivered by it to the Owner-Trustee.

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

11.5. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the internal laws and decisions (as opposed to conflicts of law provisions) of the State of Connecticut; provided, however, that the Security Trustee shall be entitled to all the rights conferred by any applicable federal statute, rule or regulation.

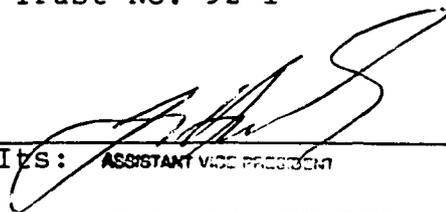
11.6. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

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 Owner-Trustee and the Security Trustee have caused this Security Agreement to be executed, as of the day and year first above written.

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not individually but solely as Trustee under Cypress Equipment Fund, Ltd. Trust No. 92-1

By: _____


IFS: ASSISTANT VICE PRESIDENT

AS OWNER-TRUSTEE

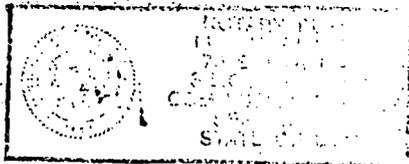
STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION

By: *V. L. [Signature]*
Its: SECRETARY

AS SECURITY TRUSTEE

STATE OF UTAH)
COUNTY OF SALT LAKE) SS:

On this 24th day of February, 1992, before me personally appeared Greg A. Hamer, to be personally known, who being by me duly sworn, says that he is a ASSISTANT VICE PRESIDENT 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 of the foregoing instrument was the free act and deed of said corporation.



Yvonne McBrayton
Notary Public

(SEAL)

My commission expires:

Sept 5th 1995

STATE OF CONNECTICUT)
COUNTY OF _____) SS:

On this ___ day of February, 1992, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of State Street Bank and Trust Company of Connecticut, 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 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 _____)

On this ___ day of February, 1992, before me personally appeared _____, to be 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 of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(SEAL)

My commission expires:

STATE OF CONNECTICUT)
) SS:
COUNTY OF HARTFORD)

On this 25TH day of February, 1992, before me personally appeared V. Glan, to me personally known, who being by me duly sworn, says that he is a MANAGER, VICE PRESIDENT of State Street Bank and Trust Company of Connecticut, 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 of the foregoing instrument was the free act and deed of said corporation.

Vicki Lamo
Notary Public

(SEAL)

My commission expires:
VICKI LAMO
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1994

SCHEDULE 1

SECURITY AGREEMENT
TRUST DEED

Contract Numbers: 1,1R,12,12R,2,2R,3,3R,6,6R,7,8,9,9R,
230,232,238,243,246,249,250,253,254,255
Tot # of Locomotives: 23
Total Debt Amount: \$5,169,432.80
Term: 50 Months
Weighted Avrg Life: 1.63 Years

<u>Payment Date</u>	<u>Principal Pmt</u>	<u>Outstanding Principal Bal</u>
25-Feb-92		\$5,169,432.80
25-Mar-92	\$137,214.01	\$5,032,218.79
25-Apr-92	\$137,772.51	\$4,894,446.28
25-May-92	\$138,336.14	\$4,756,110.13
25-Jun-92	\$138,904.95	\$4,617,205.18
25-Jul-92	\$139,478.99	\$4,477,726.19
25-Aug-92	\$140,058.30	\$4,337,667.89
25-Sep-92	\$140,642.93	\$4,197,024.95
25-Oct-92	\$141,232.94	\$4,055,792.02
25-Nov-92	\$141,828.36	\$3,913,963.66
25-Dec-92	\$142,429.26	\$3,771,534.40
25-Jan-93	\$143,035.67	\$3,628,498.73
25-Feb-93	\$143,647.66	\$3,484,851.07
25-Mar-93	\$144,265.27	\$3,340,585.80
25-Apr-93	\$144,888.55	\$3,195,697.25
25-May-93	\$145,517.56	\$3,050,179.68
25-Jun-93	\$146,152.35	\$2,904,027.33
25-Jul-93	\$146,792.97	\$2,757,234.36
25-Aug-93	\$147,439.48	\$2,609,794.87
25-Sep-93	\$148,091.93	\$2,461,702.94
25-Oct-93	\$148,750.37	\$2,312,952.57
25-Nov-93	\$149,414.86	\$2,163,537.71
25-Dec-93	\$150,085.46	\$2,013,452.26
25-Jan-94	\$150,762.21	\$1,862,690.04
25-Feb-94	\$151,445.19	\$1,711,244.85
25-Mar-94	\$152,134.44	\$1,559,110.41
25-Apr-94	\$152,830.02	\$1,406,280.39
25-May-94	\$153,531.99	\$1,252,748.40
25-Jun-94	\$76,424.83	\$1,176,323.57
25-Jul-94	\$76,424.83	\$1,099,898.74
25-Aug-94	\$76,424.83	\$1,023,473.91
25-Sep-94	\$76,424.83	\$947,049.08
25-Oct-94	\$76,424.83	\$870,624.25
25-Nov-94	\$76,424.83	\$794,199.42
25-Dec-94	\$76,424.83	\$717,774.59
25-Jan-95	\$76,424.83	\$641,349.76
25-Feb-95	\$76,424.83	\$564,924.94
25-Mar-95	\$76,424.83	\$488,500.11
25-Apr-95	\$76,424.83	\$412,075.28
25-May-95	\$76,424.79	\$335,650.49
25-Jun-95	\$71,485.01	\$264,165.47
25-Jul-95	\$66,545.20	\$197,620.28

