

SCHEDULE 21

SECURITY ASSIGNMENT made on April 1995

BETWEEN

GEC ALSTHOM NL SERVICE PROVISION LIMITED of Westinghouse Road, Trafford Park, Manchester M17 1PR (*the Assignor*)

LONDON UNDERGROUND LIMITED of 55 Broadway, London SW1H 0BD (*the Assignee*)

NOW THIS DEED WITNESSES:

DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Assignment words and expressions defined in the Usage Contract shall bear the same respective meanings, and the following words and expressions have the meanings respectively shown opposite them below, in each case, unless the context otherwise requires:

Assigned Property means the Assignor's right, title and interest, present and future, in and to all amounts payable to the Assignor under:

- (i) Clauses 15.4, 20.1(E) and 20.2 of the Trains Head Lease; and
- (ii) Clauses 15.4, 20.1(E) and 20.2 of the Equipment Head Lease,

together with

- (a) all claims, rights and remedies of the Assignor arising out of or in connection with a breach of or default (including, without limitation, all damages and compensation payable for or in respect thereof) under or in connection with any of the Assigned Property specified in paragraphs (i) and (ii) above;
- (b) all rights of the Assignor to require, enforce and compel performance of the agreements constituting the Assigned Property specified in paragraphs (i) and (ii) above and otherwise to exercise all claims, rights and remedies and to receive all damages and compensation in respect of the agreements constituting the Assigned Property specified in paragraphs (i) and (ii);

in each case after any of the same may have been applied, exercised or enforced by either Finance Party pursuant to the Prior Assignments;

Consent means a consent to assignment by the Finance Parties to the Assignee substantially in the form of Appendix B to this Assignment;

Lien shall bear the meaning given to that expression in the Mortgage;

Notice of Assignment means a notice of assignment by the Assignor to the Finance Parties substantially in the form of Appendix A to this Assignment;

Prior Assignments means each of the security assignments of the Assigned Property granted by the Assignor to the Finance Parties pursuant to the security assignment of even date herewith between the Assignor and the Finance Parties;

Secured Amounts means all sums due and payable by the Assignor to the Assignee under the Usage Contract on the date when the Finance Parties make the payment of the relevant Assigned Property;

Security Period means the period commencing on the date hereof and terminating on the date upon which all of the Secured Amounts have been paid and discharged in full;

Usage Contract means the usage contract of even date herewith made between the Assignor and the Assignee.

Interpretation

- 1.2(a) References to clauses or Appendices are, unless otherwise specified, references to clauses of, and Appendices to, this Assignment.
- (b) References to the Assignor and to the Assignee include references to persons deriving title under them respectively.

REPRESENTATIONS AND WARRANTIES

2. The Assignor hereby represents and warrants to the Assignee that:
- (a) the Assignor has not taken any steps and shall not during the term of this Assignment knowingly take any step which have, will or could result in the Assigned Property becoming subject to any Lien, except for this Assignment and the Prior Assignments;
- (b) the Assignor has taken all necessary corporate action necessary to approve the execution and performance of this Assignment.

ASSIGNMENT

Assignment

3.1 In consideration of the Assignee entering into the Usage Contract, the Assignor as beneficial owner, for the purpose of securing the payment by the Assignor of the Secured Amounts, hereby assigns and agrees to assign absolutely and unconditionally by way of security (and subject to Clauses 3.2 and 3.3) to the Assignee all of the Assignor's rights, title, benefit and interest to, in the Assigned Property.

Reassignment

3.2 If the Assignor shall have paid to the Assignee all amounts payable (whether actually or contingently payable) under the Usage Contract on or before the date of such request, the Assignee shall, at the request and cost of the Assignor, reassign to the Assignor the Assigned Property free of any Lien created by the Assignee, but otherwise without recourse or warranty, and shall execute such notices and directions to the Finance Parties as the Assignor may reasonably require in order to give effect to such reassignment.

3.3 This Assignment and the security hereby constituted rank in all respects after and is junior and subordinate to the Prior Assignments.

3.4 The Assignee agrees that it will not enforce or continue to enforce its rights in respect of the Assigned Property unless a Contractor Event of Default shall have occurred and is continuing.

NOTICE OF ASSIGNMENT

4. On execution of this Assignment, the Assignor shall forthwith:
- (a) deliver a Notice of Assignment to the Finance Parties; and
 - (b) procure that the Finance Parties execute and deliver the Consent to the Assignee.

CONTINUING SECURITY

5. The security hereby constituted shall be a continuing security and shall not be discharged by reason of any matter (other than as contemplated in Clause 3.2) which would otherwise discharge this Assignment including, without limitation, any variation or amendment of the Usage Contract. This Assignment is additional to any other security created in connection with the Usage Contract.

FURTHER ASSURANCES

6. The Assignor undertakes that it shall, from time to time upon the written request of the Assignee, execute and deliver promptly and duly to the Assignee any and all such further instruments and documents which are necessary or which are required by law, for obtaining the full benefits of this Assignment and of the rights and powers herein granted.

