THOMAS D. MARION
TREASURER

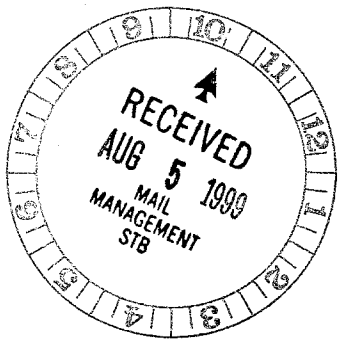
RECORDATION NO. 22310 FILED

AUG 6 '99 3-15PM

TTX COMPANY
101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223

DIRECT LINE (312) 984-3821
FAX (312) 984-3855

August 4, 1999



VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20006

Dear Mr. Williams:

Submitted herewith for filing and recording under 49 U.S.C. Section 11303 and the regulations promulgated thereunder are four (4) fully executed documents as follows:

Manufacturing Agreement dated as of July 21, 1999.

This Agreement is a primary document.

Parties to this transaction are as follows:

TTX Company (Company)
101 North Wacker Drive
Chicago, Illinois 60606

Kasgro Rail Corporation (Manufacturer)
320 East Cherry Street
New Castle, PA 16102

The general description of the equipment is as follows:

TYPE	AAR MECHANICAL DESIGNATION	NO. OF UNITS	MARKED	NUMBERED
55 ft. loading deck, 220 ton nominal capacity flat car	FC	5	QTTX	131052-131056

Enclosed is our check in the amount of $26.00 to cover filing fees.

There are no prior recordations pertaining to this Agreement.

A short summary of this Agreement to appear in the Index is as follows:

> "Manufacturing Agreement covering five, 55 foot loading deck, 220 ton nominal capacity flat cars; QTTX, numbered 131052-131056."

Once the filing has been made, please retain one copy and return the remaining stamped counterparts and transmittal letter copy to me via certified mail.

Very truly yours,

Thomas D. Marvin

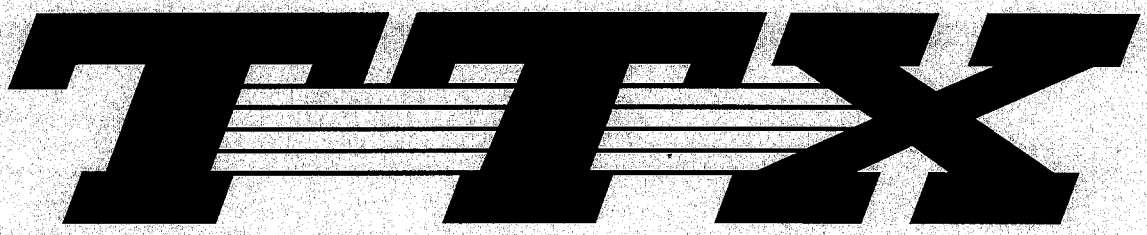
TDM:ere
Enclosures
k:\trstdm\letters\filings\willimkasg899.doc

RECORDATION NO. 22310 FILED
AUG 6 '99 3-15PM

RECORDATION NO. ____ FILED
AUG 6 '99 3-15PM

STB Recordation

RECEIVED
AUG 5 1999
MAIL
MANAGEMENT
STB

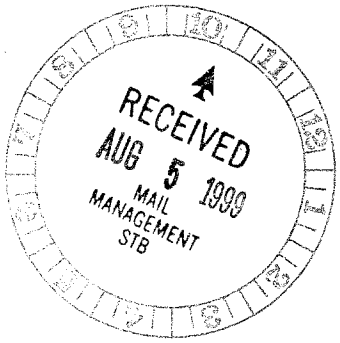


Manufacturing Agreement dated as of July 21, 1999

between TTX Company and Kasgro Rail Corporation

5 QTTX cars numbered 131052-131056

Contract # T-1298-K



Manufacturing Agreement dated as of July 21, 1999

between TTX Company and Kasgro Rail Corporation.

5 QTTX Cars numbered 131052-13056,

Contract T-1298-K.