25-Aug-95	\$56,665.60	\$140,954.67
25-Sep-95	\$41,846.31	\$99,108.36
25-Oct-95	\$31,966.68	\$67,141.69
25-Nov-95	\$12,207.72	\$54,933.97
25-Dec-95	\$12,207.72	\$42,726.25
25-Jan-96	\$12,207.72	\$30,518.53
25-Feb-96	\$12,207.72	\$18,310.80
25-Mar-96	\$12,207.33	\$6,103.47
25-Apr-96	\$6,103.47	\$0.00

SCHEDULE 2
SECURITY AGREEMENT – TRUST DEED
Part I

<u>Road Number of Equipment</u>	<u>Original Loan Amount</u>	<u>Lease Termination Date</u>
SP 7497	\$243,705.14	5-25-94
SP 7496	\$221,115.87	5-25-94
SP 7495	\$233,092.99	5-25-94
SP 7492	\$239,023.12	5-25-94
SP 7491	\$235,101.16	5-25-94
SP 7490	\$224,220.93	5-25-94
SP 7489	\$238,040.90	5-25-94
SP 7498	\$218,913.89	5-25-94
SP 7565	\$299,088.78	3-25-96
SP 7566	\$305,192.64	4-25-96
SP 6767	\$192,651.29	5-25-95
SP 6768	\$197,591.06	6-25-95
SP 6769	\$202,530.84	7-25-95
SP 6770	\$202,530.84	7-25-95
SP 6771	\$207,470.62	8-25-95
SP 6772	\$207,470.62	8-25-95
SP 6773	\$207,470.62	8-25-95
SP 6775	\$212,410.40	9-25-95
SP 6776	\$212,410.40	9-25-95
SP 6777	\$217,350.17	10-25-95
SP 6778	\$217,350.17	10-25-95
SP 6779	\$217,350.17	10-25-95
SP 6780	\$217,350.17	10-25-95
Total:	\$5,169,432.80	

SCHEDULE 2
SECURITY AGREEMENT – TRUST DEED
Part II

Payment Date	Items of Equipment with Lease Termination Date of May 25, 1994 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of May 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of June 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of July 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of Aug. 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)
25-Feb-92	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%
25-Mar-92	3.28020304%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Apr-92	3.31033991%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-May-92	3.34075366%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jun-92	3.37144683%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jul-92	3.40242200%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Aug-92	3.43368175%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Sep-92	3.46522870%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Oct-92	3.49706549%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Nov-92	3.52919478%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Dec-92	3.56161926%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jan-93	3.59434163%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Feb-93	3.62736465%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Mar-93	3.66069106%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Apr-93	3.69432366%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-May-93	3.72826526%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jun-93	3.76251870%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jul-93	3.79708684%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Aug-93	3.83197257%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Sep-93	3.86717882%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Oct-93	3.90270853%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Nov-93	3.93856466%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Dec-93	3.97475022%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jan-94	4.01126824%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Feb-94	4.04812177%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Mar-94	4.08531389%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Apr-94	4.12284771%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-May-94	4.16072637%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jun-94	100.00000000%	2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jul-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Aug-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Sep-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Oct-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Nov-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Dec-94		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Jan-95		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Feb-95		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Mar-95		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-Apr-95		2.56410308%	2.50000049%	2.43902486%	2.38095283%
25-May-95		2.56408289%	2.50000049%	2.43902486%	2.38095283%
25-Jun-95		100.00000000%	2.49998081%	2.43902486%	2.38095283%
25-Jul-95			100.00000000%	2.43900565%	2.38095283%
25-Aug-95				100.00000000%	2.38093408%
25-Sep-95					100.00000000%

