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OF COUNSEL
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July 13, 1999

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

RECORDATION NO. 6690-NNNNNN FILED
JUL 13 '99 12-00PM

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 July 1, 1999, 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
60 Massachusetts Avenue, N.E.
Washington, D.C. 20002

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

The Sumitomo Bank, New York Branch
Two World Financial Center
225 Liberty Street
New York, New York 10281

Betty J. ...

Mr. Vernon A. Williams
July 13, 1999
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The Fuji Bank LTD.
Two World Trade Center, 79th Floor
New York, New York 10048

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

Two (2) AEM-7 locomotives : AMTK 916 and AMTK 918

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,


Robert W. Alvord

RWA/bg
Enclosures

JUL 13 '99

12:00PM

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

SUBORDINATION AGREEMENT AND CONSENT TO SUPERIOR OBLIGATION AND LIEN (this "Subordination Agreement and Consent To Superior Obligation and Lien"), dated as of July 1, 1999, 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"), MBK Rail Finance Corporation, The Fuji Bank Ltd. (the "Lenders"), Sumitomo Bank Limited, New York Branch (formerly known as Sumitomo Bank of New York Trust Company), as Agent for the Lenders (the "Agent"), and Sumitomo Bank Limited, New York Branch (formerly known as Sumitomo Bank of New York Trust Company), 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, the Borrower, Bombardier Corporation and GEC-Alsthom Transportation Inc. have entered into that certain Agreement for Purchase and Sale of High Speed Rail Equipment and Design and Construction of Supporting Maintenance Facilities, dated May 1, 1996, as amended by that certain Memorandum of Agreement, dated July 15, 1996, and as subsequently amended in accordance with the terms thereof, pursuant to which Bombardier Corporation and GEC-Alsthom Transportation Inc. have provided for the supply of high speed trainsets and the design and construction of maintenance, inspection and service facilities (the "Facilities") for Borrower's Northeast Corridor high speed rail service (such contract, to the extent relating to the design and construction of such Facilities, the "Facilities Contract") and Borrower has requested that the Lenders assist in financing, among other things, a portion of the construction of the Facilities;

WHEREAS, the Borrower and GEC-Alsthom Transportation Inc. have entered into that certain Agreement for Remanufacturing of AEM-7 Locomotives, dated as of July 28, 1997, pursuant to which GEC-Alsthom Transportation Inc. provides for the supply of certain rebuild kits to be used by the Borrower in the overhaul and refurbishing of certain AEM-7 Locomotives (the "Locomotives"), which Locomotives the Borrower intends to use in its passenger service on the Northeast Corridor;

WHEREAS, the Lenders are prepared to lend up to USD68,000,000 in aggregate (i) to the Borrower to assist the Borrower in financing costs and expenses incurred pursuant to the Loan Agreement, as hereinafter defined, and (ii) to a trust, the beneficial owner of which is Mitsui Co. (U.S.A.), Inc. or an affiliate thereof, in connection with the leveraged lease financin

of the Locomotives to the Borrower, as lessee, on the terms and subject to the conditions specified in this Agreement;

WHEREAS, Amtrak desires to obtain loans from the Lenders (collectively, the "*Loans*") to finance the acquisition and installation of the rebuild kits and overhaul of the Locomotives pursuant to (i) that certain Loan Agreement, dated as of September 1, 1998 (as amended from time to time, the "*Loan Agreement*") among Amtrak, the Lenders, Sumitomo Bank Limited, New York Branch (formerly known as Sumitomo Bank of New York Trust Company), as Agent, and Sumitomo Bank Limited, New York Branch (formerly known as Sumitomo Bank of New York Trust Company), as Collateral Agent, and (ii) that certain Security Agreement, dated as of July 1, 1999, between Amtrak and Sumitomo Bank Limited, New York Branch (formerly known as Sumitomo Bank of New York Trust Company), as Collateral Agent acting on behalf of each of the Lenders (the "*Security Agreement*") (the Loan Agreement, the Security Agreement and the other financing agreements, notes and documents entered into in connection with the foregoing are herein referenced as the "*Agreements*"); and

