

RESTRICTED ACCOUNT AGREEMENT

TO: Banc of America Public Capital Corp
555 California St., 4th Floor
San Francisco, CA 94104

Ladies and Gentlemen:

The City of Sacramento, California, (“Lessee”) and Banc of America Public Capital Corp (“Lessor”) are entering into Schedule of Property No. 10, dated _____ (the “Schedule”), which incorporates the terms of that certain Master Equipment Lease/Purchase Agreement dated as of March 16, 2004, by and between Lessee and Banc of America Leasing & Capital, LLC (the “Master Equipment Lease”) (collectively, the “Lease”). Pursuant to the Lease, Lessor agrees, among other things, to fund certain sums for the purpose of financing Lessee’s purchase of certain equipment. In order to induce Lessor to enter into the Lease and fund the amounts contemplated under the Lease, and as a condition for Lessor’s entering into the Lease and funding such amounts, Lessor has requested that Lessee execute this letter agreement (the “Agreement”). For purposes of this Agreement, “Treasurer” means the City Treasurer of the City of Sacramento.

With reference to the foregoing facts, the parties agree as follows:

1. Through the Treasurer, Lessee shall establish an account entitled the **“City of Sacramento, Refuse Trucks Acquisition Fund – Account No. 1489250219”** (the “Account”). The Treasurer shall do this, and shall provide satisfactory evidence of the establishment of the Account to Lessor, on or before the funding of the amounts contemplated under the Lease. Withdrawals and disbursements from the Account may be made only in accordance with paragraphs 3 and 4 of this Agreement and the Lease. Lessee shall bear all costs to administer the Account.

2. The Treasurer shall place in the Account all amounts that Lessor funds under the Lease and shall return to Lessor any amounts remaining in the Account after January 2, 2009, as directed in Section 3 hereof.

3. The Treasurer may withdraw cash from the Account only under the following circumstances: (a) upon receipt by Lessee and the Treasurer of a disbursement request in the form of Exhibit A hereto, signed by Lessor and in the amount specified in such disbursement request; or (b) upon the Treasurer’s receipt of a Non-Appropriation Disbursement Notice from Lessor, specifying the amount to be disbursed to the following account:

Account Name: Banc of America Public Capital Corp
Account No: 12339-03984

No further consent or direction from Lessee is needed for disbursement.

4. The Treasurer may invest sums held in the Account in investments as directed by Lessee, which Lessee shall ensure comply with all laws and regulations applicable to Lessee and to such investments. The Treasurer shall maintain his records so as to reflect the security interest of Lessor in and to such investments or portion thereof. All interest and proceeds on such investments will accrue to Lessee's benefit as Lessee's full compensation for its duties hereunder, subject to the security interest granted herein by Lessee to Lessor.

5. By signing below on Lessee's behalf, the Treasurer also accepts the obligations imposed on him under this Agreement. The Treasurer shall receive, hold, and disburse cash from the Account for the benefit of Lessor and Lessee in accordance with the terms of this Agreement and the Lease. Within 30 days after the end of each calendar quarter, and on any other day that Lessor and Lessee jointly request, the Treasurer shall deliver to Lessor and Lessee a statement in reasonable detail showing, as of the date of the statement, (a) the amount of cash held in the Account; (b) the amount of interest earned on the amounts in the Account; (c) the investments made from the cash in the Account and the dividends, interest, and profits thereon; and, (d) the payee of all amounts disbursed from the Account.

6. This Agreement and the security interest in the Collateral granted to Lessor under this Agreement (see paragraph 7 below) secure the prompt payment and performance of Lessee's obligations under the Lease and this Agreement (the "Obligations").

7. Lessee pledges and grants to Lessor a first priority and exclusive security interest in and to the Account, all sums contained in the Account, any investment of funds in the Account, and all products and proceeds from those investments (collectively, the "Collateral") as additional security for the Obligations. In addition to Lessor's other rights and remedies under this Agreement, the Lease, and applicable law, (a) Lessee grants Lessor all rights and remedies relating to the Collateral of a secured party under the Uniform Commercial Code as in effect on the date hereof in the State of California (the "UCC"); (b) Lessee shall execute and deliver, concurrently with the execution and delivery of this Agreement, one or more UCC-1 Financing Statements reflecting Lessor's security interest in the Collateral under this Agreement; and (c) no application of all or any part of the cash from the Account, pursuant to this Agreement or the Lease, will in any way release, satisfy, or discharge any of the unpaid balance of Obligations, except to the extent applied to the Obligations by Lessor. This Agreement constitutes notice to Lessee and the Treasurer of Lessor's security interest in the Collateral under the UCC. No delay or omission by Lessor in exercising any of its rights or remedies waives or impairs any of Lessor's rights or remedies under this Agreement or the Lease.

