RECORDATION NO. 20721 FILED

JUN 17 '97 2-40PM

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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. 20221-A FILED

JUN 17 '97 2-40PM

SUBORDINATION AGREEMENT AND CONSENT TO SUPERIOR OBLIGATION AND LIEN

WHEREAS, pursuant to a Security Agreement (the "*FRA Security Agreement*") between the Federal Railroad Administrator of the Department of Transportation (the "*Administrator*") and the National Railroad Passenger Corporation ("*Amtrak*") dated October 5, 1983, Amtrak assigned to the Administrator all of its right, title and interest to certain rolling stock, including rolling stock acquired after the date of the FRA Security Agreement, subject to the terms and provisions of the FRA Security Agreement (the "*FRA Lien*");

WHEREAS, title 49 U.S.C. § 24304(f), prohibits Amtrak from incurring an obligation with a liquidation interest superior to preferred stock issued to the Secretary of the Department of Transportation (the "*Secretary*") or secured by a lien on the property of Amtrak without the consent of the Secretary;

WHEREAS, Amtrak, Greenbrier Railcar, Inc. and TrentonWorks Limited ("*Seller*") entered into that certain letter agreement dated May 23, 1997 (the "*Commercial Contract*") which provides for the acquisition by Amtrak of two hundred (200) new boxcars from Seller (such boxcars are individually referred to as a "*Unit*" and, collectively, as the "*Units*");

WHEREAS, Amtrak desires to receive interim financing from Seller to finance the acquisition of the Units under the Commercial Contract;

WHEREAS, in order to provide such interim financing, Seller requires that Amtrak grant to Seller a security interest in the Collateral, as that term is defined in the Security Agreement (the "*Security Agreement*") to be entered into between Amtrak and Seller, superior to the FRA Lien and a liquidation preference superior to the preferred stock held by the Secretary;

NOW, THEREFORE, in order to induce, and in consideration of, the interim financing from Seller to Amtrak, the parties hereto agree as follows:

1. The interest and rights of the Administrator under the FRA Security Agreement in the Collateral are and shall be unconditionally subordinate and junior (absolutely, and without regard to arguments of circularity or otherwise) in priority of interest and right of payment to the lien granted to Seller in the Security Agreement with respect to the Collateral, providing for the prior payment of the purchase price for the Units, carrying and other charges with respect thereto, as provided in the Commercial Contract and the Security Agreement (the "*Secured Party Interest*"). The Administrator hereby confirms for the benefit of Seller and Amtrak that the interest and rights of the Administrator under the FRA Security Agreement in the Collateral will attach only to that interest which Amtrak acquires in the Collateral in accordance with the Commercial Contract.

2. The Administrator, acting on behalf of and as the Secretary's delegate (unless otherwise specified throughout this Subordination Agreement and Consent to Superior

Obligation and Lien), hereby consents to (a) Amtrak's granting a lien on the Collateral to the Seller superior to the Administrator's obligation up to the amount of the Secured Party Interest, including interest thereon, as applicable, and any costs, expenses and fees all as provided in the Commercial Contract and the Security Agreement, and (b) the incurrence by Amtrak of its obligations under the Commercial Contract and the Security Agreement which have a liquidation preference superior to the Amtrak preferred stock issued to the Secretary.

3. The Administrator agrees that in the event the Administrator exercises any possessory remedies or rights of sale under the FRA Security Agreement with respect to the Units, the Administrator will assume the responsibility for discharging fully any outstanding obligations of Amtrak under the Commercial Contract and the Security Agreement to the extent relating to the Units. Further, the Administrator agrees that Seller may exercise its remedies under the Security Agreement, or as otherwise may be prescribed by law, without obtaining any further consent of the Administrator or the Secretary so long as the proceeds are applied upon sale or other disposition of the Units toward satisfaction of any outstanding obligations of Amtrak under the Commercial Contract or the Security Agreement.

4. Seller agrees to the following:

(a) to provide notice to the Administrator promptly after the issuance of any notice of default to Amtrak under the Security Agreement;

(b) to provide the Administrator, prior to exercise of the possessory remedies of Seller, an opportunity to cure any defaults of Amtrak under the Commercial Contract and the Security Agreement until the earlier of 30 days from receipt of notice under Paragraph 4(a) hereof, the date on which the Administrator evidences in the good faith judgment of Seller that it will not or cannot cure the default, or the time at which a third party is legally empowered in the good faith opinion of Seller to take action against or take possession of the Units, to the extent that a default is capable of cure or the initiation of cure within 30 days, and, further, to the extent that the Commercial Contract and the Security Agreement provide for a 30 day cure period; and provided further that in the event the Commercial Contract and the Security Agreement provide for a period of cure of less than 30 days, the Administrator shall be provided an opportunity to cure for such lesser period; and

(c) to pay (to the extent consistent with law) to the Administrator in the event of a default by Amtrak the surplus proceeds from sale or other disposition of the Units following repayment of obligations of Amtrak under the Commercial Contract and the Security Agreement.