Article	Heading	Page No.	Revision
	Introduction	2	*
1	Contract	2	
2	Construction and Sale	2	
3	Delivery	3	
4	Purchase Price and Payment	4	
5	Conditions to Obligations of the Company	6	
6	Maintenance and Repair	7	
7	Loss or Destruction	8	
8	Termination	8	
9	Indemnification for Claims of Infringement	9	
10	Manufacturer's Warranty of Materials and Workmanship	9	
11	Taxes	10	
12	Notice	11	
13	Assignments by the Manufacturer	11	
14	Assignment by the Company	12	
15	Defaults	13	
16	Article Headings	13	
17	Nonwaiver	13	
18	Law Governing	13	
19	Successors and Assigns	13	
20	Recording	13	
21	Execution	13	
22	Designation of Vendors	14	
	Signature Page	15	
	Notary Page	16	
	Annex A	17	*
	Annex B	18-21	
	Annex C	22-25	
	Annex D	26	
	Annex E	27	*

* indicates a revision in this document.

MANUFACTURING AGREEMENT

Manufacturing Agreement dated as of July 21, 1999, between Kasgro Rail Corporation, a Pennsylvania corporation (the "Manufacturer"), and TTX COMPANY, a Delaware corporation (the "Company").

WHEREAS THE Manufacturer agrees to construct, sell and deliver to the Company and the Company agrees to purchase the units of new, standard gauge railroad equipment (hereinafter referred to individually as a Unit and collectively as Units or the Equipment) described in Item 1 of Annex A attached hereto and described in Annex A to any Manufacturing Agreement Supplement substantially in the form of Annex B hereto (Annex A to any such Manufacturing Agreement Supplement being hereinafter included within the meaning of Annex A hereto);

WHEREAS the Company may enter into an equipment trust agreement or conditional sale agreement with a corporate trustee or agent (the "Trustee") which will pay the Purchase Price for the Equipment on the Closing Date (Purchase Price and Closing Date being hereinafter defined), or the Company may assign its rights hereunder pursuant to an Assignment of Manufacturing Agreement in substantially the form of Annex C hereto to a lessor (the "Lessor") which will perform substantially all covenants and obligations of the Company hereunder, including the execution of an equipment trust agreement or conditional sale agreement with the Trustee; and

WHEREAS the Company will pay the Purchase Price for the Equipment or cause the Trustee or the Lessor to make such payment, and will perform its obligations hereunder;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Contract: Upon its execution, this Manufacturing Agreement, including Schedule A of the Purchase Agreement pertinent drawings and specifications referenced in Item 1 of Annex A hereto or attached as exhibits hereto, if any, (the "Specifications") shall constitute the entire agreement between the parties and shall supersede all prior offers, negotiations, and agreements relating to the subject matter hereof.

ARTICLE 2. Construction and Sale: Subject to the terms and conditions hereinafter set forth, including but not limited to those of Schedule A, the Manufacturer will construct the Equipment and will sell and deliver the Equipment as hereinafter set forth, and the Company will pay or cause the Trustee or Lessor to pay to the Manufacturer the Purchase Price (as hereinafter defined) of the Equipment, each Unit of which will be constructed in accordance with the Specifications set forth herein.

car numbers
(131052-131056)

The Manufacturer will, at or before delivery thereof to the Company pursuant to Article 3 hereof, have the following ownership markings stenciled on each side thereof in a conspicuous place in letters not less than one inch in height:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE SURFACE TRANSPORTATION BOARD."

The design and construction of the cars will conform to applicable FRA Specifications and AAR Specifications for the Design, Fabrication and Construction of Freight Cars, M-1001, for applicable car types, in effect as of the Purchase Agreement date. Exceptions to the above mentioned Specifications are limited to those deviations as listed by the Manufacturer and agreed upon by the Company.

ARTICLE 3. Delivery: The Manufacturer will deliver the Equipment to the Company, at such point or points within the United States of America as shall be determined by the mutual agreement of the Manufacturer and the Company and in accordance with the time of delivery schedule set forth in Item 1 of Annex A hereto; provided, however, that no Unit of the Equipment shall be delivered under this Agreement until this Agreement shall have been filed and recorded with the Surface Transportation Board in accordance with 49 U.S.C. Section 11301.

The Manufacturer represents and warrants that at such time the Equipment will be new railroad equipment and that, to the best of its knowledge, no amortization or depreciation will have been claimed by any person with respect thereto.