8. Lessee shall cooperate with Lessor and shall execute and deliver, or cause to be executed and delivered, all financing statements, payment notices, and other documents and instruments. Lessee shall take such other lawful action as Lessor reasonably requests from time to time to accomplish and satisfy the provisions and purposes of this Agreement.

9. All notices, requests, and demands to be made hereunder to the parties must be made in the manner set forth in, and, in the case of Lessor and Lessee, must be directed to the addresses set forth in, the Master Equipment Lease. All notices to be sent to the Treasurer must be sent to the following address:

Office of the City Treasurer

City of Sacramento, California
915 I Street, Historic City Hall, 3d Floor
Sacramento, California 95814
Attn: Thomas P. Friery

10. No change, waiver, release, discharge, withdrawal, revocation, or termination of this Agreement is effective and enforceable unless evidenced by written a document signed by the party against which enforcement of the change, waiver, discharge, withdrawal, revocation, or termination is sought, and then only to the extent specifically provided in that document.

11. This Agreement is governed by, and is to be construed in accordance with, the laws of the State of California.

12. The rights and remedies under this Agreement are limited to the extent necessary to avoid invalidation or to make this Agreement legal and enforceable. If any provision of this Agreement is invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remainder of this Agreement will not be affected, prejudiced, or disturbed by the partial invalidity, illegality, or unenforceability.

13. Lessee shall not assign any right or duty with respect to the Account, this Agreement, or Account Funds without Lessor's prior written consent. Lessor may assign its security interest granted in this Agreement to any assignee permitted under Section 11.01 of the Master Equipment Lease.

If the foregoing is acceptable, please execute below where indicated.

Very truly yours,

CITY OF SACRAMENTO, CALIFORNIA

By: _____
Thomas P. Friery
City Treasurer

AGREED AND ACCEPTED:

BANC OF AMERICA PUBLIC CAPITAL CORP

By: _____

Title: _____

**EXHIBIT A
(to Restricted Account Agreement)**

DISBURSEMENT REQUEST

I, the undersigned, hereby certify that I am the duly qualified and acting officer of the Lessee identified below. On Lessee's behalf, I hereby request a disbursement in the amount of \$_____ with respect to the Equipment listed below, which is subject to Schedule of Property No. ___ dated _____, 200_, by and between Banc of America Public Capital Corp ("Lessor") and the City of Sacramento, California ("Lessee") incorporating the terms of that certain Master Equipment Lease/Purchase Agreement dated as of March 16, 2004, between Banc of America Leasing & Capital, LLC and Lessee (the "Master Equipment Lease") (collectively, the "Lease"):

The disbursement should be made to:
(Vendor Information)

The undersigned hereby certifies as follows:

1. Lessee has incurred an obligation in the stated amount. That obligation is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid. Attached hereto is the original invoice with respect to this obligation.
2. The undersigned has no notice of any vendor's, mechanic's, or other liens or rights to liens, chattel mortgages, conditional sales contracts, or security interest that should be satisfied or discharged before the obligation is paid.
3. This requisition contains no item representing payment on account or any retained percentages that Lessee is, at the date hereof, entitled to retain.
4. The Equipment is insured in accordance with the Lease.
5. No Event of Default under the Lease, and no event that with notice or lapse of time, or both, would become an Event of Default, has occurred and is continuing at the date hereof.
6. The disbursement will occur during the Acquisition Period set forth in the Schedule applicable to the Equipment.
7. No material adverse change in Lessee's or any guarantor's financial condition has occurred since the date of the Master Equipment Lease.

Terms used in this Disbursement Request and not defined herein have the meanings given to those terms in the Lease.

LESSEE: City of Sacramento, California

By: _____

Name: Thomas P. Friery

Title: City Treasurer

Disbursement Authorized:
Banc of America Public Capital Corp

By: _____

Name: _____

Title: _____