RECORDATION NO. 20721 FILED

JUN 17 '97 2-40PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.
20006-2973

(202) 393-2266
FAX (202) 393-2156

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 20721-A FILED

JUN 17 '97 2-40PM

RECEIVED
SURFACE TRANSPORTATION BOARD
JUN 17 2 40 PM '97

Counterparts

June 17, 1997

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement, dated as of June 1, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of a Subordination Agreement and Consent to Superior Obligation and Lien, a secondary document related thereto.

The names and addresses of the parties of the enclosed documents are:

Security Agreement

Debtor: National Railroad Passenger Corporation
400 North Capitol Street, N.W.
Washington, D.C. 20001

Secured Party: Trentonworks Limited
One Centerpointe Drive, Suite 260
Lake Oswego, Oregon 97035

Subordination Agreement

Federal Railroad Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

National Railroad Passenger Corporation
400 North Capitol Street, N.W.
Washington, D.C. 20001

Trentonworks Limited
One Centerpointe Drive, Suite 260
Lake Oswego, Oregon 97035

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

two hundred (200) boxcars AMTK 71000 through AMTK 71199

Also enclosed is a check in the amount of $48.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

RECORDATION NO. 20721 FILED

JUN 17 '97 2-40PM

SECURITY AGREEMENT

Dated as of June 1, 1997

between

TRENTONWORKS LIMITED

as Secured Party

and

NATIONAL RAILROAD PASSENGER CORPORATION

as Debtor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301 ON _____, 1997 AT _____ ___.M.,
RECORDATION NUMBER _____

TABLE OF CONTENTS

		Page
SECTION 1.	Definitions	1
SECTION 2.	Grant of Security Interest	1
SECTION 3.	Representations and Warranties; Covenants	2
SECTION 4.	Further Assurances	3
SECTION 5.	Transfers	3
SECTION 6.	Secured Party Appointed Attorney-in-Fact	4
SECTION 7.	Secured Party May Perform	4
SECTION 8.	Secured Party's Duties	4
SECTION 9.	Remedies	4
SECTION 10.	Casualty/Condemnation	6
SECTION 11.	Limitation by Law; Severability	7
SECTION 12.	Waivers, Amendments; Cumulative Remedies	7
SECTION 13.	Notices	7
SECTION 14.	Continuing Security Interest; Successors and Assigns	8
SECTION 15.	Termination	8
SECTION 16.	Governing Law	9
SECTION 17.	Counterparts	9
SECTION 18.	Attorney Fees	9

SCHEDULE 1 - Description of Units

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("*Security Agreement*"), dated as of June 1, 1997 is made by and between NATIONAL RAILROAD PASSENGER CORPORATION, a corporation organized under 49 U.S.C. 24101 et seq. the Rail Passenger Services Act and the laws of the District of Columbia (together with its successors and assigns, "*Debtor*"), and TRENTONWORKS LIMITED, a Nova Scotia corporation (together with its successors and assigns, "*Secured Party*").

RECITALS

A. Pursuant to that certain letter agreement dated May 23, 1997 among the Debtor, Secured Party and Greenbrier Railcar Inc. ("*Greenbrier*") concerning the refurbishment and sale of 50 used railcars by Greenbrier and the manufacture and sale of 200 new railcars by Secured Party (the "*Commercial Contract*"), Secured Party agreed to provide interim financing to Debtor to finance the acquisition of those certain railroad cars (individually, a "*Unit*" and, collectively, the "*Units*") specifically described on Schedule 1 attached hereto.

B. In order to induce Secured Party to provide Debtor with such interim financing, Debtor does hereby grant, pledge, assign and convey, and grant to Secured Party a continuing purchase money security interest in and to the Collateral (as hereinafter defined) to secure all of Debtor's Secured Obligations (as hereinafter defined).

C. The Secured Party has conditioned its obligation to provide Debtor with such interim financing upon the execution and delivery of this Security Agreement by Debtor.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

SECTION 1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given to such terms in the Commercial Contract. Unless otherwise defined herein, all terms defined in Article 9 of the Uniform Commercial Code in effect as of the date hereof in the District of Columbia are used herein as therein defined.

SECTION 2. Grant of Security Interest. To secure the prompt and complete payment and performance when due of its obligation to pay the deferred purchase price of the Units pursuant to the Commercial Contract (the "*Secured Obligations*"), Debtor hereby grants, conveys, hypothecates, pledges and assigns to and for the benefit of the Secured Party, a purchase money security interest in and lien on all of Debtor's right, title or interest, whether now owned or hereafter acquired and wherever located, of all Units specifically described on Schedule 1 attached hereto and all components, parts and appurtenances thereof (whether inventory, equipment or otherwise) acquired and to be acquired under the Commercial Contract, together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated

therein, and all replacements and substitutions thereof, to the extent of any and all right, title and interest now owned or held or hereafter acquired by Debtor and all cash and non-cash proceeds therefrom (collectively, the "*Collateral*").