The Manufacturer and the Company shall each be excused for delays in delivery or acceptance if unable to do so because of causes beyond the control and without fault or negligence of each, the Manufacturer or the Company. As used in this paragraph, causes beyond control may include, but are not limited to Acts of God, war, acts of the Government both in its sovereign and contractual capacity, fires, floods, epidemics, strikes, embargoes, damaged facilities, severe weather conditions, provided that the failure to perform shall be beyond the control of the asserting party and without fault or negligence.

In no event shall the Company be responsible for labor cost increases resulting from or occurring during an event of force majeure. In addition, the Company shall not be responsible for material cost increases in any way resulting from or occurring during a strike at Manufacturer's plant, or for material cost increases resulting from or occurring during other events of force majeure unless it can be evidenced that such material was unordered as of the date of the occurrence of the event of force majeure.

Notwithstanding the preceding provisions of this Article 3, any Unit of the Equipment not delivered and accepted on or before the date set forth in Item 2 of Annex A hereto and not settled for pursuant to Article 4 hereof shall be excluded from this Agreement and not included in the terms "Equipment" or "Units" as used in this Agreement. In the event of any such exclusion the Manufacturer and the Company shall execute an agreement supplemental hereto limiting this Agreement to the Equipment theretofore delivered, accepted and settled for hereunder. If the Manufacturer's failure to deliver the Units of the Equipment so excluded from this Agreement

resulted from one or more of the causes set forth in the second preceding paragraph, a separate agreement shall be entered into between the Manufacturer and the Company providing for the purchase of such excluded Equipment by the Company on the terms herein specified, payment to be made after delivery of such excluded Equipment either directly or by means of a conditional sale, equipment trust or such other appropriate method of financing the purchase as the Company and the Manufacturer shall mutually determine. Notwithstanding the preceding provisions, the Company will be under no obligation to enter into a separate agreement for the purchase of cars excluded from this Agreement as a result of a strike at Manufacturer's plant.

The Equipment shall be subject to inspection and approval prior to delivery by inspectors or other representatives of the Company, and the Manufacturer shall grant to any such inspector or other authorized representative reasonable access to its plant. From time to time upon the completion of the construction of each Unit or a number of Units of the Equipment, each Unit shall thereupon be presented to an inspector or other authorized representative of the Company for inspection at the Manufacturer's plant and, if each such Unit conforms to the Specifications and other requirements set forth herein, such inspector or authorized representative shall promptly execute and deliver to the Manufacturer, in such number of counterparts or copies as may be reasonably requested, a certificate of acceptance (hereinafter called a Certificate of Acceptance) substantially in the form of Annex D hereto stating that such Unit or Units have been inspected and accepted on behalf of the Company and are marked in accordance with Article 2 hereof; provided, however, that the Manufacturer shall not thereby be relieved of its warranty contained in Article 10 hereof.

On acceptance of each of the Units of the Equipment, pursuant to this Article 3 on behalf of the Company as aforesaid, the Company assumes with respect thereto the responsibility and risk of loss or damage.

ARTICLE 4. Purchase Price and Payment: The price per Unit of the Equipment is set forth in Item 1 of Annex A hereto.

The Company shall have the right, from time to time, by written change order, to make changes in drawings, specifications, instructions in connection with the work, place of delivery, time or method of shipment, to require additional work or to direct the omission of work, and the Manufacturer agrees to comply with such change orders provided, however, the cost of such change be accepted in advance by both parties. If such changes cause any increase or decrease in the Manufacturer's cost or in the time for performance of this Agreement, an equitable adjustment in the price and time for performance will be made and this agreement will be modified in writing accordingly; provided that any claim for such adjustment shall be asserted by the Manufacturer in writing within thirty days after the change is ordered. No change whatsoever is to be made except upon written change order issued by the Company's Purchasing Agent.

The term "Purchase Price" as used herein shall mean the price set forth in Item 1 of Annex A hereto as may be increased or decreased pursuant to this Article 4.

The Manufacturer agrees and represents that the Purchase Price of the Units covered by this Agreement will not be in excess of the Manufacturer's lowest price for comparable units of

equipment in effect on the date of shipment of the Unit or Units. If any price lower than the Purchase Price is offered by the Manufacturer on similar units the Manufacturer agrees to make a corresponding reduction in the Purchase Price of Units shipped on or after the date such price reduction is offered.

All dies, tools, patterns, drawings, or fixtures, furnished or specifically paid for by the Company are or are to become the property of the Company and are subject to removal upon the Company's request. The Manufacturer is not permitted to use the same for any other customer without the Company's prior written approval.

