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

December 11, 1997

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

RECORDATION NO. 6690-EEEEEE FILED
DEC 11 '97 10-55 AM

Dec 11 10 54 AM '97
OF COUNSEL
URBAN A. LESTER

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 December 2, 1997, 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

MBK Rail Finance Corporation
7 Kanda - Nishikicho
2 - Chome, Chiyoda-Ku
Tokyo, Japan

Ken Bettman

Mr. Vernon A. Williams
December 11, 1997
Page 2

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

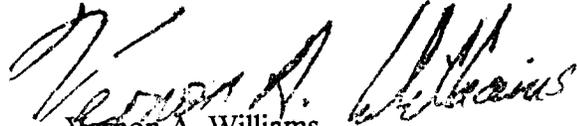
DATE: December 11, 1997

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 December 11, 1997 at 10:55AM, and
assigned recordation number(s). 6690-EEEEEE .

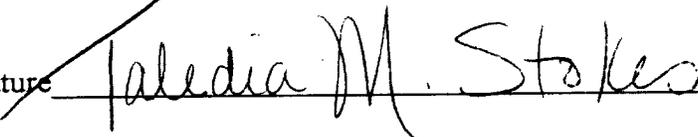
Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 24.00 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



DEC 11 '97 10-55 AM

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

SUBORDINATION AGREEMENT AND CONSENT TO SUPERIOR OBLIGATION AND LIEN dated as of December 2, 1997, 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 MBK Rail Finance Corporation ("MBK") and Export Development Corporation (together with MBK the "Lenders") and Export Development Corporation, as Agent for the Lender (the "Agent") and as Collateral Agent (the "Collateral Agent").

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 Alstom 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 the Lenders, including a part thereof which may be converted into a lease intended for security (collectively, 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 December 2, 1997, as supplemented by that certain Agreement, dated as of December 2, 1997 regarding the payment of certain interest rate swap breakage costs (together, the "Loan Agreement") between Amtrak, the Lenders, the Agent and the Collateral Agent, the Security Agreement (Mortgage),

the Notes, the Assignment, Disbursement Procedures Agreement and the Finance Lease (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, Finance Lease 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, the Lenders require that Amtrak grant a security interest in the Collateral (as that term is defined in the Loan Agreement) and in any portion thereof subject to the Finance Lease 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 the Collateral Agent in the Security Agreement (Mortgage) or to MBK under the Finance Lease with respect to the Collateral, providing for the prior payment and performance in full of the Loan, accrued interest thereon, rent under the Finance Lease and any costs, expenses and fees of Amtrak, all as provided in the Agreements (the "Superior Obligation"). The Administrator hereby confirms for the benefit of the Lenders, the Agent and the Collateral Agent 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 Superior 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 the Lenders, the Agent and the Collateral Agent may each 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. Each Lender agrees to the following:

(a) to provide notice to the Administrator promptly after the issuance by it 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 by it or its agents, an opportunity to cure any defaults of Amtrak under the Agreements 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 such Lender 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 such Lender 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 (subject, in any event, to the other limitations contained in this clause (b)); 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 the Lenders are 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 the Lenders and to the extent permitted by law will forthwith be turned over to be applied on the Superior Obligations.

6. Except after the Superior 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 of any Lender and reasonable expense thereof, 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 rights of the Lenders, the Agent and the Collateral Agent, 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, the Collateral Agent and MBK as lessor under the Finance Lease may sell, exchange, release or otherwise deal with all or part of the Collateral;

(c) That, except as set forth herein, the Lenders, the Agent and the Collateral Agent, 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 Superior 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 the Collateral Agent in the Security Agreement (Mortgage) and of MBK in the Finance Agreement 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 the Lenders, the Agent and the Collateral Agent 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 Lenders, the Agent and the Collateral Agent to perform any obligation to

the Administrator will create no right or claim by Amtrak against the Lenders, the Agent and the Collateral Agent.

12. The Lenders, the Agent and the Collateral Agent 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 applicable to them.

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: *S Mark Lindsey*
Name: S MARK LINDSEY
Title: ACTING ADMINISTRATOR

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name:
Title:

EXPORT DEVELOPMENT CORPORATION
individually and as Agent and Collateral Agent

By: _____
Name:
Title:

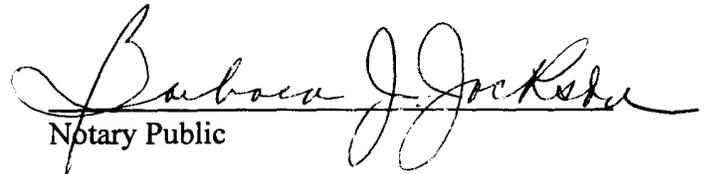
By: _____
Name:
Title:

MBK RAIL FINANCE CORPORATION

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 26th day of November, 1997, before me personally appeared J. Mark Lindsey, to me personally known, who being by me duly sworn, says that he/she is the Acting 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.


Notary Public

My Commission Expires: OCT 31 1999

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

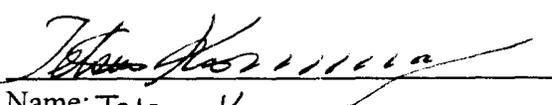
By:  _____
Name: Brian D. Adam
Title: Treasurer

EXPORT DEVELOPMENT CORPORATION
individually and as Agent and Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

MBK RAIL FINANCE CORPORATION

By:  _____
Name: Tetsuo Kamuro
Title: Attorney-in-fact

State of Maryland)
) ss
County of Anne Arundel)

On this 26 day of November, 1997, before me personally appeared Brian D. Adam, residing at 4 Westwick Court, Annapolis, MD 21403, 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.

Shawna Simmons
Notary Public

My Commission Expires: 9/98

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.

FEDERAL RAILROAD ADMINISTRATION

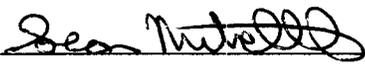
By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

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

EXPORT DEVELOPMENT CORPORATION
individually and as Agent and Collateral Agent

By: 
Name: Myles Edwards
Title: Financial Services Manager

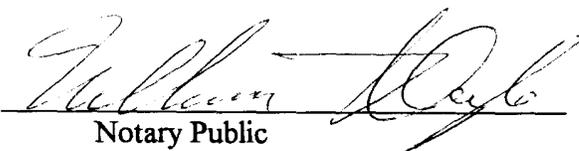
By: 
Name: **Sean Mitchell**
Title: **Financial Services Manager**

MBK RAIL FINANCE CORPORATION

By: _____
Name:
Title:

PROVINCE OF ONTARIO)
) ss
COUNTRY OF CANADA)

On this 26th day of November, 1997, before me personally appeared Sean Mitchell, residing at Ottawa, Ontario, and Myles Edwards, residing at Ottawa, Ontario, to me personally known, who being by me duly sworn, says that they are Financial Services Managers, Transportation Department of EXPORT DEVELOPMENT CORPORATION, who acknowledged themselves to be duly authorized officers of the EXPORT DEVELOPMENT CORPORATION, and that, as such officers, being authorized to do so, they executed the foregoing instrument for the purposes therein contained.


Notary Public

My Commission Does Not Expire.

SEAL