WHEREAS, in order to provide the Loans, the Lenders require that Amtrak grant them a security interest in the Collateral (as that term is defined in the Security Agreement) superior to the FRA Lien;

NOW, THEREFORE, in order to induce, and in consideration of, the agreement by the Lenders to extend the Loans to Amtrak on the terms and subject to the conditions of the Loan Agreement, the parties hereto agree as follows:

1. The interest and rights of the Administrator under the FRA Security Agreement in any portion of 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 with respect to the Collateral, providing for the prior payment and performance in full of the Loans, accrued interest thereon, and any costs, expenses and other amounts payable by Amtrak under the Agreements, all as provided in the Agreements (the "*Superior Obligation*"). The Administrator hereby confirms for the benefit of the Lenders, the Agent, 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 the extent of Amtrak's interest in the Collateral.

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.

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 Collateral, the Administrator will assume the responsibility for discharging as they come due any outstanding obligations of Amtrak under the Loan Documents as such term is defined in the Loan Agreement to the extent of such exercise of its possessory remedies or rights of sale with respect to the Collateral. Further, the Administrator agrees that the Lenders, the Agent and the Collateral Agent may exercise their rights and remedies under or related to 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 of sale or other disposition of the Collateral are applied toward satisfaction of any outstanding obligations of Amtrak under any of the Agreements.

4. Each Lender, the Agent and the Collateral Agent 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 by it or its agents, an opportunity to cure any defaults of Amtrak under the Agreements until the earlier of thirty (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 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 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 or other disposition of the Collateral 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 or the Collateral Agent 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 will forthwith be turned over to the Collateral Agent for application to the Superior Obligation.

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 the 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 economic terms of repayment of the Loans 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 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 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.

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. This Subordination Agreement and Consent to Superior Obligation and Lien shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. All references herein to the Lenders shall include references to any and all successor Lenders and holders of the Notes (as defined in the Loan Agreement) and all references herein to the Agent and the Collateral Agent shall include references to any and all successors thereto as Agent and Collateral Agent, respectively.

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 or 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 hereof and (b) that a failure of the Lenders, the Agent or the Collateral Agent to perform any obligation to the Administrator will create no right or claim by Amtrak against the Lenders, the Agent or the Collateral Agent.

12. The Lenders, the Agent and the Collateral Agent, severally, represent and warrant that the entering into and the performance of the terms of this Subordination Agreement and Consent to Superior Obligation and Lien and the Agreements 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 applicable to it.

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: Administrator

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: Carol Dillon
Title: Treasurer

MBK RAIL FINANCE CORPORATION

By: _____
Name:
Title:

THE FUJI BANK LTD., NEW YORK BRANCH

By: _____
Name:
Title:

DISTRICT OF

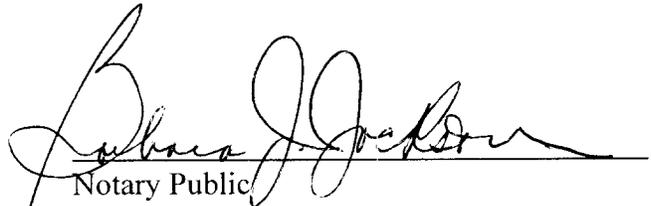
)

) ss

COLUMBIA

)

On this 27th day of June, 1999, before me personally appeared Jolene Helton residing at _____, 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.



 Notary Public

My Commission Expires: OCT 31 1999

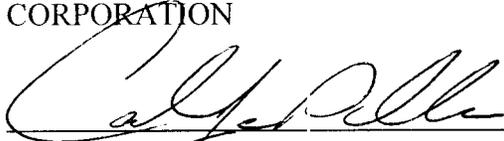
SEAL

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

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By:  _____
Name: Carol Dillon
Title: Treasurer

MBK RAIL FINANCE CORPORATION

By: _____
Name:
Title:

THE FUJI BANK LTD., NEW YORK BRANCH

By: _____
Name:
Title:

DISTRICT OF)
) ss
COLUMBIA)

On this 24th day of JUNE, 1999, before me personally appeared Carol Dillon, to me personally known, who being by me duly sworn, says that she 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 she acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires: 11/1/2000

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.

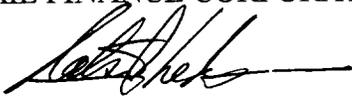
FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: Carol Dillon
Title: Treasurer

MBK RAIL FINANCE CORPORATION

By:  _____
Name: Tetsu Ikeda
Title: Attorney-in-Fact

THE FUJI BANK LTD.

By: _____
Name:
Title:

STATE of New York)
County of New York) ss

FETSU I KRAM On this 29 day of JUNE, 1999, before me personally appeared, residing at 200 PARK AVE NY, NY, to me personally known, who being by me duly sworn, says that he/she is the ATTORNEY IN FACT of the MBK RAIL FINANCE CORPORATION, who acknowledged himself/herself to be a duly authorized officer of the MBK RAIL FINANCE CORPORATION, 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: _____
MICHAEL HEATON
Notary Public, State of New York
No. 41-5083360
Qualified in Queens County
Certificate filed in New York County
Commission Expires Aug. 11, 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.

FEDERAL RAILROAD ADMINISTRATION

By: _____
Name:
Title:

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Name: Carol Dillon
Title: Treasurer

MBK RAIL FINANCE CORPORATION

By: _____
Name:
Title:

THE FUJI BANK LTD.

By:  _____
Name: **RAYMOND VENTURA**
Title: **Vice President & Manager**

_____)
_____) ss
_____)

On this ~~29~~ day of JUNE, 1999, before me personally appeared Raymond Ventura, residing at FUJI BANK, to me personally known, who being by me duly sworn, says that he/she is the VICE PRESIDENT of THE FUJI BANK LTD., who acknowledged himself/herself to be a duly authorized officer of THE FUJI BANK LTD., and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

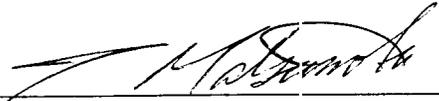
Patrick J. Doyle
Notary Public

PATRICK J. DOYLE
Notary Public, State of New York
No. 20-4087225
County of New York
Commission Expires November 9, 1999

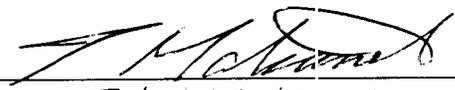
My Commission Expires: _____

SEAL

THE SUMITOMO BANK, LIMITED, NEW
YORK BRANCH,
as Agent

By: 
Name: *Tadashi Matsunobu*
Title: *Joint General Manager.*

THE SUMITOMO BANK, LIMITED, NEW
YORK BRANCH,
as Collateral Agent

By: 
Name: *Tadashi Matsunobu*
Title: *Joint General Manager*

State of New York)
County of New York) ss

On this 25 day of June, 1999 before me personally appeared Tadashi Matsunobu, residing at 277 Park Avenue, NY, NY, to me personally known, who being by me duly sworn, says that he/she is the Joint General Manager of the SUMITOMO BANK LIMITED, NEW YORK BRANCH, who acknowledged himself/herself to be a duly authorized officer of the SUMITOMO BANK LIMITED, NEW YORK BRANCH and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

Harriett L. Sasso
Notary Public

My Commission Expires: _____

SEAL

HARRIETT L. SASSO
Notary Public, State of New York
No. 43-5046813
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires July 17, 19 97

State of New York)
) ss
County of New York)

On this 25 day of June, 1999, before me personally appeared Tadashi Matsunabu, residing at 277 Park Avenue, NY, NY, to me personally known, who being by me duly sworn, says that he/she is the Joint General Manager of the SUMITOMO BANK LIMITED, NEW YORK BRANCH, who acknowledged himself/herself to be a duly authorized officer of the SUMITOMO BANK LIMITED, NEW YORK BRANCH and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

Harriett L. Sasso
Notary Public

My Commission Expires: _____

SEAL

HARRIETT L. SASSO
Notary Public, State of New York
No. 43-5046813
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires July 17, 1999