

RECORDATION NO. 7557

Filed & Recorded

GUARANTY AGREEMENT

JUN 28 1974 - 3 30 PM

GUARANTY AGREEMENT, dated June 27,

INTERSTATE COMMERCE COMMISSION

1974, among the FEDERAL RAILROAD ADMINISTRATION of the DEPARTMENT OF TRANSPORTATION of the UNITED STATES OF AMERICA, as Guarantor (the "Administrator"), pursuant to Section 602 of the Rail Passenger Service Act of 1970, as amended (the "Act"), FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not in its individual capacity but as Trustee under a Trust Agreement dated as of May 1, 1974 (the Trustee and its successors and assigns being hereinafter called the "Trustee"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as assignee of the Conditional Sale Agreement, as hereinafter defined (such Bank and its successors and assigns being hereinafter called the "Lender").

W I T N E S S E T H :

WHEREAS, in order to assist in carrying out its responsibility to provide intercity rail passenger service in accordance with the provisions of the Act, National Railroad Passenger Corporation ("Amtrak"), a corporation organized under the Act and the laws of the District of Columbia, has entered into a Conditional Sale Agreement (the "Conditional

Sale Agreement") dated as of May 1, 1974, with General Motors Corporation (Electro-Motive Division), a copy of which is attached hereto as Exhibit A, to purchase certain locomotives (the "Equipment"), a Sale and Lease Back Agreement (the "Sale and Lease Back Agreement") dated as of May 1, 1974, with the Trustee, a copy of which is attached hereto as Exhibit B, to sell the Equipment to the Trustee and lease the Equipment back, and an Equipment Lease (the "Lease") dated as of May 1, 1974, with the Trustee, a copy of which is attached hereto as Exhibit C, covering the terms of the lease of the Equipment; and

WHEREAS, the Conditional Sale Agreement provides for the payment of a portion of the purchase price for the Equipment, aggregating a maximum of \$9,911,488, in 23 semi-annual instalments (the "Conditional Sale Indebtedness") together with interest thereon; and

WHEREAS, the Lease provides for the payment of various amounts by Amtrak to the Trustee for the lease of the Equipment, including the amounts hereinafter referred to as the Guaranteed Lease Obligations; and

WHEREAS, General Motors Corporation (Electro-Motive Division) has assigned certain of its rights, including the right to receive payment of the Conditional Sale Indebtedness, together with interest thereon, to the Lender pursuant to an Agreement and Assignment (the "Agreement and Assignment") dated as of May 1, 1974, a copy of which

is attached hereto as Exhibit D; and

WHEREAS, the Secretary of Transportation of the United States of America (the "Secretary") has duly designated the Administrator as his delegate, under the authority of Section 102(2) of the Act and 49 U.S.C. 1653 (and has duly published notice thereof as of October 1, 1973, at 49 CFR 1.49(1)), to carry out certain functions vested in the Secretary by the Act, and the Administrator is thereby duly authorized with the approval of the Secretary of the Treasury to make this guaranty pursuant to Section 602 of the Act, and the Secretary of the Treasury has duly given such approval;

WHEREAS, the entering into of the aforementioned transactions by the Trustee and the Lender is, in the case of each of them, conditioned upon and in consideration of the participation of the other, and the receipt of the guaranty set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Guarantee of Conditional Sale Indebtedness.

The Administrator hereby guarantees the prompt payment by Amtrak of the instalments of the Conditional Sale Indebtedness, together with interest thereon, when and as the same shall become due and payable (whether at maturity, by acceleration or pursuant to other provisions of the Conditional Sale Agreement, or otherwise) in accordance with the terms of the Conditional Sale Agreement, it being understood and

agreed, however, that the Long Term Debt Rate (as defined in the Conditional Sale Agreement) shall not be effective unless and until it has been approved in writing by the Administrator and the Secretary of the Treasury.