TO HAVE AND TO HOLD the Collateral, together with all rights, titles, privileges and preferences appertaining or incidental thereto, unto Secured Party and its successors and assigns forever, subject, however, to the terms, covenants and conditions set forth herein.

SECTION 3. Representations and Warranties; Covenants. Debtor represents and warrants to Secured Party as follows:

(a) The chief place of business of Debtor and the chief executive office of Debtor is 60 Massachusetts Avenue, N.E., Washington, D.C. 20002

(b) On the date each Unit is acquired, Debtor will own, good and marketable title to such Unit free and clear of any lien, security interest, charge or encumbrance except for (i) the liens and security interests created by this Security Agreement and (ii) the lien granted by the Debtor to the Federal Railroad Administrator of the Department of Transportation of the United States of America (the "*FRA*") pursuant to that certain Security Agreement (the "*FRA Security Agreement*") dated October 5, 1993 between the Debtor and the FRA in all of the Debtor's right, title and interest in rolling stock acquired and to be acquired by Debtor as subordinated to the security interest created by this Security Agreement pursuant to that certain Subordination Agreement and Consent to Superior Obligation and Lien among Debtor, Secured Party and the FRA (the "Subordination Agreement"). Except for the FRA Security Agreement, no effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of Secured Party relating to this Security Agreement, in connection with Permitted Liens.

(c) This Security Agreement creates valid and enforceable security interests in the Collateral in favor of Secured Party, securing the payment and performance of the Secured Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interests have been duly taken. Such security interests as so perfected constitute a first priority contractual security interest.

(d) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Debtor of the security interests granted hereby or for the execution, delivery or performance of this Security Agreement by Debtor or (ii) for the perfection of such security interests or the exercise by Secured Party of its rights and remedies hereunder and thereunder, except such as have been duly taken or obtained and are in full force and effect.

(e) Debtor will keep the Collateral free and clear of any lien, security interest, charge or encumbrance except for (i) the liens and security interests created by this

Security Agreement, (ii) liens for taxes, assessments or governmental charges or levies in each case not due and delinquent, (iii) inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of Debtor's business and in each case not delinquent, (iv) the lien of the FRA Security Agreement, as subordinated to the security interest created by this Security Agreement pursuant to the Subordination Agreement and (v) leases and subleases of the Units which are expressly subject and subordinate to the lien of this Security Agreement (collectively, the "*Permitted Liens*").

SECTION 4. Further Assurances.

(a) Debtor shall from time to time, at the expense of Debtor, 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, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder and thereunder with respect to any Collateral. Without limiting the generality of the foregoing, Debtor will, at its expense: (i) maintain this Security Agreement in full force and effect and comply with all the terms and conditions thereof; and (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

(b) Debtor 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 Debtor where permitted by law. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) Debtor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request in order to protect its interests.

SECTION 5. Transfers. Debtor shall not sell, assign (by operation of law or otherwise) or otherwise dispose of any Unit except to a third-party in connection with the financing of such Unit in which event the purchase price for such Unit shall become immediately due and payable, and upon the payment in full of the purchase price for such Unit (and any carrying charge due and payable with respect thereto) to the Secured Party, the security interests, assignments, and all other rights of Secured Party in such Unit granted hereby shall cease and become null and void and shall terminate as set forth in Section 15 hereof.

SECTION 6. Secured Party Appointed Attorney-in-Fact. Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem

necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation:

(i) to execute any proof of claim, subrogation receipt and any other document required by an insurance company in connection with payment of claims with respect to any of the Collateral;

(ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(iii) to receive, endorse, and collect any notes, checks, money orders, drafts or other instruments, documents, bills of lading, warehouse receipts and chattel paper, in connection with the Collateral and insurance thereon;

(iv) to pay or discharge for the account of Debtor any taxes, liens or other encumbrances levied or placed on the Collateral; and

(v) to file any claims or take any action or institute any proceedings which Secured Party may deem necessary or desirable for (A) the collection of any of the Collateral or (B) otherwise to protect, preserve and enforce the rights of Secured Party with respect to any of the Collateral.

Any amounts expended by Secured Party pursuant to subparagraph (iv) and (v) of this Section 6 shall be repaid to Secured Party upon demand and be secured by the security interest granted hereby with interest at 9% per annum until paid.

