

*Stroock & Stroock & Lavan*

RECORDATION # 17932  
FILED 1425

Seven Hanover Square  
New York, New York 10004-2594

2-245A007

SEP 1 1992 -11 05 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION # 17932  
FILED 1425  
212 806 5400  
Fax: 212 806 6006  
Telex: 177893 STROOCK NY

Direct Dial:

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INTERSTATE COMMERCE COMMISSION

September 1, 1992

Mr. Sidney L. Strickland  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

RECORDATION # 17932  
FILED 1425  
SEP 1 1992 -11 05 AM  
INTERSTATE COMMERCE COMMISSION

NOTARY PUBLIC UNIT  
SEP 1 10 55 AM '92

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three fully executed and acknowledged copies (one original and two notarized photocopies) of (1) a Lease Agreement, dated August 21, 1992 (the "Head Lease"), between I/S Scansejl, a Danish general partnership (the "Lessor"), and Higgins Leasing Limited, an English company (the "Lessee"); (2) a Sublease Agreement, dated August 21, 1992 (the "Sublease"), between the Lessee, as sublessor, and Triborough Bridge and Tunnel Authority, a public benefit corporation organized under the law of the State of New York (the "Sublessee"); and (3) a Security Agreement, dated as of August 21, 1992 (the "Secondary Security Agreement"), between the Lessee, as grantor, and the Sublessee, as secured party.

The Head Lease, Sublease, and Secondary Security Agreement are primary documents as defined in the Interstate Commerce Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the documents are as follows:

Lessor (under the Lease):

I/S Scansejl, a Danish general partnership  
  
c/o Rowe & Maw  
20 Black Friars Lane  
London EC4V 6HD  
England  
Attention: The Chairman

*(Handwritten signature)*  
Katherine G. Fraugh

Washington, D.C. 20036-4652  
1150 Seventeenth Street N.W.  
202 452 9250

Los Angeles, CA 90067-3086  
2029 Century Park East  
310 556 5800

Miami, FL 33131-2385  
200 South Biscayne Boulevard  
305 358 9900

H-1088 Budapest, Hungary  
Rákóczi ut 1-3  
361 251 9520

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Lessee (under the Head Lease), Lessor (under the Sublease)  
and Grantor (under the Secondary Security Agreement):

Higgins Leasing Limited

67 Hope Park  
Bromley, Kent  
BR 1 3RG  
England  
Attention: Company Secretary

Sublessee (under the Sublease) and Secured Party (under the  
Secondary Security Agreement):

Triborough Bridge and Tunnel Authority, a public benefit  
corporation organized under the laws of the State  
of New York

Randall's Island  
New York, NY 10035  
Attention: Executive Director/Chief Financial Officer

A description of the railroad equipment covered by the enclosed  
documents is as follows:

Two (2) R-68 subway railcars, manufactured by  
Westinghouse-Amrail Company (bearing identification  
numbers 2885 and 2890).

Also enclosed is a check in the amount of \$48.00 payable to the  
order of the Interstate Commerce Commission covering the required  
recordation fee of \$16.00 for each of the three enclosed documents.  
Please return the original and any extra copies not needed by the  
Commission for recordation to: Richard H. Kronthal, Esq., Stroock  
& Stroock & Lavan, 7 Hanover Square, New York, NY 10004.

A short summary of the documents to appear in the index follows:

(1) Head Lease Agreement, dated August 21, 1992, between I/S  
Scansejl, a Danish general partnership (the "Lessor"), and Higgins  
Leasing Limited, an English company (the "Lessee"), with respect to  
two (2) R-68 subway railcars, manufactured by Westinghouse-Amrail  
Company (bearing identification numbers 2885 and 2890).

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(2) Sublease Agreement, dated August 21, 1992, between Higgins Leasing Limited, an English company ("Lessor"), and Triborough Bridge and Tunnel Authority, a public benefit corporation organized under the law of the State of New York ("Lessee"), with respect to two (2) R-68 subway railcars, manufactured by Westinghouse-Amrail Company (bearing identification numbers 2885 and 2890).

(3) Secondary Security Agreement, dated as of August 21, 1992, between Higgins Leasing Limited, an English company ("Grantor"), and Triborough Bridge and Tunnel Authority, a public benefit corporation organized under the law of the State of New York, as secured party, covering the Grantor's interest (i) as lessee in a lease agreement, dated as of August 21, 1992, between Grantor and I/S Scansejl, a Danish general partnership ("Scansejl"); (ii) as secured party in a security agreement, dated as of August 21, 1992, between Grantor and Scansejl; (iii) upon acquiring title following the exercise of a purchase option or otherwise, in two (2) R-68 subway railcars, manufactured by Westinghouse-Amrail Company (bearing identification numbers 2885 and 2890), including parts of such equipment and (iv) in the proceeds of clauses (i) to (iii).