2. Guarantee of Lease Payments. The Administrator hereby guarantees to the Trustee the prompt payment by Amtrak of (a) the amounts payable by Amtrak under the provisions of Sections 11, 16.1, 17, 23.2, 25.1 and 25.2 of the Lease, (b) the excess of the Maximum Purchase Price (as defined in the Lease, as the same may be reduced by agreement between the Trustee and Amtrak, provided that in no event shall the Maximum Purchase Price be reduced to less than the Casualty Value), over the Casualty Value, which excess is payable under the provisions of Section 16.2 of the Lease, (c) any amounts payable to the Trustee under Section 2.1 of the Lease as Interim Rent and Periodic Rent which are accrued and unpaid to and including the respective dates the payments referred to in clause (a) hereof are due and payable to the extent not paid pursuant to clause (a) hereof, and (d) all interest on overdue rentals payable under Section 22 of the Lease (all of such amounts being hereinafter called the "Guaranteed Lease Obligations") when and as the same shall become due and payable (whether at maturity, by acceleration

or pursuant to other provisions of the Lease, or otherwise) in accordance with the terms of the Lease.

3. Guaranty is Unconditional. The guaranty hereunder is an absolute and unconditional guaranty of the amounts guaranteed, is in no way conditioned or contingent upon any attempt to collect from Amtrak or upon any other condition or contingency, and shall remain in full force and effect without regard to, and shall not be affected or impaired by, any condition, contingency or occurrence, including, without limitation, (i) any amendment or modification of or addition or supplement to the Conditional Sale Agreement, the Lease or the Sale and Lease Back Agreement; (ii) any extension, indulgence, waiver or other action or inaction with respect to the Conditional Sale Agreement, the Lease or the Sale and Lease Back Agreement; (iii) any default by Amtrak under, or any invalidity or unenforceability of, or any irregularity or other defect in, the Conditional Sale Agreement, the Lease or the Sale and Lease Back Agreement or the use by Amtrak of the proceeds of the moneys made available to or for the benefit of Amtrak, either under the Act or otherwise; (iv) any exercise or nonexercise of any right, remedy, power or privilege under this Agreement, the Conditional Sale Agreement, the Lease or the Sale and Lease Back Agreement; (v) any bankruptcy, insolvency, reorganization or

similar proceeding involving or affecting Amtrak; (vi) any failure to furnish the Administrator with copies of correspondence relating to events of default as provided in Section 8 hereof; (vii) the impairment by the Lender of the Administrator's rights and security title conveyed by the Lender under Section 5 hereof; or (viii) any amendment to or repeal of the Act. This guaranty may not be terminated, canceled or otherwise revoked, shall be conclusive evidence of compliance by this guaranty with the provisions of the Act and this guaranty shall be valid and incontestable in the hands of the Trustee and the Lender, except for fraud or material misrepresentation on the part of the party seeking enforcement hereof with respect to its claim hereunder.

4. Payments by the Administrator. (a) In the event that Amtrak shall fail to pay when due any required instalment of the Conditional Sale Indebtedness, or any interest thereon, the United States of America shall, after the expiration of any grace period provided in the Conditional Sale Agreement in respect thereof, upon the Administrator's receipt of written demand for payment by the obligee of the Conditional Sale Indebtedness, promptly (and, in any event, within 90 days after receipt of such demand) pay to such obligee, in cash, an amount equal to the then unpaid Conditional Sale Indebtedness and the interest accrued thereon to

the date of payment by the Administrator; provided, however, that the Lender shall have assigned to the Administrator, as of the date of such demand, all of its right, title and interest in and to the Conditional Sale Agreement pursuant to an Assignment in the form of the assignment attached hereto as Exhibit E, except as provided in such Assignment. Payment by the Administrator under this subsection 4(a) shall constitute the sole and exclusive remedy of the obligee of the Conditional Sale Indebtedness (in lieu of the remedies provided in Article 16 of the Conditional Sale Agreement and in lieu of all other remedies of a secured party at law, in equity or otherwise) (but without prejudice to any rights it may have as an assignee of the Trustee, but subject, however, to Section 4(b) hereof) by reason of an event of default under the Conditional Sale Agreement; provided, however, that this sentence shall not preclude any action for damages or injunctive relief (but not affecting Amtrak's right to the use and possession of the Equipment under Article 10 of the Conditional Sale Agreement, and it shall be assumed for this purpose that Amtrak is not in default under such Article 10) which the Lender may elect to institute against Amtrak based upon any such event of default; further provided, that if the Lender by the exercise of any of its rights under this subsection 4(a) recovers any portion of the Conditional Sale

Indebtedness, the Administrator's obligation under this Agreement shall be reduced by such amount.

