

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

6690-BBB BBB

November 19, 1997

RECORDATION NO. FILED

NOV 19 1997 2-25 PM

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 Subordination Agreement and Termination and Consent (Amtrak Trust 97-C), a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement which was previously filed with the Commission under Recordation Number 6690-MMMM.

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

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

State Street Bank and Trust Company of Connecticut,
National Association
225 Asylum Street
Hartford, Connecticut 06103

Handwritten signature

RECORDED
INDEXED
NOV 22 1997
U.S. DEPARTMENT OF TRANSPORTATION

Mr. Vernon A. Williams
November 19, 1997
Page 2

A description of the equipment for which the Administrator's security interest is being terminated is set forth on Schedule I attached thereto.

A description of the equipment for which the Administrator's security interest is being subordinated is set forth on Schedule 2 attached thereto.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a horizontal line extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

DATE: November 19, 1997

Robert W. Alvord
Alvord & Alvord
918 16th St NW
Suite 200
Washington DC 20006-2973

Dear Mr. Alvord:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301 and 49 CFR 1177.3 (c), on November 19, 1997 at 2:25PM, and assigned recordation number(s). 6690-BBBBBB, 20721-B, 20722-B, 21009, and 21010.

Sincerely Yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 120.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



NOV 19 1997 2-25 PM

**SUBORDINATION AGREEMENT AND TERMINATION AND CONSENT
(AMTRAK TRUST 97-C)**

THIS SUBORDINATION AGREEMENT AND TERMINATION AND CONSENT (AMTRAK TRUST 97-C) dated as of September 1, 1997 (this "Agreement") is among the Administrator of the Federal Railroad Administration of the United States Department of Transportation (the "Administrator"), acting (unless otherwise specified herein) on behalf of and as the delegate of the Secretary of the Department of Transportation (the "Secretary"), the National Railroad Passenger Corporation ("Amtrak") and the Owner Trustee defined below.

WHEREAS, pursuant to a Security Agreement dated October 5, 1983 between the Administrator and Amtrak (the "FRA Security Agreement"), 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 or secured by a lien on the property of Amtrak without the consent of the Secretary;

WHEREAS, pursuant to that certain Participation Agreement (Amtrak Trust 97-C) dated as of September 1, 1997 among Amtrak, General Electric Capital Corporation (the "Owner Participant") and State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity but solely as Owner Trustee (the "Owner Trustee") (the "Participation Agreement"), Amtrak will sell the rolling stock identified on Schedule 1 hereto (the "Units") to the Owner Trustee and will leaseback such Units pursuant to that certain Lease of Railroad Equipment (Amtrak Trust 97-C) dated as of September 1, 1997 between Amtrak and the Owner Trustee (the "Lease");

WHEREAS, pursuant to that certain Security Agreement (Amtrak Trust 97-C) dated as of September 1, 1997 between Amtrak and the Owner Trustee (the "Security Agreement"), Amtrak will grant a lien and security interest in the rolling stock identified on Schedule 2 hereto and any substitutions or replacements therefor (the "Rolling Stock Collateral") to the Owner Trustee in order to secure its obligations under the Lease;

NOW, THEREFORE, in order to induce, and in consideration of, the Owner Trustee entering into the transactions contemplated by the Participation Agreement, the parties hereto agree as follows:

1. (a) The interest and rights of the Administrator under the FRA Security Agreement in any portion of the Rolling Stock Collateral and to any payment from the Rolling Stock Collateral shall be 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 the Owner Trustee in the Security Agreement with respect to the Rolling Stock Collateral, and to the prior payment and performance in full of Amtrak's obligations under the

Lease, all as provided in the Security Agreement and all other Operative Documents (as defined therein) (the "Obligations").

(b) The Administrator hereby consents to (a) the incurrence by Amtrak of the Obligations, which have a liquidation preference superior to the Amtrak preferred stock held by the Secretary, and (b) Amtrak's granting a lien on the Rolling Stock Collateral, superior to the FRA Lien as security for the Obligations including interest thereon, as applicable, and any costs, expenses and fees all as provided in the Security Agreement.