Very truly yours,

  
Andrew E. Blustein

AEB/mv  
Enclosures

17932  
REGISTRATION NO. FILED 1992

SEP 1 1992 - 11 05 AM  
INTERSTATE COMMERCE COMMISSION

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**SECURITY AGREEMENT**

dated as of 21 August 1992

between

Higgins Leasing Limited,

Grantor

and

Triborough Bridge and Tunnel Authority,

Secured Party

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SECURITY AGREEMENT (this "Agreement"), dated as of [18th] August, 1992, between Higgins Leasing Limited, an English company ("Grantor"), and Triborough Bridge and Tunnel Authority, a public benefit corporation organized under the laws of the State of New York ("Secured Party").

W I T N E S S E T H :

WHEREAS, Grantor and Secured Party are parties to that certain Sublease Agreement dated as of [18th] August, 1992 (the "Sublease"), pursuant to which Grantor is to sublease certain items of Equipment (as defined in the Sublease) to the Secured Party;

WHEREAS, Grantor is party to (i) Lease Agreement (the "Head Lease") dated August 21, 1992 between I/S ScanSejl, as lessor, and Grantor, as lessee, and (ii) Security Agreement ("Head Security Agreement") dated August , 1992 between I/S ScanSejl, as grantor, and Grantor, as secured party;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1. DEFINITIONS; RULES OF INTERPRETATION.

1.1. Defined Terms. Capitalized terms used (including in the above recitals) but not otherwise defined herein shall have the following respective meanings, or if not defined in this Agreement, the respective meanings ascribed to them in the Sublease:

"Collateral" has the meaning ascribed thereto in Section 2.1.

"Obligations" has the meaning ascribed thereto in Section 2.1.

1.2. Rules of Interpretation. Except as otherwise expressly provided in this Agreement, the following rules shall apply hereto:

(a) the singular includes the plural and the plural includes the singular;

(b) "or" is not exclusive and "include" and "including" are not limiting;

(c) a reference to any agreement or other contract includes permitted supplements, amendments and other modifications;

(d) a reference to a law includes any amendment or modification of such law and any rules or regulations issued thereunder;

(e) a reference to a Person includes its permitted successors and assigns in the applicable capacity;

(f) a reference in this Agreement to an Article or Section is to the Article or Section of this Agreement unless otherwise expressly provided;

(g) words such as "hereunder", "hereto", "hereof" and "herein" and other words of like import shall, unless the context clearly indicates to the contrary, refer to the whole of this Agreement and not to any particular Article, Section or clause hereof;

(h) all obligations under this Agreement are continuing obligations throughout the term of this Agreement;

(i) any right in this Agreement may be exercised at any time and from time to time;

(j) the headings of the Articles and Sections are for convenience and shall not affect the meaning of this Agreement; and

(k) time is of the essence in performing all obligations.

ARTICLE 2. ASSIGNMENT, PLEDGE AND GRANT OF SECURITY INTEREST.

2.1. Grant of Security Interest. To secure:

- (i) the Grantor's covenant of quiet enjoyment set out in Section 6.02(b) of the Sublease,
- (ii) the Grantor's covenant, set out in Clause 15.01 of the Sublease, to exercise, at the request and direction of the Secured Party, the option (the "Lessee Purchase Option") provided to the Grantor in Clause 15 of the Head Lease to purchase the Equipment at the direction of the Sublessee,
- (iii) Grantor's covenant set out in that certain letter of undertaking of even date herewith to Secured Party respecting certain limitations on the conduct and scope of Grantor's business activities;

- (iv) the timely performance of any covenant of Grantor contained in the Head Lease to acquire title to the Equipment upon any event terminating the Head Lease as provided for therein; and
- (v) upon acquiring title to the Equipment following exercise of the Lessee Purchase Option or otherwise the timely performance of all obligations of Grantor owing to Secured Party to transfer title to the Equipment or to an item of Equipment pursuant to and in accordance with any provision of the Sublease

(all such covenants and obligations being herein referred to as the "Obligations"), Grantor does hereby assign, transfer, set over and grant to and subject to a security interest in favor of, Secured Party, all Grantor's interest in, to and under the following (excluding from the Collateral (as hereafter defined) any right, title and interest whatsoever in the Secondary Lease Assigned Property (as defined in the Loan Agreement) assigned by the Grantor to the Bank pursuant to the Secondary Lease Assignment (as defined in the Loan Agreement):

- (a) all of Grantor's right, title and interest as lessee in the Head Lease;
- (b) all of Grantor's right, title and interest as secured party in the Head Security Agreement;
- (c) upon acquiring title to the same following exercise of the Lessee Purchase Option or otherwise each item of Equipment and each part thereof (including replacement parts, parts and modifications, alterations and accessions thereto); and
- (d) the proceeds of all of the foregoing, including all proceeds receivable or received when any and all of the foregoing is sold, collected, exchanged or otherwise disposed of, whether voluntarily or involuntary (all of the collateral described in the foregoing clauses (a) through (d) being herein collectively referred to as the "Collateral").