(b) In the event that Amtrak shall fail to pay when due any Guaranteed Lease Obligation payable under the Lease, the United States of America shall, after the expiration of any grace period provided in the Lease in respect thereof, upon the Administrator's receipt of written demand for payment by the Trustee, promptly (and, in any event, within 90 days after receipt of such demand) pay to the Trustee, in cash, an amount equal to the Guaranteed Lease Obligation with respect to which such demand shall have been made, minus (to the extent the Guaranteed Lease Obligation includes the same) the amount, if any, paid by the Administrator to the obligee of the Conditional Sale Indebtedness pursuant to subsection 4(a) hereof; provided, however, that the Trustee shall have assigned to the Administrator, concurrently with the payment of the Guaranteed Lease Obligation covered by such demand, all its right, title and interest in and to the Lease pursuant to an Assignment in the form of the assignment attached hereto as Exhibit F, except as provided in such Assignment. The Trustee agrees that it will not exercise, prior to making any demand under this subsection 4(b) and during such 90-day period, any of its remedies provided for in Section 17(b) of the Lease or any other remedies at law, in equity or otherwise to enforce its rights against the

Equipment, by reason of an event of default under the Lease; provided, however, that this sentence shall not preclude any action to recover any amounts owing under the Lease or any action for damages or injunctive relief (but not affecting Amtrak's right to the use and possession of the Equipment under Section 20.2 of the Lease, and it shall be assumed for this purpose that Amtrak is not in default under such Section 20.2 until after the expiration of such 90-day period) which the Trustee may elect to institute against Amtrak based upon any such event of default; further provided, that, if the Trustee by the exercise of any of its rights under this subsection 4(b) obtains any amount included in the Guaranteed Lease Obligations, the Administrator's obligation under this Agreement shall be reduced by such amount.

(c) The Administrator unconditionally waives any other rights he may have to notice of default, presentment to and demand for payment, protest for nonpayment or dishonor and all other notices which may be required by any state or Federal law. This waiver shall not be construed to limit in any way the Administrator's right to bring suit against any person for breach of Section 8 hereof. To enable payment under this Section 4, the Secretary (or the Administrator on his behalf) shall promptly issue such notes or obligations to the Secretary of the Treasury in an amount which, together

with other funds, if any, which are then available to the Administrator or the Secretary under Section 602 of the Act, shall be sufficient to make all payments required by this Agreement.

5. Assignment by Lender of Certain Rights. The Lender hereby irrevocably conveys to the Administrator all the rights of the Lender under Article 16 of the Conditional Sale Agreement and the security title of the Lender under the Conditional Sale Agreement. The Lender further agrees that it will not take any action at any time hereafter that would impair the Administrator's rights and security title conveyed to the Administrator under this Section 5. In the event that the Administrator shall not make payment to the Trustee of any Guaranteed Lease Obligation within 90 days after the Trustee shall have made demand upon the Administrator therefor under subsection 4(b) hereof, then any rights and security title conveyed by the Lender to the Administrator shall be deemed to have become null and void and shall automatically cease to exist and the Administrator hereby waives, upon the happening of such event, and for such time thereafter that any Guaranteed Lease Obligation remains unpaid, all his rights and security title under this Section 5, and all rights (including any rights to which the Administrator would otherwise have succeeded by subrogation) which the Administrator may have obtained pursuant to Section 4, it being expressly understood and agreed that the Administrator's right, title and interest in and to the Equipment shall, upon the happening of such event, be and remain subordinate to the rights of the Trustee to the extent that and for as long as

any part of the Guaranteed Lease Obligation shall thereafter remain unpaid. In recognition of the rights and security title transferred by the Lender under this Section 5, the Administrator has released, by an appropriate document filed under the Interstate Commerce Act, Section 20c, any other lien, security title or other interest which he may otherwise have had, under the Security Agreements, dated August 7, 1972 and December 27, 1973, between Amtrak and the Administrator, or otherwise, with respect to the Equipment to be acquired by Amtrak pursuant to the Conditional Sale Agreement.

