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OF COUNSEL
URBAN A. LESTER

September 26, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 24130-1 FILED

Re: SEPTA (2002-I)

SEP 26 '02 2-45 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement (2002-I), dated as of September 25, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Head Lease Agreement which is being filed with the Board under Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Trust:	SEPTA Rail Statutory Trust 2002-I c/o Wilmington Trust Company 1100 North Market Street Wilmington, Delaware 19890
Lender:	FSA Global Funding Limited c/o QSPV Limited P.O. Box 1093 GT, Queensgate House South Church Street GeorgeTown, Grand Cayman Cayman Islands

Mr. Vernon A. Williams
September 26, 2002
Page Two

A description of the railroad equipment covered by the enclosed document is:

46 railcars bearing SEPTA reporting marks and road numbers.

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

Memorandum of Loan and Security Agreement (2002-1)

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

Exhibit A

SEPTA Rail Statutory Trust 2002-1

Number of Cars: 46

Manufacturer:
Kawasaki Heavy Industries, Ltd.

Reporting Mark: SEPTA

Number of Cars	Railcar Number
1	103
2	104
3	105
4	106
5	111
6	112
7	113
8	114
9	115
10	9022
11	9023
12	9024
13	9025
14	9026
15	9027
16	9028
17	9029
18	9032
19	9033
20	9034
21	9035
22	9036
23	9037
24	9038
25	9039
26	9040
27	9041
28	122
29	123
30	9096
31	9097
32	9098
33	9099
34	101
35	102
36	9016
37	9018
38	9020
39	9021
40	126
41	127
42	128
43	9107
44	9108
45	9109
46	9110

SEP 26 '02

2-45 PM

MEMORANDUM OF LOAN AND SECURITY AGREEMENT
(2002-1)

SURFACE TRANSPORTATION BOARD

This Memorandum of Loan and Security Agreement (2002-1) is made and entered into as of September 25, 2002, by and between SEPTA RAIL STATUTORY TRUST 2002-1 (hereinafter referred to as "Borrower") and FSA GLOBAL FUNDING LIMITED, as Series A Initial Lender and Series AA Initial Lender, hereinafter referred to as "Lenders") respecting that certain Loan and Security Agreement (2002-1) dated September 25, 2002, between Borrower and Lenders (the "Loan and Security Agreement").

For purposes of this Agreement, capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in Appendix A to the Participation Agreement (2002-1), dated as of September 25, 2002, among Southeastern Pennsylvania Transportation Authority, as Head Lessor and Lessee, SEPTA Rail Statutory Trust 2002-1, as Head Lessee and Lessor, Australia and New Zealand Banking Group Limited, as Equity Investor and Series B Lender, FSA Global Funding Limited, as Series A Initial Lender and Series AA Initial Lender, and Wilmington Trust Company, not in its individual capacity, except as otherwise expressly set forth therein, but solely as Trustee under the Trust Agreement (2002-1) and the rules of usage set forth therein shall apply hereto.

Pursuant to the provisions of the Loan and Security Agreement, Borrower and Lenders hereby affirm and acknowledge that:

1. The Borrower has granted, bargained, sold, assigned, transferred, conveyed, mortgaged, warranted, pledged and confirmed unto the Initial Lenders, on behalf and for the benefit of the Lenders, its successors and assigns, a first priority security interest in, and pledge of, all right, title and interest of the Borrower in, to and under, and granted the Initial Lenders a first priority security interest in, the Borrower's right, title and interest in the following described property, rights and privileges, whether now held or hereafter acquired, other than Excepted Property and subject to Excepted Rights (such property, rights and privileges as are conveyed pursuant to clauses (A)-(H) below, but in any event and always excluding Excepted Property, being hereinafter referred to as the "Collateral"):

- (A) the Head Lease Rights and all property now owned or hereafter acquired by the Borrower and subjected to the Lease;
- (B) the Head Lease, the Head Lease Supplement, the Lease, the Lease Supplement, any sublease referred to in Section 6 of the Lease, the Participation Agreement, any Service Contract, the Equipment Pledge Agreement (collectively, the "**Collateral Documents**"), including all amounts of Lease Rent and Supplemental Rent and payments of any kind thereunder including all ancillary rights thereto, including without limitation, Base Termination Value, Termination Value, Fair Market Sales Value, Base Stipulated Loss Value, Stipulated Loss Value, all other

amounts payable under the Collateral Documents, insurance proceeds and condemnation, requisition and other awards and payments of any kind for or with respect to the Equipment (including proceeds and payments received pursuant to any sale of the Head Lease Rights under Section 14 or 15 of the Lease or pursuant to the exercise of any of the remedies provided in Section 17 of the Lease);

- (C) all rights of the Borrower with respect to or arising out of any Collateral Document to exercise any election or option or to give or receive any notice, consent, waiver or approval or to take any other action under any Collateral Document or to accept any surrender or redelivery of any Item of Equipment or any Part thereof, as well as all rights, powers and remedies of the Borrower whether acting under any Collateral Document or by statute or at law or in equity, or otherwise, arising out of any Event of Default;
- (D) all moneys and securities relating to or arising out of the Collateral Documents that are now or hereafter paid to or deposited with, or required to be paid to, or deposited with, the Lender by or for the account of the Borrower or the Lessee pursuant to the terms of any Collateral Document;
- (E) all rents, issues, profits, revenues and other income of the property subject or required to be subjected to the Lien of the Loan and Security Agreement, including, without limitation, all payments or proceeds payable to the Borrower after termination of the Lease with respect to Equipment as a result of the sale, lease or other disposition of either thereof, and all estate, right, title and interest of every nature whatsoever of the Borrower in and to the same and every part thereof;
- (F) all other property of every kind and description and interests therein now held or hereafter acquired by the Borrower pursuant to any term of any Collateral Document, wherever located and subjected to the Lien of the Loan and Security Agreement by a supplement hereto, and the Lender is hereby authorized to receive any such property subject to and in accordance with the terms of the Loan and Security Agreement as then supplemented;
- (G) all estate, right, title and interest now held or hereafter acquired by the Borrower in, to and under the Debt Payment Undertaking Agreement, and any Acceptable Substitute Credit Protection substituted therefor, including, without limitation, (a) the right of the Borrower to receive