The Company's Engineering and Research personnel may render assistance or give technical advice to or otherwise exchange information with the Manufacturer's personnel during the performance of this Agreement. Any such exchange is understood not to affect the Specifications and directions given under this Agreement or to change the price applicable hereunder unless authorized in writing by the Company's Purchasing Agent.

All increases in the price of material shall be subject to audit either by the Company or by an independent public accounting firm of recognized standing selected by the Company. In connection with such audit all necessary documents and records necessary to substantiate and verify such increases shall be made available to the Company. All price increases shall be reported to the Company by item, lot number or in such other detail as may be reasonably requested by the Company in order to verify the accuracy of such increases.

Any labor cost increases, which company may agree to, shall be subject to audit by an independent public accounting firm of recognized standing, appointed by the Manufacturer and approved by the Company.

Allowances for increased inventory carrying charges or interest charges arising from payments for materials by the Manufacturer are specifically excluded from any price increases unless previously approved in writing by the Company. Premiums or additional materials charges resulting from materials purchased by the Manufacturer from sources of supply not customarily used are specifically excluded from any price increases unless previously approved in writing by the Company, and such approval shall not be unreasonably withheld.

The Equipment shall be settled for on one or more Closing Dates fixed as hereinafter provided (the Equipment settled for on a Closing Date being hereinafter called the Group).

Subject to the provisions of Article 5 hereof and Schedule A of the Purchase Agreement, the Company hereby promises to pay or cause to be paid in cash to the Manufacturer at such place as the Manufacturer may designate, (a) on the Closing Date with respect to a Group, an amount equal to the Purchase Price of all Units of the Equipment in the Group as set forth in the invoices therefor and (b) within five business days of the Closing Date with respect to a Group, an amount equal to interest (computed on the basis of a 360-day year of twelve 30-day months) at the Prime Rate on the Purchase Price of such Units for each day that the average number of days between acceptance and the Closing Date for the Group exceeds 30 days. Prime Rate as used herein shall mean the rate per annum equal to the rate which Chase Manhattan Bank, New York, New York charges for 90-day unsecured loans to large corporate

borrowers of the highest credit standing for the period such interest is payable; provided, however, that changes in such rate occurring during the ten business days preceding the Closing Date shall be disregarded, and provided, further, that if the invoice for such amount is not received at least ten business days prior to such Closing Date, such amount shall not be required to be paid until ten days after the receipt of such invoice.

The term "Closing Date" with respect to the Group of the Equipment shall mean the date set forth in Item 3 of Annex A hereto or such other date specified by the Company, but in no event other than failure of the Prototype unit to satisfy the performance standards (as such terms are defined in Schedule A) shall such date be later than six months from the date of acceptance and delivery of the first unit of any Group of the Equipment hereunder.

If the Manufacturer shall not receive on the Closing Date the amounts payable to the Manufacturer in respect to the Group pursuant to the tenth paragraph of this Article 4, the Manufacturer will promptly notify the Company of such event and, if such amounts shall not have been previously paid and the Manufacturer shall have otherwise complied with the conditions of this Agreement to entitle the Manufacturer to receive payment hereunder, the Company will, not later than 60 days after the Closing Date, make payment to the Manufacturer of such amount, together with interest at 1% above the Prime Rate on the Purchase Price from such Closing Date to the date of payment by the Company. If the Company shall not make payment as aforesaid, the Company will execute such instruments and take such other action as shall be reasonably requested by the Manufacturer to vest in the Manufacturer or its designee full title to such Equipment, whereupon the Manufacturer may, at its election, terminate this Agreement, and sell, lease, retain or otherwise dispose of such Equipment. The Manufacturer may at any time take such other actions and exercise such other remedies as may be permitted by law or by this Agreement; provided, however, that the Company shall not thereby be relieved of its obligations to make payment to the Manufacturer as aforesaid. All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The Manufacturer shall and hereby does retain a security interest in each Group of the Equipment until the Manufacturer shall have been paid the Purchase Price in respect of the Equipment pursuant to this Article 4, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Company. Except as otherwise provided in this Agreement, upon payment to the Manufacturer of the Purchase Price (a) such security interest shall be duly transferred and assigned by the bill or bills of sale executed and delivered by the Manufacturer pursuant to Article 5 hereof and (b) any and all claims, liens, security interest or other encumbrances of any nature in favor of the Manufacturer with respect to the Equipment shall forthwith cease and terminate.

ARTICLE 5. Conditions to Obligations of the Company: On any Closing Date the Company shall pay or cause to be paid to the Manufacturer the amount required to be paid pursuant to Article 4 hereof with respect to the Group of the Equipment then being settled for provided that there shall have been delivered to the Company, on or prior to the Closing Date, the following documents in such number of counterparts or copies as may reasonably be requested in form and substance satisfactory to it:

(a) a bill or bills of sale from the Manufacturer transferring all its right, title and interest in and to the Equipment in the Group to the Company and warranting to the Company that at the time of delivery of each unit of Equipment in the Group the Manufacturer had legal title to such unit and good and lawful right to sell the same and title to such unit was, at the time of such delivery, free from all claims, liens, security interests and other encumbrances of any nature except as created by this Agreement or any specified lease of the Equipment to which the Company is a party or equipment trust agreement or conditional sale agreement entered into to finance the purchase of the Equipment by the Company or the Lessor;

(b) the invoice or invoices with respect to the Equipment in the Group from the Manufacturer to the Company describing the Units of Equipment in the Group and any component parts or special devices, such as assemblies, the cost of which is included in the Purchase Price of any Unit.

(c) an opinion of counsel for the Manufacturer, dated the Closing Date, stating that (A) the Manufacturer is a duly organized and existing corporation in good standing under the laws of the state of its incorporation, (B) this Agreement has been duly authorized, executed and delivered by the Manufacturer and, assuming the due authorization, execution and delivery by the Company, is a legal and valid instrument binding upon and enforceable against the Manufacturer in accordance with its terms, (C) the Units of the Equipment in the Group, at the time of delivery thereof pursuant to Article 2 hereof, were free of all claims, liens, security interests and other encumbrances of any nature except as created by this Agreement or any lease of the Equipment to which the Company is a party or any equipment trust agreement entered into a finance the purchase of the Equipment by the Company or the Lessor and (D) such bill or bills of sale have been duly authorized, executed and delivered by the Manufacturer and are valid and effective to transfer all right, title and interest of the Manufacturer in and to the Equipment in the Group to the Company free of all claims, liens, security interests or other encumbrances of any nature of or arising from, through or under the Manufacturer; and

(d) the Manufacturer shall provide to the Company such documentation, recordable with the STB, as the Company may request indicating that any and all security interests of the Manufacturer in the equipment have been extinguished;

(e) such other documents as the Company may reasonably request.

In the event that this Agreement shall have been assigned to a Lessor, or an equipment trust agreement or conditional sale agreement in respect of any unit of the Equipment shall have been entered into by the Lessor or the Company, the documents hereinabove listed shall be addressed to, and the representations, covenants and warranties therein contained shall inure to the benefit of, the Lessor or Trustee, as the Company shall direct, or as shall be appropriate in the circumstances.

ARTICLE 6. Maintenance and Repair: So long as the Manufacturer retains a security interest in the Units pursuant to Article 4 of this Agreement, the Company agrees at its own cost and expense to maintain and keep each Unit in good order and repair, reasonable wear and tear excepted.

ARTICLE 7. Loss or Destruction: In the event of loss or destruction of or irreparable damage to any of the Units from any cause whatsoever after acceptance of the Units and during the time the Manufacturer retains a security interest in the Units pursuant to Article 4 of this Agreement, the Company shall promptly and fully inform the Manufacturer in regard to such loss, destruction or damage, and the Company shall pay to the Manufacturer an amount equal to the Purchase Price (as defined in Article 4 hereof) of each Unit so lost, destroyed or irreparably damaged, plus interest, all as provided in Article 4 hereof.

ARTICLE 8. Termination: The Company may at its option terminate performance of the work under this Agreement, in whole at any time, or from time to time in part, by written notice to the Manufacturer. Such termination shall be effective in the manner and upon the date specified in said notice. Upon receipt of such notice, the Manufacturer shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities, and supplies in connection with performance of this Agreement and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders or subcontracts are chargeable to this Agreement and to use its best efforts to minimize all costs chargeable to this Agreement. The Manufacturer shall promptly notify the Company in writing of each canceled order or subcontract and of any disputes which may arise with respect to such canceled orders or subcontracts.

Upon the termination of work under this Agreement, full and complete settlement of all claims of the Manufacturer with respect to the terminated work shall be made as follows:

The Company shall pay to the Manufacturer:

(a) the Purchase Price of each item accepted hereunder and such acceptance shall not be unreasonably withheld; and

(b) the total of

(1) the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but exclusive of any costs attributable to supplies or services paid or to be paid for under (a) hereof; and

(2) the cost of settling and paying claims arising out of the termination of work under subcontracts or orders which are properly chargeable to the terminated portion of the contract;

Reduced by:

(c) any claim which the Company may have against the Manufacturer in connection with this Agreement and any deduction under the terms of this Agreement not otherwise recovered by or credited to the Company. Nothing contained in this paragraph shall be construed to limit or affect any remedies which the Company may have as a result of a default by the Manufacturer.

In all cases where costs or other amounts are calculated and used in (b) and (c), such costs or other amounts shall be exclusive of any profit or other return of the Manufacturer. Upon the Company's payment to Manufacturer in accordance with this paragraph, title to all equipment, materials, scrap, wastage, work-in-process, finished products, plans, drawings, specifications, information, special tooling, tangible items of a direct charge nature, and other things for which the Manufacturer is paid, shall vest in the Company.

ARTICLE 9. Indemnification for Claims of Infringement: a. The Manufacturer indemnifies, defends and saves harmless the Company, its directors, its officers, employees, agents, successors, assigns, customers and users of the Units of Equipment from any and all loss, damage, liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Company its officers, employees, agents, successors, assigns, customers, and users, arising or resulting from the infringement or alleged infringement of any patent, trade secret or other right by virtue of the purchase, construction or use of the Unit of Equipment; provided, however, that such indemnity shall not extend to designs, processes, articles, materials, or combinations thereof specified by the Company and not purported to be developed by the Manufacturer. The Manufacturer agrees that the foregoing indemnity extends to any and all loss, damage, liability, claims, demands, costs , charges and expenses, including royalty payments and counsel fees, arising or resulting from any injunction, temporary or permanent, enjoining use of the Equipment furnished hereunder by the Company its officers, employees, agents, successors, assigns, users and customers.

b. The Company will likewise indemnify, defend and hold harmless the Manufacturer from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees in any manner imposed upon or accruing against the Manufacturer arising or resulting from the infringement or alleged infringement of any patent, trade secret or other right by virtue of the construction or sale of its Equipment supplied hereunder with respect to designs, processes, articles, materials or combinations thereof specified by Company and not purported to be developed by the Manufacturer.

c. The Company will give notice to the Manufacturer of any claim known to Company on the basis of which liability may be charged against the Manufacturer and the Manufacturer will give notice to the Company of any claims known to the Manufacturer, on the basis of which liability may be charged against the Company hereunder.

ARTICLE 10. Manufacturer's Warranty of Materials and Workmanship:

a. The Manufacturer warrants for a period of five years after delivery that the Equipment to be delivered under this order will be built in accordance with the specifications and with the other requirements, specifications, and standards set forth or referred to in Article 2 of this Agreement and warrants that the Equipment will be free from defects in materials, workmanship and design under normal use and service; the Manufacturer's obligation under this paragraph being limited to making good at its plant, or at a place designated by the Manufacturer and agreed upon by the Company, any part or parts of any Unit of the equipment which shall be returned to the Manufacturer within five years after the delivery of such Unit, or as to which

written notice of such defect has been given by the Company to the Manufacturer within five years after delivery of such Unit and which part or parts are returned, transportation charges prepaid, within ninety days after such notice to the Manufacturer, provided that an examination of the part or parts by the Manufacturer, and the Company, shall disclose the existence of a defect or in the event the Manufacturer and the Company shall not agree, then by an independent third party (independent testing laboratory or government agency) acceptable to both the Manufacturer and the Company.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF THE MANUFACTURER, EXCEPT FOR ITS OBLIGATIONS UNDER ARTICLES 2, 3, 4 and 10 OF THIS AGREEMENT. The Manufacturer neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment, except as aforesaid.