6. Representations by Administrator. The Administrator represents and warrants that (a) this Agreement has been duly authorized, executed and delivered by the Administrator in accordance with the provisions of the Act and the delegation of authority by the Secretary thereunder, and is enforceable in accordance with its terms, and the guaranty contained in this Agreement has been approved by the Secretary of the Treasury, and (b) \$14,200,000 of the guaranty authority available to Amtrak under Section 602 of the Act has been reserved (together with an amount equal to accrued and unpaid rent under the Lease), first, for the payment of the Conditional Sale Indebtedness, together with interest thereon, and the balance for the payment of the Guaranteed Lease Obligations, said amount to decline (or increase) after each semi-annual rental payment under the Lease to the extent of the reduction (or increase) if any, in the Guaranteed Lease Obligations during such semiannual period (but, subject to the maximum of the amount of the guaranty authority reserved above, the guaranty authority so reserved shall in no event be less than

that required in order fully to discharge the obligations guaranteed under subsection 4(a) and subsection 4(b) hereof).

7. Guaranty Fee. Within 10 days following receipt by the Trustee of each rental payment made under the Lease, the Trustee shall pay to the Administrator a guaranty fee calculated at the annual rate of 1/4 of one percent of the amount of the Maximum Purchase Price during the semiannual period preceding such rental payment; it being understood that the payment of the guaranty fee is not a condition of the obligation of the Administrator to make the guaranteed payments under Section 4(a) and 4(b) hereof.

8. Notices. All notices and other communications hereunder shall be in writing and shall, except as otherwise provided in Section 4 hereof, be deemed to have been given when delivered or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Administrator, Federal Railroad Administration of the Department of Transportation, 400 - 7th Street, S.W., Washington, D.C. 20590, or at such other address as the Administrator shall have furnished to Amtrak, the Lender and the Trustee in writing, (b) if to the Trustee, as set forth in Section 26 of the Lease Agreement, or (c) if to the Lender, Bank of America Center, Box 37070, San Francisco, California 94137, Attention National Division--Leasing, or at such other address as the Lender shall have furnished to the other parties hereto in writing. Copies of all correspondence between

the Lender and Amtrak and between the Trustee and Amtrak relating to any event of default or threatened event of default shall be delivered or mailed, as above provided, by the Lender or the Trustee, as the case may be, to the Administrator.

9. Endorsement of Guaranty. The Administrator agrees to endorse (i) on the Agreement and Assignment and on the Lease the guaranty provided for herein in the forms appended to such documents and (ii) for the benefit of any assignees of the Trustee or the Lender on the instruments of assignment to such assignees a comparable guaranty.

10. Miscellaneous. This Agreement embodies the entire agreement and understanding among the Administrator, the Trustee and the Lender with respect to the Administrator's guaranty set forth herein and supersedes all prior agreements relating to such guaranty. No variation or modification of this Agreement shall be valid unless in writing and signed by duly authorized officers of all the parties hereto. All the terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect any of the terms hereof. This Agreement may be executed in any number of counterparts, each

of which shall be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set forth above.

FEDERAL RAILROAD ADMINISTRATOR,

by

John W. Ryan
Federal Railroad Administrator,
Guarantor

Attest:

W W Bennett

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, as Trustee

by

McBridges
Authorized Officer

Attest:

Kathleen Richards
Authorized Officer

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION,

by

Amundson
Vice President

Attest:

Jayne Adams
Assistant Secretary

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this 25th day of June 1974, before me personally appeared M.E. BRIDGES, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Leuchian B. Fishard
Notary Public

[Seal]

My Commission expires: My Commission Expires Nov. 11, 1975

STATE OF CALIFORNIA,)
)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO,)

On this *24th* day of June 1974, before me personally appeared *Edm. Ward*, to me personally known, who, being by me duly sworn, says that he is a Vice President of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Claire B Seiler

Notary Public

[Seal]

My Commission expires: