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Spida
November 21, 1997

RECORDATION NO. 6690-CCCCC FILED

NOV 21 '97 10-45 AM

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

NOV 21 10 45 AM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

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 Consent to Superior Obligation and Lien, dated as of May 1, 1996, 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 of 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

Export Development Corporation
151 O'Connor Street
Ottawa, Canada K1A 1K3

Mr. Vernon A. Williams
November 21, 1997
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A description of the railroad equipment covered by the enclosed document is:

all railroad equipment, including high speed trainsets, trainset simulator, inspection car, instrumental wheel sets, locomotives and locomotive simulators, covered by Commercial Contract A and Commercial Contract B referred to in the Agreement.

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,



Robert W. Alvord

RWA/bg
Enclosures

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

OFFICE OF THE SECRETARY

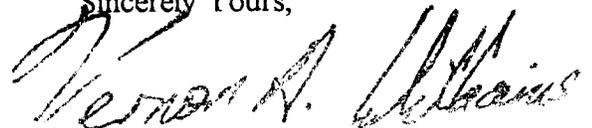
DATE: November 21 1997

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 21 1997 at 10:45AM, and assigned recordation number(s). 6690-000000 and 21013.

Sincerely Yours,

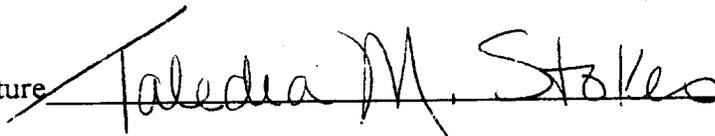


Vernon A. Williams
Secretary

Enclosure(s)

\$ 43.00 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 21 '97

10-45 AM

**SUBORDINATION AGREEMENT AND CONSENT
TO SUPERIOR OBLIGATION AND LIEN**

SUBORDINATION AGREEMENT AND CONSENT TO SUPERIOR OBLIGATION AND LIEN dated as of May 1, 1996, 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 Export Development Corporation ("EDC").

WHEREAS, pursuant to a Security Agreement (the "FRA Security Agreement") between the Administrator and 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 and the consortium of Bombardier Corporation and GEC Alsthom Transportation Inc. (collectively, the "Manufacturer") entered into (i) an Agreement for Purchase and Sale of High Speed Rail Equipment and Design and Construction of Supporting Maintenance Facilities dated May 1, 1996 ("Commercial Contract A") which provides for, among other things, the acquisition by Amtrak of up to eighteen high speed trainsets, one trainset simulator, one inspection car and four instrumented wheel sets (collectively, the "Trainsets") and (ii) an Agreement for Purchase and Sale of High Speed Electric Locomotives dated May 1, 1996 ("Commercial Contract B") which provides for, among other things, the acquisition by Amtrak of up to fifteen electric locomotives and five locomotive simulators (collectively, the "Units") (Commercial Contract A and Commercial Contract B are collectively referred to as the "Commercial Contracts");

WHEREAS, Amtrak desires to obtain a loan from EDC (the "Loan") to finance the acquisition of the Trainsets and the Units (the Trainsets and the Units are collectively referred to as the "Goods") pursuant to that certain Loan Agreement, dated as of May 1, 1996, (the "Loan Agreement") between Amtrak and EDC, a Security Agreement (Mortgage), Notes, Assignment, Disbursement Procedures Agreement (as such terms are defined in the Loan Agreement) and such other financing agreements, documents and notes executed by Amtrak and/or EDC (the Loan Agreement, the Security Agreement (Mortgage), Notes, Assignment, Disbursement Procedures Agreement and other financing agreements, documents and notes referred to in this paragraph are herein referenced as the "Agreements"); and

WHEREAS, in order to provide the Loan, EDC requires that Amtrak grant a security interest in the Collateral (as that term is defined in the Loan Agreement) 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 extension of the Loan from EDC to Amtrak, the parties hereto agree as follows:

1. The interest and rights of the Administrator under the FRA Security Agreement in the 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 EDC in the Security Agreement (Mortgage) with respect to the Collateral, providing for the prior payment and performance in full of the Loan, accrued interest thereon and any costs, expenses and fees of Amtrak, all as provided in the Agreements (the "*EDC Obligation*"). The Administrator hereby confirms for the benefit of EDC 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 Contracts.

2. The Administrator hereby consents to Amtrak's securing by a lien on the Collateral, superior to the FRA Lien up to the amount of the EDC Obligation, including interest thereon, as applicable, and any costs, expenses and fees all as provided in the Agreements and which has a liquidation interest solely with respect to the Collateral superior to any 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 Goods, the Administrator will assume the responsibility for discharging any outstanding obligations of Amtrak under the Agreements to the extent of such exercise of its possessory remedies or rights of sale with respect to the Goods. Further, the Administrator agrees that EDC may exercise its remedies under the Agreements, 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 Goods toward satisfaction of any outstanding obligations of Amtrak under the Agreements.

4. EDC 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 Agreements;

(b) to provide the Administrator, prior to exercise of the possessory remedies of EDC, an opportunity to cure any defaults of Amtrak under the Loan Agreement 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 EDC 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 EDC to take action against or

take possession of the Goods, 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 Agreements provide for a 30 day cure period; and provided further that in the event the Agreements 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 any surplus proceeds from sale the or other disposition of the Goods following repayment of obligations of Amtrak under the Agreements.

5. In the event that the Administrator receives any payment in respect of the FRA Security Agreement which EDC 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 EDC and to the extent permitted by law will forthwith be turned over to be applied on the EDC Obligations.

6. Except after the EDC 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 EDC, 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 EDC's rights, or any of the obligations of the Administrator hereunder and to the extent permitted by law:

(a) To changes in the Agreements which do not alter the amounts, interest rate or terms of repayment of the Loan or 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, EDC may sell, exchange, release or otherwise deal with all or part of the Collateral;

(c) That, except as set forth herein, EDC, pursuant to the Agreements, may exercise or not exercise any rights against Amtrak; and

(d) That any sums, by whomsoever paid or however realized, pursuant to subsections (a), (b) and (c) of this section will be applied to the EDC Obligation to the extent permitted herein or in the Agreements.

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 (1) to subordinate its interest and rights under the FRA Security Agreement in the Collateral to the interests and rights of EDC in the Security Agreement (Mortgage) and (2) to consent to Amtrak securing by a lien on the Collateral its rights under the Commercial Contracts, which lien has a liquidation interest superior to the preferred stock issued to the Secretary.

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 Agreements, 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 EDC 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 EDC to perform any obligation to the Administrator will create no right or claim by Amtrak against EDC.

12. EDC 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 Canada.

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Subordination Agreement and Consent to Superior Obligation and Lien.

FEDERAL RAILROAD ADMINISTRATION

By: Jolene M. Molitoris
Name: Jolene M. Molitoris
Title: Federal Railroad Administrator

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

EXPORT DEVELOPMENT CORPORATION

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 31st day of July, 1996, before me personally appeared Julene M. Melitrus, 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. Juckel
Notary Public

My Commission Expires: 10/31/99

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereto have executed this Subordination Agreement and Consent to Superior Obligation and Lien.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

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

EXPORT DEVELOPMENT CORPORATION

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 8th day of July, 1996, 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 Subordination Agreement and Consent to Superior Obligation and Lien.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

EXPORT DEVELOPMENT CORPORATION

By: Sean Mitchell Johanne Mullen
Name: Sean Mitchell Johanne Mullen
Title: Financing Services Managers

Canada)
Province of Ontario)
Regional Municipality)
of Ottawa-Carleton)

On this 8th day of July, 1996, before me personally appeared Sean Mitchell and Johanne Mullen, to me personally known, who being by me duly sworn, says that they are the Financing Services Manager and Financing Services Manager of EXPORT DEVELOPMENT CORPORATION, who acknowledged themselves to be a duly authorized officers of EXPORT DEVELOPMENT CORPORATION, and that, as such officers, being authorized to do so, they executed the foregoing instrument for the purposes therein contained.



"John George Pallascio, Notary Public,
Regional Municipality of Ottawa-Carleton,
limited to the attestation of instruments
and the taking of affidavits, for Export
Development Corporation.
expires November 9, 1996."