ARTICLE 3. COVENANTS.

Grantor hereby agrees (a) to do at Secured Party's expense all acts requested in writing by Secured Party that may be reasonably necessary to maintain, preserve and protect the assignment and security interest conveyed and granted to Secured Party hereby (provided any such action shall be without prejudice to Grantor's title to the Collateral or tax position with respect thereto), (b) to procure, execute and deliver from time to time, at Secured Party's expense (including the reasonable fees and expenses of counsel to Grantor), any endorsements, assignments, financing statements and other writings reasonably deemed necessary or appropriate by Secured Party to maintain and protect its security interest hereunder

(provided any such action shall be without prejudice to Grantor's title to the Collateral or tax position with respect thereto) and (c) not to sell, encumber, lease, rent or otherwise dispose of or transfer any Collateral or right or interest therein except pursuant to and in accordance with the Operative Documents. Grantor shall give Secured Party prompt notice of any change in the location of Grantor's chief place of business and chief executive office.

ARTICLE 4. EVENTS OF DEFAULT.

The occurrence of a default by Grantor in the performance of any of its Obligations for 30 days after notice thereof from Secured Party shall constitute an event of default under this Agreement (a "Grantor Event of Default").

ARTICLE 5. RIGHTS UPON DEFAULT.

5.1. Remedies. If any Grantor Event of Default has occurred and is continuing, Secured Party may, upon notice to Grantor (such notice to be given in accordance with Section 5.3), proceed to protect and enforce the rights vested in it by this Agreement, and to enforce all rights hereunder by such appropriate judicial proceedings as it shall deem most effective to protect and enforce any of such rights, either at law or in equity, or in aid of the exercise of any power therein or herein granted, or for any foreclosure hereunder and sale under a judgment or decree in any judicial proceeding.

5.2. Expenses. The reasonable out-of-pocket costs and expenses of the prevailing party incurred in any action brought to enforce or preserve such party's rights hereunder, including the reasonable fees and disbursements of counsel, shall be borne by the other party. All such costs and expenses shall be payable on demand in the currency in which incurred.

5.3. Notices. Any and all notices to be given by Secured Party to Grantor pursuant to Section 5.1 shall be in writing and, unless otherwise required by law, shall be given to Grantor 30 days prior to the exercise of any rights under Section 5.1. Any such 30 day notice shall be revocable and state the Grantor Event of Default that entitles Secured Party to exercise its rights under Section 5.1.

ARTICLE 6. REMEDIES CUMULATIVE; DELAY NOT WAIVER.

6.1. Remedies Cumulative. No right, power or remedy herein conferred upon or reserved to Secured Party is intended to be exclusive of any other right, power or remedy, and every such right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall

not prevent the concurrent assertion or employment of any other appropriate right or remedy. Resort to any or all Collateral now or hereafter held by Secured Party may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both.

6.2. No Waiver. No delay or omission of Secured Party to exercise any right or power occurring upon the occurrence and during the continuance of any Grantor Event of Default as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Grantor Event of Default or an acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time, and so often as shall be deemed expedient, by Secured Party.

#### ARTICLE 7. NOTICES.

Unless otherwise specifically provided herein, all notices, requests, demands or other communications required or permitted under the terms and provisions hereof shall be in writing and any such notice, request, demand or other communication shall become effective in accordance with Section 18 of the Sublease.

#### ARTICLE 8. FURTHER ASSURANCES.

8.1. Further Action. Grantor agrees that from time to time, at the expense of Secured Party (including the reasonable fees and expenses of counsel to Grantor), Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may reasonably request (including the filing of financing statements under the New York Uniform Commercial Code and filings with the United States Interstate Commerce Commission), in order to perfect and protect the assignment and security interest granted or intended to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral (provided any such action shall be without prejudice to Grantor's title to the Collateral or tax position with respect thereto).

8.2. Further Instruments and Documents. Grantor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor where permitted by law. Copies of any such statement or amendment thereto shall promptly be delivered to Grantor.

#### ARTICLE 9. AUTHORIZED ACTION BY SECURED PARTY.

Grantor hereby (a) irrevocably appoints Secured Party as its attorney-in-fact to the extent related to Secured Party's exercise of remedies, effective when and so long as any

Grantor Event of Default shall have occurred and be continuing and (b) agrees that during any such period of effectiveness, Secured Party may do (but Secured Party shall not be obligated to and shall incur no liability to Grantor or any third party for failure so to do) any act that Grantor is obligated by this Agreement to do.