SECTION 7. Secured Party May Perform. If Debtor fails to perform any contract, agreement, or obligation included in the Collateral, Secured Party may itself, but shall not be obligated to, perform, or cause performance of, such contract, agreement or obligation, and the expense of Secured Party incurred connection therewith shall be payable by Debtor.

SECTION 8. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect its interest in the Collateral and its rights hereunder and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 9. Remedies.

(a) If any Event of Default shall have occurred and be continuing, Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies (cumulatively and not exclusively) of a secured party under the Uniform Commercial Code of the

District of Columbia and any other applicable law of any jurisdiction (the "*Code*") (whether or not the Code applies to the affected Collateral) and also may:

(i) require Debtor to, and Debtor shall at its expense and upon request of Secured Party forthwith, assemble all or part of the Collateral as directed by Secured Party and make it available to Secured Party at a place to be designated by Secured Party;

(ii) enter, with or without notice to Debtor, with or without judicial process, and as to any or all of the Collateral, any premises where any of the Collateral or the books and records of Debtor related thereto may be located, and without charge or liability to Secured Party for trespass or otherwise, seize and remove such Collateral and such books and records from such premises or remain upon such premises and use the same without rent for the purpose of processing and/or realizing on the Collateral and/or enforcing any and all rights and remedies of Secured Party under this Security Agreement; and

(iii) without notice except as specified below, but in good faith and in a commercially reasonable manner, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in its then condition or at Secured Party's election and at its sole discretion after further processing in one or more lots or groups at public or private sale or sales, at any exchange, broker's board or at any of Secured Party's offices or elsewhere, at such prices as it may deem best, for cash, on credit or for future delivery, with or without representations or warranties, and upon such other terms as Secured Party may in its sole discretion deem advisable; *provided, however*, that the net proceeds of any such credit sale, future delivery or lease shall not be applied as hereinafter provided until the cash proceeds thereof are actually received by Secured Party. Debtor agrees that, to the extent notice of sale shall be required by law, sixty days' notice to Debtor of the time and place or any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby expressly waived and released.

All cash proceeds received by Secured Party in respect of any sale or lease of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of Secured Party, be held by Secured Party as collateral for, and within a reasonable period of time thereafter be applied (after payment of any amounts payable to Secured Party pursuant to Section 10) against, all or any part of the Secured Obligations in the following order:

First: to the payment of all expenses incurred by Secured Party incident to the enforcement of this Security Agreement or any of the Secured Obligations including, without limitation, all expenses of any entry, taking of possession, further processing under paragraph 9(a)(iii) above, sale, advertisement thereof, and conveyance, as well as, court costs, compensation of agents and employees, attorneys' fees and disbursements;

Second: to the payment of all carrying charges due and payable under the Commercial Contract in connection with the deferment of payment of the purchase price of the Units;

Third: to the payment of the purchase price due and payable for the Units under the Commercial Contract; and

Fourth: to the payment of the surplus (if any) to the Debtor or to such other person as shall be lawfully entitled to receive such surplus.

If upon any such sale or lease, collection or other realization, the proceeds thereof are insufficient to pay to Secured Party all amounts to which it is legally entitled, Debtor will be liable for the deficiency, together with interest thereon, at the rate of 9% per annum.

(b) To the extent permitted by applicable law, Debtor waives all claims, damages and demands against Secured Party arising out of the repossession, retention or sale of the Collateral.

(c) Debtor recognizes that in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Security Agreement, Secured Party may determine that no remedy at law will provide adequate relief to Secured Party, and agrees that Secured Party shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

SECTION 10. Casualty/Condemnation. Debtor will promptly notify Secured Party if any Unit is lost, stolen, confiscated or otherwise taken by any government entity, destroyed, irreparably damaged or damaged beyond economic limit of repair, or permanently rendered unfit for use (any such event, a "*Casualty Event*"). Upon the occurrence of a Casualty Event with respect to any Unit, Debtor shall pay promptly the purchase price for such Unit (together with any carrying charges due and payable with respect thereto) to Secured Party and upon such payment the security interests, assignments, and all other rights of Secured Party in

such Unit granted hereby shall cease and become null and void and shall terminate as set forth in Section 15 hereof.

SECTION 11. Limitation by Law; Severability.

(a) All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Security Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

(b) Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction the substantive laws of which are held to be applicable hereto shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 12. Waivers, Amendments; Cumulative Remedies. None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing executed by the Debtor and Secured Party. Any such waiver shall be valid only to the extent therein set forth. A waiver by Secured Party of any right or remedy under this Security Agreement on any one occasion shall not be construed as a bar to any right or remedy which Secured Party would otherwise have on any future occasion. Neither any failure to exercise nor any delay in exercising on the part of Secured Party of any right, power or privilege under this Security Agreement shall operate as a waiver thereof; further, no single or partial exercise of any right, power or privilege under this Security Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Security Agreement are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law or in equity.