SCHEDULE 2
SECURITY AGREEMENT – TRUST DEED
Part II

<u>Payment Date</u>	Items of Equipment with Lease Termination Date of Sept. 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of Oct. 25, 1995 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of Mar. 25, 1996 (Expressed as a % of Original Loan Amount to be Repaid)	Items of Equipment with Lease Termination Date of April 25, 1996 (Expressed as a % of Original Loan Amount to be Repaid)
25-Feb-92	0.00000000%	0.00000000%	0.00000000%	0.00000000%
25-Mar-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Apr-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-May-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jun-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jul-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Aug-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Sep-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Oct-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Nov-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Dec-92	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jan-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Feb-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Mar-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Apr-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-May-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jun-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jul-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Aug-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Sep-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Oct-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Nov-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Dec-93	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jan-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Feb-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Mar-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Apr-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-May-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jun-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jul-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Aug-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Sep-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Oct-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Nov-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Dec-94	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jan-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Feb-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Mar-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Apr-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-May-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jun-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Jul-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Aug-95	2.32558182%	2.27272768%	2.04081898%	2.00000255%
25-Sep-95	2.32556351%	2.27272768%	2.04081898%	2.00000255%
25-Oct-95	100.00000000%	2.27270978%	2.04081898%	2.00000255%
25-Nov-95		100.00000000%	2.04081898%	2.00000255%
25-Dec-95			2.04081898%	2.00000255%
25-Jan-96			2.04081898%	2.00000255%
25-Feb-96			2.04081898%	2.00000255%
25-Mar-96			2.04068892%	2.00000255%
25-Apr-96			100.00000000%	1.99987509%
				100.00000000%

EXHIBIT A
TO
SECURITY AGREEMENT - TRUST DEED

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION

Not Individually but solely as Trustee
under Cypress Equipment Fund, Ltd. Trust No. 92-1

VARIABLE RATE SECURED NOTE

No. _____

\$ _____

February __, 1992

FOR VALUE RECEIVED, the undersigned, FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not individually but solely as trustee (the "Owner-Trustee") under that certain Trust Agreement dated as of February 1, 1992, sometimes identified as Cypress Equipment Fund, Ltd. Trust No. 92-1 (the "Trust Agreement") promises to pay to

[Name of Lender]

or registered assigns the principal sum of _____ Dollars
(\$ _____).

The unpaid principal amount of this Note shall bear interest at the rate per annum equal to the sum of (i) 1.25% and (ii) the rate per annum paid from time to time by banks in the City of London to other such banks for United States dollar deposits for a 30-day period, as the same shall be determined by the Security Trustee from The Wall Street Journal or other published quotations available on the Business Day immediately preceding each interest calculation date. The interest rate as so calculated shall be effective from each interest payment date (or the date of the Note, in the case of the first interest calculation period) through and including the next interest payment date, at which time the interest rate shall be recalculated by the Security Trustee using the formula hereinabove set forth. Such interest shall be payable on the dates for the payment of installments of principal. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months, except that actual days elapsed shall be used for a partial month. Any amounts due under this Note not paid when

due shall bear interest for the period for which the same shall be overdue at a rate per annum equal to 125% of the rate per annum specified in the first sentence of this paragraph (such rate being herein called the "Overdue Rate"); provided, however, that so long as no Event of Default shall have occurred and be continuing under the Lease, no amount of principal or interest due under any Note shall be considered overdue (and no additional interest shall accrue from the original payment date for such principal and interest) until the first to occur of (i) the date which is ten (10) days after the due date under the Note for such payment of principal and interest and (ii) the date the Lessee actually pays the installment of rent under the Lease which was due (without regard to any grace periods under the Lease) on the date such principal and interest was due under the Note. Any principal and accrued interest not previously paid shall be due and payable in full on April 25, 1996.

The principal indebtedness evidenced hereby shall be payable in accordance with the amortization schedule set forth in Schedule 1 to the Security Agreement referred to below.

This Note is one of the Secured Notes of the Owner-Trustee not exceeding \$5,169,432.80 in aggregate principal amount (the "Notes") which are equally and ratably with said other Notes secured by that certain Security Agreement-Trust Deed, dated as of February 1, 1992 (the "Security Agreement") from the Owner-Trustee to State Street Bank and Trust Company of Connecticut, National Association, as security trustee (the "Security Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Security Agreement. 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 and of the holder or holders of the Notes in respect thereof.

Both, the principal hereof and interest hereon are payable 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. If the date on which any payment of this Note is to be made is not a Business Day, the payment otherwise payable on such date shall be payable on the immediately preceding Business Day. For purposes of this Note, the term "Business Day" means calendar days, excluding Saturday, Sundays and holidays on which banks in the States of Connecticut or Utah or the Commonwealth of Massachusetts are authorized or required to close.

This Note may not be prepaid by the Owner-Trustee except upon the terms and subject to the conditions set forth in the

Security Agreement. The terms and provisions of the Security Agreement and the rights and obligations of the Security Trustee 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 the purpose at the principal corporate trust 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 Owner-Trustee and the Security Trustee may deem and treat the person in whose name a Note is registered on said Register as the absolute owner and holder hereof (whether or not this Note shall be overdue) for the purpose of receiving payment and for all other purposes, and neither the Owner-Trustee nor the Security Trustee shall be affected by any notice to the contrary.

Presentment, protest and notice of nonpayment and protest are hereby waived by the Owner-Trustee.

This Note and the Security Agreement are governed by and construed in accordance with the internal laws and decisions (as opposed to conflicts of law provisions) of the State of Connecticut.

It is expressly understood and agreed by and between the Owner-Trustee, the Trustor, the holder of this Note and the Security Trustee and their respective successors and assigns, that this Note is executed by First Security Bank of Utah, National Association, not individually or personally but solely as "Owner-Trustee" under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner-Trustee; and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability of First Security Bank of Utah, National Association, or of the Trustor, individually or personally, for or on account of any express or implied representation, warranty, covenant or agreement made herein by the Owner-Trustee (other than those expressly made in the Owner-Trustee's individual capacity in the Participation Agreement and in the Security Agreement), all such liability, if any, being expressly waived by the holder of this Note and by the Security Trustee and by each and every person now or hereafter claiming by, through or under the holder of this Note or the Security Trustee; and that so far as First Security Bank of Utah, National Association or the Trustor, individually or personally, are concerned, the holder of this Note and the Security Trustee and any person claiming by, through or under the holder of this Note or the

Security Trustee, except as hereinafter provided, shall look solely to the Collateral for payment of the indebtedness evidenced by this Note or of any liability resulting from or arising out of any breach of any representation, warranty or covenant (other than those expressly made in the Owner-Trustee's individual capacity in the Participation Agreement and in the Security Agreement) made by the Owner-Trustee herein.

IN WITNESS WHEREOF, the Owner-Trustee has caused this Note to be duly executed.

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not individually
but solely as Trustee under Cypress
Equipment Fund, Ltd. Trust, No. 92-1

By: _____
Its: _____

NOTICE

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

Inquiries Should Be Made to the Security
Trustee if Certification as to Balance
Due Hereunder is Required.

AUTHENTICATION CERTIFICATE

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

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION

By: _____
Its: _____

SECURITY AGREEMENT-TRUST DEED
SUPPLEMENT NO. 1

SECURITY AGREEMENT-TRUST DEED SUPPLEMENT NO. 1 (this "Supplement") dated February _____, 1992, between FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, not individually but solely as Trustee (the "Owner-Trustee") under CYPRESS EQUIPMENT FUND, LTD. TRUST NO. 92-1, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (the "Security Trustee").