No failure by Seller to comply with subparagraphs (a), (b) or (c) of this Section 4 will affect the subordination given by the Administrator in favor of Seller pursuant to this Subordination, Agreement and Consent to Superior Obligation and Lien.

5. In the event that the Administrator receives any payment in respect of the FRA Security Agreement which Seller is entitled to receive under the provisions of this Subordination Agreement and Consent to Superior Obligation and Lien, any amount so received will be held in trust for Seller and to the extent permitted by law will forthwith be turned over to be applied on the Secured Party Interest.

6. Except after the Secured Party Interest shall have been paid in full, in the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement with creditors, whether or not pursuant to bankruptcy laws, sale of all or substantially all of the assets, dissolution, liquidation or any other marshaling of the assets and liabilities of Amtrak, the Administrator will, at the reasonable request and reasonable expense of Seller, provide information, writings, and cooperation directed towards effectuating the agreements herein and the obligations hereof.

7. The Administrator hereby expressly acknowledges, consents and agrees, at any time and from time to time, without the consent of or notice to the Administrator, without incurring responsibility to the Administrator and without impairing or releasing any of Seller's rights, or any of the obligations of the Administrator hereunder and to the extent permitted by law:

(a) To changes in the Commercial Contract or the Security Agreement which do not alter the purchase price of the Units (or the carrying charges, if any which do not affect the rights and obligations of the Administrator as described herein or in the FRA Security Agreement;

(b) That, to the extent permitted herein, Seller, may sell, exchange, release or otherwise deal with all or part of the Collateral;

(c) That, except as set forth herein, Seller, pursuant to the Commercial Contract or the Security Agreement, may exercise or not exercise any rights against Amtrak; and

(d) That any sums, by whomsoever paid or however realized, pursuant to subsections (a) and (b) of this section may be applied to the Secured Party Interest to the extent permitted herein or in the Commercial Contract or the Security Agreement.

8. The Administrator represents and warrants that (a) neither the execution nor delivery of this Subordination Agreement and Consent to Superior Obligation and Lien nor fulfillment nor compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which it is now subject, (b) this Subordination Agreement and Consent to Superior Obligation and Lien constitutes the legal and valid obligation and contract of the Administrator and the Secretary, enforceable against the Administrator and the Secretary in accordance with its

terms, and (c) it has full authority to subordinate its interest and rights under the FRA Security Agreement in the Collateral to the interests and rights of Seller in the Security Agreement.

9. This Subordination Agreement and Consent to Superior Obligation and Lien may be amended only by an agreement in writing signed by the parties hereto and shall specifically refer to itself as an amendment thereto. In the event of any conflict between the terms of this Subordination Agreement and Consent to Superior Obligation and Lien and the Commercial Contract or the Security Agreement, the terms of this Subordination Agreement and Consent to Superior Obligation and Lien shall prevail with respect to the rights and obligations of the Administrator.

10. Nothing in this Subordination Agreement and Consent to Superior Obligation and Lien affects any priority which may be claimed by Seller by operation of law including, but not limited to, title 49 U.S.C. § 11301, the Uniform Commercial Code, and other applicable state and federal law.

11. Amtrak hereby consents and agrees (a) to the terms of the foregoing and (b) that a failure of Seller to perform any obligation to the Administrator will create no right or claim by Amtrak against Seller.

12. Seller represents and warrants that the entering into and the performance of the terms of this Subordination Agreement and Consent to Superior Obligation and Lien are within its corporate powers and have been duly authorized by all necessary corporate actions, and are not in violation of any law, statute, regulation or decree of the laws of the United States.

13. If Seller brings any legal action or other proceeding to collect for monies due hereunder, Seller 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 undersigned duly authorized officers of the parties hereto have executed this Subordination Agreement and Consent to Superior Obligation and Lien by signing it as of June 17, 1997.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

TRENTONWORKS LIMITED

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 17th day of June, 1997, before me personally appeared Jolene M. Molitoris, to me personally known, who being by me duly sworn, says that he/she is the Administrator of the FEDERAL RAILROAD ADMINISTRATION, who acknowledged himself/herself to be a duly authorized officer of the FEDERAL RAILROAD ADMINISTRATION, and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

Barbara J. Jackson
Notary Public

My Commission Expires: OCT 31 1999

SEAL

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Subordination Agreement and Consent to Superior Obligation and Lien by signing it as of June 17, 1997.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: Brian Adam
Title: Treasurer

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 undersigned duly authorized officers of the parties hereto have executed this Subordination Agreement and Consent to Superior Obligation and Lien by signing it as of June 17, 1997.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

TRENTONWORKS LIMITED

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

STATE OF ORGON)
) ss
COUNTY OF CLACKAMAS)

On this 11th 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 LIMTED that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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

My Commission Expires: 5/28/98

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