

**SECURITY AGREEMENT
(DEPOSIT ACCOUNT)**

1. _____, DEBTOR, hereby grant to the State of California, Department of Water Resources, Secured Party, a security interest in the deposit account(s) described below to secure performance of the obligations set forth in Loan Contract/Funding Agreement _____ executed on _____ between Debtor and Secured Party.

2. The deposit account(s) which is(are) the subject of this agreement is(are) described below:
 - A. Account for deposit of Funds received from State:

Bank _____ Phone No. _____

Mailing Address _____

Account and/or Ledger No. _____

Account and/or Ledger No. _____

 - B. Account for deposit of ratepayer payments, prior to deposit with Fiscal Agent:

Bank _____ Phone No. _____

Mailing Address _____

Account and/or Ledger No. _____

Account and/or Ledger No. _____

 - C. Fiscal Agent Account::

Bank _____ Phone No. _____

Mailing Address _____

Account and/or Ledger No. _____

Account and/or Ledger No. _____

3. Debtor will notify Secured Party in writing immediately if any third party obtains or attempts to obtain a lien or other interest in the deposit account by attachment, execution, or other form of legal process.

4. Secured Party claims a security interest in these deposit accounts and does not waive any prior security interest in these or any other deposit account(s).

Date _____

Debtor

By _____

Title _____

Mailing Address _____

Phone No. _____

State of California
 Department of Water Resources
 SECURED PARTY

By _____

Chief

Program: _____

Post Office Box
 Sacramento, California