2. All right, title and interest of the Administrator in and to the Units is hereby terminated and released.

3. The Administrator agrees that in the event that the Administrator exercises any right or remedy under the FRA Security Agreement or takes any other action with respect to the Rolling Stock Collateral, the Administrator shall assume in writing the responsibility for discharging the Obligations. Further, the Administrator agrees that the Owner Trustee may exercise its rights and remedies with respect to the Rolling Stock Collateral under the Security Agreement, or as otherwise may be prescribed by law, without obtaining any consent of the Administrator or the Secretary so long as the proceeds are applied upon sale or other disposition of the Rolling Stock Collateral toward satisfaction of the Obligations to the extent permitted by the Security Agreement.

4. The Owner Trustee agrees to the following:

(a) to provide notice to the Administrator promptly after the issuance of any notice of default or declaration of default or acceleration under the Lease or the Security Agreement (but no failure to provide such notice shall affect any right or obligation of the parties hereto, except to the extent it affects the commencement of the time periods referred to in Section 4(b));

(b) to provide the Administrator, prior to exercise of the possessory remedies of the Owner Trustee with respect to the Rolling Stock Collateral under the Security Agreement, an opportunity to cure any defaults of Amtrak under the Lease that can be remedied by the payment of money, until the earlier of 30 days from receipt of notice under Section 4(a) hereof, the date on which the Administrator evidences in the good faith judgment of the Owner Trustee 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 the Owner Trustee to take action against or take possession of the Rolling Stock Collateral, 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 Lease provides for a 30 day cure period; and provided further that in the event the Lease provides for a period of cure of less than 30 days, the Administrator shall be provided an opportunity to cure for such lesser period; provided, however, that the Owner Trustee shall not be required to provide notice of or an opportunity to cure (x) any default in the payment of Base Rent due under the Lease, if such cure shall have been effected with respect to (i) each of the three

(3) Rent Payment Dates immediately preceding the date of such default or (ii) more than six (6) Rent Payment Dates during the Lease Term and (y) any other default that can be remedied by the payment of money, if during the twelve-month period immediately preceding the relevant default by Amtrak the Administrator shall have expended in excess of \$1,000,000 to cure defaults that can be remedied by the payment of money (other than defaults in the payment of Base Rent under the Lease); and

(c) to pay (to the extent consistent with law and the Security Agreement) to the Administrator any surplus proceeds from the sale or other disposition of the Rolling Stock Collateral following repayment of the Obligations.

5. In the event that the Administrator receives any payment in respect of the FRA Security Agreement which the Owner Trustee is entitled to receive under the provisions of this Agreement or the Security Agreement, any amount so received will be held in trust for the Owner Trustee and will forthwith be turned over to be applied on the Obligations.

6. Except after the Obligations 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 the Owner Trustee, 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 the Owner Trustee's rights, or any of the obligations of the Administrator, hereunder:

(a) To changes in the Operative Documents which (i) do not materially increase Amtrak's Base Rent payment obligations thereunder or (ii) do not materially adversely affect the rights and obligations of the Administrator as described herein or in the FRA Security Agreement (it being understood and agreed that for purposes of this Agreement any adjustment to rent, casualty value factors and termination value factors, special purchase price or other economic factors in accordance with Section 15 of the Participation Agreement shall not constitute a change in the Operative Documents);

(b) That, except to the extent restricted in Section 4(b), the Owner Trustee, pursuant to the Security Agreement, may sell, exchange, release or otherwise deal with all or part of the Rolling Stock Collateral;

(c) That, except as set forth in Section 4(b), the Owner Trustee, pursuant to the Security Agreement, may exercise or not exercise any rights against Amtrak;

(d) That the Owner Trustee, pursuant to the other Operative Documents, may exercise or not exercise any rights or remedies against Amtrak; and

(e) That any sums, by whomsoever paid or however realized by the Owner Trustee with respect to the Rolling Stock Collateral under the Security Agreement will be applied to the Obligations to the extent permitted herein or in the Operative Documents.