b. The Manufacturer also agrees to use its best efforts to include, as a condition of its purchase order with the vendor of any specialty purchased by the Manufacturer for incorporation in the Equipment, an agreement by such vendor to the effect that all warranty agreements and representations, if any, made by such vendor with respect to such specialty may be enforced by the Company, in the Company's own name; by the Manufacturer in the Manufacturer's own name; or by the Manufacturer and the Company jointly. The Manufacturer further agrees that, whether or not such an agreement is contained in any such purchase order, the Company may, at its option, to the extent permitted by law, take and prosecute claims against vendors of specialties purchased by the Manufacturer for incorporation in the Equipment for the breach of any warranty by the vendors to the Manufacturer with respect to such specialties. The Manufacturer and the Company agree to notify each other prior to the assertion of any claim by them against any such vendors of such specialties.

c. The Manufacturer further agrees that neither the inspection as provided in Article 3 of this Agreement nor any examination or acceptance of any Units of the Equipment as provided in Article 3 shall be deemed a waiver or modification by the Company of any of its rights under this Article 10.

d. It is further understood and agreed that the word "design(s)" as used herein and in clause (a) hereof and the word "specialties" as used herein shall be deemed to include articles, materials, systems, formulae and processes.

e. The Manufacturer represents that all patent rights owned by Manufacturer, which may cover the whole, or any portion of the Equipment to be delivered under this Agreement, are identified in Annex E hereto.

ARTICLE 11. Taxes: The Company shall pay directly to the federal, state or local governments any and all taxes of whatever kind which the Company is required by law to pay with respect to the purchase of the Equipment, and the Company shall pay to the Manufacturer any and all taxes (including sales and use taxes) levied on the Manufacturer but which the Company is required by law to pay with respect to the purchase of the Equipment.

ARTICLE 12. Notice: Any notice hereunder to the party designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Treasurer of the Company, at 101 North Wacker Drive, Chicago, Illinois 60606

(b) to the Manufacturer, at the address set forth in Item 4 of Annex A hereto.

or at such other addresses as may have been furnished in writing by such party to the other party to this Agreement.

ARTICLE 13. Assignments by the Manufacturer: All or any of the rights, benefits or advantages of the Manufacturer under this Agreement, including the right to receive the Purchase Price of all Units of the Equipment and interest thereon, if any, may be assigned by the Manufacturer and reassigned by any assignee at any time or from time to time; provided, however, that no such assignment shall subject any such assignee to any of the Manufacturer's guarantees, warranties, indemnities or other obligations contained in this Agreement or relieve the Manufacturer or a successor or successors to its manufacturing property and business from any of its obligations to construct and deliver the Equipment in accordance with the Specifications or to respond to its guarantees, warranties, indemnities or other obligations whether contained herein or created by law, or relieve the Company of its obligations to the Manufacturer under this Agreement, which, according to their terms and context, are intended to survive an assignment; provided, however, that except as otherwise provided in this Agreement any security interest in each group of the Equipment assigned hereunder shall cease and terminate upon payment to the Manufacturer or assignee, as applicable, by the Company of the amounts payable with respect to such Group pursuant to Article 4 and such assigned security interest shall be merged into the security interest in the Equipment created by any Equipment Trust Agreement in favor of a Trustee, or if an Equipment Trust Agreement has not then been executed such interest shall forthwith cease and terminate upon such payment to the Manufacturer and the Manufacturer and such assignee will execute and deliver all documents and instruments as the Company may reasonably request, including without limitation an instrument for recordation with the Surface Transportation Board evidencing such cessation and termination.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Company, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all of the Manufacturer's right, title and interest in and to the rights, benefits and advantages of the Manufacturer thereby assigned subject only to such reservation as may be contained in such assignment. From and after the receipt by the Company of the notification of any such assignment, all payments thereafter to be made by the Company hereunder shall, to the extent so assigned, be made to the assignee.

In the event of any assignment by the Manufacturer of its rights to receive any payments under this Agreement, the rights of such assignee to such payments as may be assigned, together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, recoupment, or abatement whatsoever arising out of any breach of

any obligation of the Manufacturer in respect of the Equipment or the manufacture, construction, delivery, guarantee or warranty thereof, or in respect of any indemnity contained in this Agreement, nor subject to any defense, set-off, counterclaim, recoupment, or abatement whatsoever arising by reason of any other indebtedness or liability at any time owing to the Company by the Manufacturer, and all payments thereafter to be made by the Company under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to the Company. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Company, its successors and assigns, only against the Manufacturer, its successors and assigns (other than assignees, as such, of rights, benefits and advantages assigned pursuant to this Agreement). The provisions of this paragraph may be relied upon by any such assignee as a continuing offer by the Company to waive any remedies which it might otherwise possess for the enforcement of any and all such obligations of the Manufacturer as against such assignee, which offer shall be conclusively presumed for all purposes to be accepted by the assignee by payment to the Manufacturer of the consideration for the assignment of any of the Manufacturer's rights under this Agreement.