W I T N E S S E T H:

The Security Agreement-Trust Deed dated as February 1, 1992 (herein called the "Security Agreement") from the Owner-Trustee to the Security Trustee, provides for the execution and delivery of a Supplement thereto substantially in the form hereof, which shall particularly describe the Equipment (such term and other defined terms in the Security Agreement being herein used with the same meanings) and shall specifically grant a security interest in such Equipment;

The Owner-Trustee in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the equal and pro rata payment of both the principal of and interest and premium, if any, upon all Notes at any time outstanding under the Security Agreement according to their tenor and effect, and to secure the payment of all other Secured Indebtedness, and the performance and observance of all the covenants and conditions contained in the Notes, the Security Agreement and the Participation Agreement, does hereby convey, warrant, mortgage, assign, pledge and grant unto the Security Trustee, its successors in trust and assigns, forever, for the ratable use and benefit of the holders of the Notes, a security interest in all right, title and interest of the Owner-Trustee in the Equipment (described in Schedule A attached hereto), as the same is now and will hereafter be constituted, whether now owned by the Owner-Trustee or hereafter acquired, leased or to be leased under the Lease, together with all accessories, equipment, parts and appurtenances appertaining or attached to the Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions,

EXHIBIT B
(to Security Agreement-Trust Deed)

improvements, accessions and accumulations to the Equipment together with all the rents, issues, income, profits and avails thereof, subject, however, to the interest of the Lessee under the Lease.

TO HAVE AND TO HOLD the aforesaid property unto the Security Trustee, its successors and assigns forever, upon the terms and conditions set forth in the Security Agreement for the equal and proportionate benefit, security and protection of all present and future holders of the Notes.

This Supplement 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.

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the "Security Agreement-Trust Deed dated as of February 1, 1992 or the "Security Agreement" without making specific reference to this Supplement, but nevertheless all such references shall be deemed to include this Supplement unless the context shall otherwise require.

Section 1.1. Counterparts. This Supplement may be executed and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Supplement.

Section 1.2. Governing Law. This Supplement shall be construed in accordance with and governed by the laws of the State of Connecticut, without regard to its conflict of laws doctrine.

Section 1.3. 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 Supplement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Owner-Trustee has caused this Supplement to be executed, and State Street Bank and Trust Company of Connecticut, National Association, in evidence of its acceptance of the trusts hereby created, has caused this

Supplement to be executed on its behalf by one of its duly authorized officers.

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not
individually but solely as
Trustee under Cypress Equip-
ment Fund, Ltd. Trust No.
92-1

By: _____
Its:

AS OWNER-TRUSTEE

STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT, NATIONAL
ASSOCIATION

By: _____
Its:

AS SECURITY TRUSTEE

SCHEDULE A TO
SECURITY AGREEMENT-TRUST DEED
SUPPLEMENT NO. 1

DESCRIPTION OF EQUIPMENT

23 Model SD 45, 6-axle diesel electric locomotives, originally manufactured by Electro-Motive Division, General Motors Corporation and leased to Southern Pacific Transportation Company (the "Lessee") pursuant to the Individual Leasing Records between BLC Corporation, as lessor, and the Lessee, as described below:

<u>QUANTITY</u>	<u>INDIVIDUAL LEASING RECORD NO.</u>	<u>ROAD NOS.</u>
1	1 and 1R	SP 7497
1	2 and 2R	SP 7496
1	3 and 3R	SP 7495
1	6 and 6R	SP 7492
1	7	SP 7491
1	8	SP 7490
1	9 and 9R	SP 7489
1	12 and 12R	SP 7498
1	230	SP 7565
1	232	SP 7566
1	238	SP 6767
1	240	SP 6768
1	243	SP 6769
1	246	SP 6770
1	249	SP 6771
2	250	SP 6772-6773
2	253	SP 6775-6776
2	254	SP 6777-6778
2	255	SP 6779-6780

TOTAL 23

CEF4
S/MAZ

DEFINITIONS

RE: CYPRESS EQUIPMENT FUND, LTD.
TRUST NO. 92-1

ANNEX 1

TABLE OF CONTENTS

	<u>Page</u>
General Provisions	1
Defined Terms	1

DEFINITIONS

Re: Cypress Equipment Fund, Ltd.
Trust No. 92-1

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", with respect to any Person, shall mean any other Person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under a common control with, such Person, (ii) which beneficially owns or holds 5% or more (by number of votes) of any class of the voting stock of such Person or (iii) 5% or more (by number of votes) of the voting stock (or in the case of a Person which is not a corporation, 5% or more of the equity interest) of which is beneficially owned or held by such 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, whether through the ownership of voting securities, by contract or otherwise.