Nothing in this Section 7 or elsewhere in this Agreement is intended to, or shall be construed to, limit, restrict or otherwise affect the rights and remedies of the Owner Trustee with respect to any collateral (other than Rolling Stock Collateral) subject to the Security Agreement or any other Operative Document or with respect to the Units.

8. The Administrator represents and warrants that (a) neither the execution nor delivery of this Agreement 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, the Secretary or the United States Government is now subject, (b) this Agreement 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 (1) subordinate its interest and rights under the FRA Security Agreement in the Rolling Stock Collateral as provided herein, (2) acting on behalf of and as the Secretary's delegate, to give the consents provided in Section 1(b) and (3) terminate and release all of its right, title and interest in and to the Units.

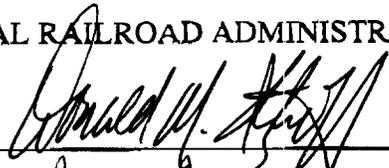
9. This Agreement may be amended only by an agreement in writing signed by the parties hereto and shall specifically refer to itself as an amendment thereto. In the event of any conflict between the terms of this Agreement and the Security Agreement, the terms of this Agreement shall prevail with respect to the rights and obligations of the Administrator. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

10. Nothing in this Agreement affects any priority which may be claimed by the Owner Trustee 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 the Owner Trustee to perform any obligation to the Administrator will create no right or claim by Amtrak against the Owner Trustee.

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Agreement.

FEDERAL RAILROAD ADMINISTRATION

By: 
Name: FEDERAL RAILROAD ADMINISTRATION
Title: DONALD M. FITZKE

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Owner Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Agreement.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By:  _____
Name: Brian D. Adam
Title: Treasurer

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Owner Trustee

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 10th day of November, 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.


Notary Public

My Commission Expires: 1-1-2000

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Agreement.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

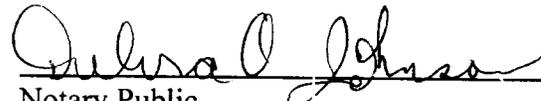
STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Owner Trustee

By: Susan T. Keller
Name: SUSAN T. KELLER
Title: Vice President

COUNTY OF Hartford)
)
STATE OF Connecticut)

ss

On this ____ day of November, 1997, before me personally appeared ~~SUSAN T. KELLEY~~, me personally known, who being by me duly sworn, says that he is the ~~Vice President~~ of State Street Bank and Trust Company of Connecticut, National Association, that said instrument was signed on behalf of said national banking association 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.



Notary Public

My Commission Expires: _____

DEBRA A. JOHNSON

NOTARY PUBLIC

MY COMMISSION EXPIRES JULY 31, 2000

SCHEDULE 2
DESCRIPTION OF ROLLING STOCK COLLATERAL

<u>EQUIPMENT TYPE</u>	<u>AMTRAK EQUIPMENT NUMBERS</u>
One (1) EMD AEM 7 Locomotive	AMTK 902
Eight (8) Budd Co. Amfleet I Amcoaches	AMTK 21000 through 21003, inclusive, and AMTK 21006, AMTK 21007, AMTK 21009, and AMTK 21011
Eight (8) EMD F40 Locomotives	AMTK 203, AMTK 206, AMTK 207, AMTK 210, AMTK 214, AMTK 216, AMTK 217, and AMTK 220
Five (5) Bombardier Superliner I Passenger Coaches	AMTK 31005, AMTK 31006, AMTK 31007, AMTK 31012, and AMTK 31018

SCHEDULE 1
DESCRIPTION OF UNITS

<u>EQUIPMENT TYPE</u>	<u>AMTRAK EQUIPMENT NUMBERS</u>
Two Hundred (200) new Trenton Works Ltd. 100-ton 60'9" Plate "C" Box cars	AMTK 71000 through AMTK 71199, inclusive
Fifty (50) remanufactured Greenbrier Railcar, Inc. Medium Speed Material Handling Cars III	AMTK 70000 through AMTK 70049, inclusive