payment of any and all amounts or other sums of any kind payable thereunder or in respect thereof as well as all rights of the Borrower to enforce payment of any such amounts or sums, (b) the right of the Borrower to exercise any election or option or to make any decision or determination or to give or receive any notice, consent, waiver or approval under the Debt Payment Undertaking Agreement or any Acceptable Substitute Credit Protection substituted therefor, (c) the right of the Borrower to take any other action under or in respect of the Debt Payment Undertaking Agreement or any Acceptable Substitute Credit Protection substituted therefor as well as all rights, powers and remedies of the Borrower whether acting under the Debt Payment Undertaking Agreement or any Acceptable Substitute Credit Protection substituted therefor or by statute or at law or in equity or otherwise arising out of any default under the Debt Payment Undertaking Agreement or any Acceptable Substitute Credit Protection substituted therefor, (d) all other property of every kind and description and interests therein now held or hereafter acquired by the Borrower pursuant to any term of the Debt Payment Undertaking Agreement or any Acceptable Substitute Credit Protection substituted therefor wherever located and subjected to the Lien of the Loan and Security Agreement by a supplement hereto, and the Lender is hereby authorized to receive any such property subject to and in accordance with the terms of the Loan and Security Agreement as then supplemented; and

- (H) all proceeds of the foregoing of whatever kind or nature, including all claims against third parties for destruction, loss or damage to any of the foregoing or otherwise.

3. **BUT EXCLUDING, HOWEVER,** from the Collateral subject to the foregoing clauses (A)-(H) (i) all Excepted Property and (ii) any payments or amounts which have been distributed to the Borrower or any other Person in accordance with the provisions of the Loan and Security Agreement, AND SUBJECT TO Sections 2.02, 3.05, 8.01 of the Loan and Security Agreement and the provisions with respect to Excepted Rights set forth in Section 5.05 of the Loan and Security Agreement.

2. Lender has agreed to loan to the Borrower and the Borrower has agreed to borrow from the Lender and grant the Lender a first priority security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto, effective as of the date hereof and subject to the terms defined in the Loan and Security Agreement.

3. The Borrower is delivering in the State of New York to the Initial Lenders, for the benefit of the Lenders, the originally executed counterparts of (i) the Lease,

(ii) the Lease Supplement and (iii) the Debt Payment Undertaking Agreement (to each of which documents a chattel paper receipt is attached).

4. Borrower and Lender further acknowledge and affirm that this Memorandum of Loan and Security Agreement (2002-1) is not a summary of the Loan and Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Borrower and Lender hereby agree that in the event of a conflict between this Memorandum of Loan and Security Agreement (2002-1) and the provisions of the Loan and Security Agreement, the provisions of the Loan and Security Agreement shall control.

5. This Memorandum of Loan and Security Agreement (2002-1) is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a).

[Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Loan and Security Agreement (2002-1) to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

BORROWER:

SEPTA RAIL STATUTORY TRUST
2002-1

By: Wilmington Trust Company,
not in its individual capacity, but
solely as Trustee

By: 

Name: *W. Chris Spohn*
Title: *Vice President*

LENDER:

FSA GLOBAL FUNDING
LIMITED, as Bailee for the Series
A Initial Lender and the Series AA
Initial Lender

By: _____

Name:

Title:

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Loan and Security Agreement (2002-1) to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

BORROWER:

SEPTA RAIL STATUTORY TRUST
2002-1

By: Wilmington Trust Company,
not in its individual capacity, but
solely as Trustee

By: _____

Name:

Title:

LENDER:

FSA GLOBAL FUNDING
LIMITED, as Bailee for the Series
A Initial Lender and the Series AA
Initial Lender

By:  _____

Name: **Helen Allen**

Title: **Director**

STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

On this 16th of August, 2002, before me personally appeared [Signature], to me personally known, who being duly sworn, stated that he/she is Vice Pr. of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said corporation, not in its individual capacity, but solely as trustee on behalf of SEPTA Rail Statutory Trust 2002-1 by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public
My Commission Expires Oct. 31, 2007

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ of _____, 2002, before me personally appeared _____, to me personally known, who being duly sworn, stated that he/she is _____ of FSA GLOBAL FUNDING LIMITED that said instrument was signed on behalf of said corporation by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said organization.

Notary Public
My Commission Expires

GEORGE TOWN)
) SS:
CAYMAN ISLANDS)

On this 13th day of September, 2002, before me personally appeared Helen Allen, to me personally known, who being duly sworn, stated that she is a director of FSA GLOBAL FUNDING LIMITED that said instrument was signed on behalf of said corporation by authority of its board of directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said organization.



Notary Public

My Commission Expires 31st January, 2003

Exhibit A

SEPTA Rail Statutory Trust 2002-1

Number of Cars: 46

Manufacturer:
Kawasaki Heavy Industries, Ltd.

Reporting Mark: SEPTA

Number of Cars	Railcar Number
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