FURTHER PROVISIONS

Power of Attorney

7.1 As security for the performance of its obligations under this Assignment and the Usage Contract and for conferring on the Assignee the benefit of the rights expressed to be conferred hereunder, the Assignor hereby irrevocably appoints and constitutes the Assignee as the Assignor's true and lawful attorney with full power (in the name of the Assignor or otherwise) to carry out any of the Assignor's obligations

hereunder, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due, under or arising out of, the Assigned Property, to enforce any provision thereof, to give valid receipts and discharges, to endorse any cheques or other instalment or orders in connection therewith, and generally to file any claims or take any action or institute any proceedings which may seem necessary or advisable to the Assignee, for the purpose of putting into effect the intent of this Assignment provided that the Assignee shall not exercise any of its rights as aforesaid unless and until a Contractor Event of Default shall have occurred and is continuing.

Indemnity

7.2 The Assignor hereby agrees to pay and to indemnify and hold the Assignee harmless from all costs, fees and expenses (including legal costs), duties and taxes (including stamp duty) of all kinds incurred by the Assignee in enforcing the provisions of this Assignment.

Rights Cumulative, Waivers

7.3 The rights of the Assignee under this Assignment are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights under general law. The rights of the Assignee (whether arising under this Assignment or the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on the part of the Assignee or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

Variation

7.4 The provisions of this Assignment shall not be varied otherwise than by an instrument in writing executed by or on behalf of both parties.

Notices

7.5 The provisions of clause 46 of the Usage Contract shall be deemed to be incorporated mutatis mutandis herein.

Invalidity of any Provision

7.6 If any of the provisions of this Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

Counterparts

7.7 This Assignment may be executed in any number of counterparts and by any party hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement.

7.8 The Assignee shall be required to transfer its rights hereunder at the same time and to the same person as it transfers its rights in accordance with the Usage Contract. Except as provided above, neither the Assignor nor the Assignee shall be entitled to transfer their rights and obligations hereunder without the prior written consent of the other party.

Governing Law and Jurisdiction

7.9(a) This Assignment shall be governed by and construed in accordance with English law.

(b) The Assignor irrevocably agrees for the benefit of the Assignee that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Assignment and, for such purposes, irrevocably submits to the jurisdiction of such courts.

IN WITNESS whereof the parties hereto have caused this Assignment to be executed as a Deed and it is intended to be and is hereby delivered the day and year first above written.

EXECUTED as a **DEED** under)
THE COMMON SEAL of)
GEC ALSTHOM NL SERVICE)
PROVISION LIMITED)
in the presence of:)

EXECUTED as a **DEED** under)
THE COMMON SEAL of)
LONDON UNDERGROUND)
LIMITED)
in the presence of:)

APPENDIX A

Notice of Assignment

From : GEC ALSTHOM NL Service Provision Limited

To : RB Leasing (March) Limited
Concord Leasing March (A) Limited

_____ 1995

Dear Sirs,

We hereby give you notice that by an Assignment dated _____ 1995 and made between ourselves and London Underground Limited (*the Assignee*) we have assigned absolutely to the Assignee (but subject always to your prior ranking security interest over such amounts) all our right, title and interest in and to amounts payable by you under Clauses 15.4, 20.1(E) and 20.2 of each of the Trains Head Lease of even date herewith between ourselves and yourselves and the Equipment Head Lease of even date herewith between ourselves and yourselves (*the Assigned Property*).

If you receive instructions from the Assignee in respect of the payment of the Assigned Property you are directed to comply with the Assignee's instructions.

This notice and the instructions herein contained are irrevocable. Please acknowledge receipt of this notice to the Assignee on the enclosed consent to assignment.

Yours faithfully,

.....
GEC ALSTHOM NL SERVICE
PROVISION LIMITED

APPENDIX B

Consent to Assignment

From: RB Leasing (March) Limited
Concord Leasing March (A) Limited

To: London Underground Limited

_____ 1995

Dear Sirs,

We acknowledge receipt of a copy of a Notice of Assignment (*the Notice*) of even date herewith from GEC ALSTHOM NL Service Provision Limited (*the Assignor*). Terms defined in the Notice shall bear the same meanings when used herein.

In consideration of £1 and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, we hereby agree that subject always to our first security interest over the Assigned Property and our rights thereunder to apply the Assigned Property in accordance with the provisions of the Prior Assignments as defined in the Assignment referred to in the Notice and subject further to our having received your instructions to such effect, we shall pay the Assigned Property to such account as you may instruct us to in the United Kingdom.

Yours faithfully,

.....
RB LEASING (MARCH) LIMITED

.....
CONCORD LEASING MARCH (A) LIMITED

SCHEDULE 21
Security Assignment

April 1995

GEC ALSTHOM NL SERVICE PROVISION LIMITED

LONDON UNDERGROUND LIMITED

SECURITY ASSIGNMENT

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