"Assigned Agreements" shall mean the Lease, the Purchase Agreements, the Purchase Agreements Assignment and all other agreements referred to in Section 1.3 of the Security Agreement.

"Assignment Agreement" shall mean the Assignment and Assumption Agreement dated as of February 25, 1992 between BLC and the Trustor.

"Bankruptcy Code" shall mean the Bankruptcy Code of 1978, as amended from time to time, 11 U.S.C. §101 et. seq.

"Beneficial Interest" shall mean the interest of the Trustor under the Trust Agreement.

"Bill of Sale" shall have the meaning specified in Section 4.1(f) of the Participation Agreement.

"BLC" shall mean BLC Corporation, a Utah corporation.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which banks in the States of Utah or Connecticut or the Commonwealth of Massachusetts are authorized or required to close.

"Casualty Value" shall mean all payments required to be made by the Lessee pursuant to Section 10 of the Lease upon the loss or destruction of an Item of Equipment.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall have the meaning specified in Section 1 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.

The term "employee benefit plan" has the meaning specified in Section 3 of ERISA.

"Enforcement Date" shall have the meaning specified in Section 7.3(a) of the Security Agreement.

"Equipment" shall mean, collectively, those locomotives described in the Security Agreement Supplement, 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 Owner-Trustee pursuant to the terms of the Lease, and "Item" or "Item of Equipment" shall mean individually the various items thereof.

"Equipment Closing Date" is defined in Section 2.3 of the Participation Agreement.

"Equipment Cost" shall mean the price paid to BLC for the Equipment pursuant to the Purchase Agreement.

"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 14 thereof.

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

"Excepted Rights in Collateral" is defined in Section 1.4 of the Security Agreement.

"Indemnified Parties" shall mean the Participants, the Owner-Trustee, the Trust Estate and the Security Trustee, and successors, assigns, agents, servants, officers and employees of each of the foregoing.

"Interest" shall mean the Beneficial Interest or a Note, individually, and "Interests" shall mean the Beneficial Interest and the Notes, collectively.

"Item of Equipment" or "Item" shall mean each item of the Equipment.

"Lease" shall mean the Master Leasing Agreement dated as of December 1, 1983 by and between BLC and the Lessee, Rider 1 to the Master Leasing Agreement dated as of January 1, 1985, Rider 2 to the Master Leasing Agreement dated as of February 1, 1986, and Rider 3 to the Master Leasing Agreement dated as of July 1, 1986 and the Individual Leasing Records identified on Schedule A to the Security Agreement Supplement; provided, however, that for all purposes of the Operative Agreements, the term "Lease" shall mean and refer only to the rights and obligations of the lessor thereunder with respect to the specific Items of Equipment described on Schedule A to the Security Agreement Supplement, including, but not limited to, all Rent, Casualty Value payments, indemnity payments, Termination Value payments and other claims and items of income payable with respect to or on account of the Equipment by the Lessee.

"Lessee" shall mean Southern Pacific Transportation Company, a Delaware corporation.

"Lessee Acknowledgement" shall mean the Acknowledgement of Assignment and Agreement to be dated as of the Equipment Closing Date and to be executed by the Lessee, BLC, the Owner-Trustee and the Security Trustee.

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

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

"Note Purchaser" shall mean the Note Purchaser named in the Participation Agreement and its respective successors and assigns, including successive holders of the Notes.

"Notes" shall mean the Variable Rate Secured Notes due April 25, 1996 of the Owner-Trustee substantially in the form attached to the Security 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 of the Treasurer, any Trust Officer, any Vice President, any Executive or Senior or Second or Assistant Vice President, 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 Participation Agreement, the Purchase Agreements Assignment, the Trust Agreement, the Notes outstanding at the time of reference and the Security Agreement.

"Overdue Rate" is defined in Section 2.1 of the Security Agreement.