SECTION 13. Notices. All notices and other communications required or permitted to be given or made under the terms hereof shall be in writing. Any such communication or notice shall be deemed to have been duly made or given (i) when delivered personally, (ii) in the case of mail delivery, upon receipt, refusal of delivery or return for failure of the intended recipient to retrieve such communication or (iii) in the case of transmission by facsimile, upon telephone and return facsimile confirmation of receipt and, in each case, if addressed to the intended recipient as follows (subject to the next sentence of this Section 13):

Name of Party	Address
Debtor	National Railroad Passenger Corporation 400 North Capitol Street, N.W. Washington, D.C. 20001

Attention: Treasurer
Facsimile No.: (202) 906-4704

Secured Party

TrentonWorks Limited
One Centerpointe Drive, Suite 260
Lake Oswego, OR 97035
Attention: Norriss M. Webb
Facsimile No.: 503-684-7553

Each party hereto may from time to time designate by notice in writing to the other parties hereto a different address for communications and notices.

SECTION 14. Continuing Security Interest; Successors and Assigns. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) subject to Section 15 hereof, remain in full force and effect until Secured Party has expressly acknowledged the indefeasible payment in full of the Secured Obligations or otherwise knowingly and voluntarily released its security interest in the Collateral by an instrument in writing, (ii) be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Debtor may not assign or transfer (whether by operation of law or otherwise) any of its rights under this Security Agreement without the prior written consent of Secured Party (and any purported assignment or transfer effected without such written consent shall be null and void) and (iii) inure to the benefit of Secured Party's successors, transferees and assigns, and nothing herein is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Security Agreement or any other Collateral.

SECTION 15. Termination. Upon payment in full of the Secured Obligations, the security interests, assignments, and all other rights in the Collateral granted hereby shall cease and become null and void and all of the property, rights and interests granted as security for the payment of the Secured Obligations shall revert to and revest in the Debtor without further act or formality whatsoever. In addition, the security interests, assignments, and all other rights in a particular Unit granted hereby shall cease and become null and void and all of the property, rights, and interests granted as security for the payment of the Secured Obligations in respect of such Unit shall revert to and revest in the Debtor without further act or formality, if at any time the Debtor pays or causes to be paid the purchase price for such Unit (together with any carrying charges which are due and payable with respect to such Unit, if any). Upon any such termination, Secured Party shall execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination.

SECTION 16. Governing Law. This Security Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the District of Columbia without regard to principles of conflicts of laws.

SECTION 17. Counterparts. This Security Agreement may be executed in two counterparts, each of which when so executed shall be deemed to be an original, enforceable

against the signatory thereto, and both of which taken together shall constitute one and the same agreement.

SECTION 18. Attorney Fees. If Secured Party brings any legal action or other proceeding to collect for monies due by Debtor, Secured Party will be entitled to recover its reasonable attorneys' fees and costs incurred before trial, at trial and on any appeal as may be awarded by the court in such proceeding.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DEBTOR:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: Brian Adam
Title: Treasurer

SECURED PARTY:

TRENTONWORKS LIMITED

By: _____
Name: _____
Title: _____

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

On this 12th day of June, 1997, before me personally appeared Brian D. Adam, to me personally known, who being by me duly sworn, says that he is the Treasurer of NATIONAL RAILROAD PASSENGER CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert M. Vilter

Notary Public

My Commission Expires: _____

SEAL

ROBERT M. VILTER
Notary Public, State of New York
No. 02VI5023698
Qualified in New York County
Commission Expires Feb. 14, 19 98

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DEBTOR:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: _____
Title: _____

SECURED PARTY:

TRENTONWORKS LIMITED

By: Norriss M. Webb
Name: Norriss M. Webb
Title: Vice President

STATE OF OREGON)
) ss.
COUNTY OF CLACKAMAS)

On this 3rd day of June, 1997, before me personally appeared Norriss M. Webb, to me personally known, who being by me duly sworn, says that he is the Vice President of TRENTONWORKS LIMITED, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Janet E. Hudson
Notary Public for Oregon

My Commission Expires: 5/28/98

OFFICIAL SEAL
JANET E. HUDSON
NOTARY PUBLIC - OREGON
COMMISSION NO.032937
MY COMMISSION EXPIRES MAY 28, 1998

SCHEDULE 1 TO
SECURITY AGREEMENT

DESCRIPTION OF UNITS

Description	Amtrak Equipment Numbers
Two hundred (200) new sixty-foot, nine inch, 100-ton, Plate C boxcars	AMTK 71000 through ~~AMTK~~ 71199, inclusive AMTK