ARTICLE 10. CONTINUING ASSIGNMENT AND SECURITY INTEREST.

This Agreement shall create a continuing assignment and security interest in the Collateral and shall (a) remain in full force and effect until performance in full of the Obligations, (b) be binding upon Grantor, its successors and assigns and (c) inure, together with the rights and remedies of Secured Party, to the benefit of Secured Party and its respective successors, transferees and permitted assigns. Upon the performance in full by Grantor of all of the Obligations, the assignment and security interest granted hereby shall terminate and Secured Party shall execute and file all such instruments and do all such other acts as shall be necessary to release the Collateral from the Lien of this Agreement.

ARTICLE 11. SEVERABILITY.

Any provision of this Agreement that 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.

ARTICLE 12. SUCCESSORS AND ASSIGNS.

All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. Grantor may not assign its respective rights and transfer its respective obligations hereunder except in accordance with Section 17 of the Sublease. Secured Party may not, without the prior written consent of Grantor, assign or transfer any of its rights or obligations hereunder except in accordance with Section 17 of the Sublease.

ARTICLE 13. GOVERNING LAW.

13.1. Governing Law. This Agreement including all matters of construction, validity and performance and matters relating to the creation, validity, perfection, enforcement or priority of the lien of, and security interests created by, this Agreement upon the Collateral, shall be governed by the laws of New York, except insofar as such matters are governed by the federal laws of the United States.

13.2. Jurisdiction. (a) Any suit, action or proceeding against Grantor under or with respect to this Agreement may be brought in any appropriate state court in the State of New York or in any United States District Court in New York, and Grantor hereby submits to the non-exclusive jurisdiction of each of such courts for the purpose of any such suit, action or proceeding. Grantor hereby agrees that service of all writs, process and summonses in any such suit, action or proceeding brought in New York may be made upon the Triborough Bridge and Tunnel Authority ("TBTA") at the address set out in Clause 18 of the Sublease. Grantor hereby irrevocably appoints TBTA as Grantor's true and legal agent in Grantor's name, place and stead to receive and forward such service of any and all such writs, process and summonses; provided that substantially simultaneously with such service being so effected upon TBTA, Secured Party shall have delivered, in the manner set forth in Article 7 of this Agreement, a copy of such writ, process, or summons, addressed to Grantor at Grantor's address set forth in or provided pursuant to such Article 7 hereof. If and to the extent that service of writs, process and summonses cannot for any reason be effected upon the TBTA as hereinabove provided, Grantor hereby further irrevocably consents to the service of process in any such suit, action or proceeding in said courts by the delivery thereof by Secured Party to Grantor pursuant to such Article 7.

(b) Grantor hereby irrevocably waives any objection that Grantor may now or hereafter have to the laying of venue of any suit, action or proceeding under or with respect to this Agreement brought in any United States District Court in New York or in any appropriate state court of the State of New York.

ARTICLE 14. AGREEMENT FOR SECURITY PURPOSES ONLY.

This Agreement is for security purposes only. Accordingly, Secured Party shall not, pursuant to this Agreement, enforce Secured Party's rights with respect to the Collateral until such time as a Grantor Event of Default hereunder shall have occurred and is continuing at the time such enforcement is sought.

ARTICLE 15. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signature of all of the parties reflected hereon as the signatories.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed as of the day and year first written above.

*For and on behalf of*  
HIGGINS LEASING LIMITED

By: *N. Bruce*  
Name: N. BRUCE

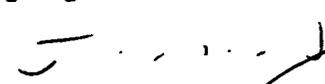
TRIBOROUGH BRIDGE AND TUNNEL  
AUTHORITY

By: *[Signature]*  
Title: *Authorized Signatory*

Kingdom of England ss.:

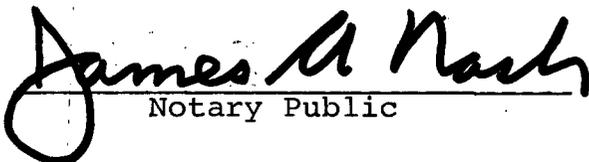
City of London

On this 26th day of August 1992, before me personally appeared Nyree Bruce, to me personally known, who being by me duly sworn, says that she is a director of Higgins Leasing Limited, that the foregoing instrument was signed on behalf of such company by authority of its board of directors and she acknowledged that the execution of the foregoing instrument was the free act and deed of such company.

  
Signature of Notary Public

Notary Public London, England  
(J. B. BURGESS)  
My Commission Expires with Life

This copy has been compared with the original document and is a complete and identical copy of such original.

  
Notary Public

JAMES A. NASH  
NOTARY PUBLIC, State of New York  
No. 4704779  
Qualified in Queens County  
Commission Expires March 30, 1993

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