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

"Owner-Trustee Agreements" shall mean the Operative Agreements to which First Security Bank of Utah, National Association, either in its individual or fiduciary capacity, is a party.

"Participants" shall mean the Note Purchaser and the Trustor.

"Participation Agreement" shall mean the Participation Agreement dated as of February 1, 1992, among the Participants, the Owner-Trustee and the Security Trustee.

"Permitted Contest" shall mean a good faith contest which each Indemnified Party determines will be conducted in a manner so as to prevent the imposition of any criminal penalty on, or adverse effect on the title, property or right of, such Indemnified Party, of the legality or validity of any of the taxes, assessments, levies, fees or other governmental charges, or other claims, Liens or impositions which, under the terms of the Lease, are required to be paid or discharged by the Lessee or the Lessor, as the case may be, but for such contest.

"Permitted Encumbrances" with respect to the Equipment and each Item thereof, shall mean (i) the interest of the Lessee and the Owner-Trustee, respectively, under the Lease; (ii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested by a Permitted Contest; (iii) any Liens of mechanics, suppliers, materialmen and laborers for work or services performed or materials furnished in connection with the Equipment or any Item thereof which are not due and payable or the amount or validity of which is being contested by a Permitted Contest; and (iv) the Lien and security interest granted to the Security Trustee under and pursuant to the Security Agreement.

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

"Prime Rate" shall mean the rate announced from time to time by Citicorp, N.A. as its prime rate. The "Prime Rate" is one of several base rates used by Citicorp, N.A. that serve as a basis upon which effective rates of interest are calculated for loans making references thereto and may not be the lowest of Citicorp N.A.'s rates.

"Purchase Agreement" shall mean the Purchase and Sale Agreement dated as of February 1, 1992 between BLC and the Trustor.

"Purchase Agreements" shall mean, collectively, the Purchase Agreement and the Assignment Agreement.

"Purchase Agreements Assignment" shall mean the Purchase Agreements Assignment dated as of February 25, 1992 between the Trustor and the Owner-Trustee.

"Register" shall mean the register kept by the Owner-Trustee at the principal office of the Security Trustee for the purpose of recording the registration and transfer of the Notes.

"Rent" shall mean all rent payable by the Lessee pursuant to the Lease.

"Secured Indebtedness" 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 Owner-Trustee under the terms of the outstanding Notes or the Security Agreement.

"Security Agreement" shall mean the Security Agreement-Trust Deed dated as of February 1, 1992 between the Owner-Trustee, as debtor, and the Security Trustee, as secured party.

"Security Agreement Supplement" shall mean the Security Agreement-Trust Deed Supplement, substantially in the form of Exhibit B to the Security Agreement, entered into between the Owner-Trustee and the Security Trustee and covering the Equipment, as amended or supplemented from time to time.

"Security Trustee" shall mean State Street Bank and Trust Company of Connecticut, N.A. and its successors in trust as security trustee under the Security Agreement.

The term "separate account" shall have the meaning specified in Section 3 of ERISA.

"Termination Value" shall mean all payments required to be made by the Lessee pursuant to Section 11 of the Lease upon the early termination of the Lease with respect to any Item of Equipment.

"Total Equipment Cost" shall mean the sum of the Equipment Cost for each Item of Equipment; provided that in no event shall Total Equipment Cost exceed \$6,461,791.00.

"Trust" shall have the meaning specified in the Trust Agreement.

"Trust Agreement" shall mean the Trust Agreement dated as of February 1, 1992 between the Trustor and First Security Bank of Utah, National Association.

"Trust Estate" shall mean all the estate, right, title and interest of the Owner-Trustee in, to and under the Equipment and the Operative Agreements including, without limitation, all funds advanced to the Owner-Trustee by the Trustor, all proceeds from the sale of the Notes, all installments and other payments of Rent, insurance proceeds, Casualty Values, condemnation awards, Termination Values, purchase price and sale proceeds, and all other proceeds of any kind for or with respect to the Equipment and the Operative Agreements.

"Trustor" shall mean Cypress Equipment Fund, Ltd., a Florida limited partnership, and its successors and permitted assigns of its Beneficial Interest.

"Trustor Agreements" shall mean the Operative Agreements to which the Trustor is a party.