ARTICLE 14. Assignment by the Company: All or any portion of the rights, benefits or advantages of the Company under this Agreement, including, without limitation, (a) the right to accept delivery of the Equipment, the right to take title to the Equipment, and to be named the purchaser in the Bills of sale to be delivered by the Manufacturer (b) the right to receive any and all monies due or to become due to the Company in respect of the Equipment and for all claims for damages in respect of such Equipment arising as a result of any default by the Manufacturer and for indemnification under Article 9 and 10 hereof and (c) all rights of the Company to perform under this Agreement and compel performance of the terms hereof, may be assigned by the Company and reassigned by any assignee at any time or from time to time; provided, however, that no such assignment shall relieve the Company of any of its duties or obligations to the Manufacturer under this Agreement.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Manufacturer, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all of the Company's right, title and interest in and to the rights, benefits and advantages of the Company thereby assigned subject only to such reservation as may be contained in such assignment. Upon receipt of such notice, the Manufacturer agrees that if requested, it will confirm to the assignee that: (i) all representations, warranties, indemnities and agreements of the Manufacturer under this agreement shall inure to the benefit of, and shall be enforceable by, the assignee to the same extent as if the assignee were originally named herein as the Company; (ii) the assignee shall not be liable for any of the obligations or duties of the Company under this Agreement, nor shall the assignment give rise to any duties or obligations whatsoever on the part of the assignee owing to the Manufacturer; (iii) the Manufacturer will not amend, modify, terminate or waive any of the provisions of this Agreement without the prior written consent of the assignee; provided, however, that the assignee shall consent to any such amendment, modification or waiver the effect of which will not be (a) to decrease the purchase price of the Equipment, (b) to accelerate or postpone the delivery date of the Equipment, or (c) to decrease the value of the Equipment; (iv) the Manufacturer consents to the lease of the Equipment

by the assignee to the Company, and to the assignment by the assignee to the Company for as long as such lease shall be in effect and no event of default thereunder shall have occurred and be continuing of all rights which the assignee may have with respect to the Equipment under any warranty or indemnity made by the Manufacturer.

ARTICLE 15. Defaults: In the event that the Manufacturer fails to perform or comply with any of the provisions of this Agreement or in the event of insolvency or discontinuance of business of the Manufacturer, and such failure or condition is not corrected within thirty (30) days of written notice from the Company demanding such failure or condition be corrected, the Company may cancel all or any part of the undelivered portion under this or any other Agreement between the Company and the Manufacturer by written notice to the Manufacturer, effective immediately. Cancellation by default as herein provided shall not constitute a waiver of any of the Company's rights to damages sustained as a result of such default.

ARTICLE 16. Article Headings: All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

ARTICLE 17. Nonwaiver: Any failure on the Company's or the Manufacturer's part to insist upon the strict performance of any term or condition of this Agreement shall not be deemed a waiver of any of the Company's or the Manufacturer's rights or remedies hereunder nor of its right to insist upon the strict performance of the same or of any other term of this Agreement in the future. No waiver of any condition of this Agreement shall be valid unless in writing signed by the Company's Purchasing Agent.

ARTICLE 18. Law Governing: The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois, provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11301 (a).

ARTICLE 19. Successors and Assigns: As used herein the terms Manufacturer, Company, Trustee and Lessor shall be deemed to include the successors and assigns of the Manufacturer, the Company, the Trustee and the Lessor, as the case may be.

ARTICLE 20. Recording: Upon the execution and delivery of this Agreement, the Company will, at its expense, cause this Agreement to be duly filed and recorded with the Surface Transportation Board in accordance with 49 U.S.C. Section 11301(a), and wherever else required by law or reasonably requested by the Manufacturer for the purpose of proper protection of the security interest of the Manufacturer in the Equipment.

ARTICLE 21. Execution: This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated for convenience as of the date specified in the introductory paragraph of this Agreement, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

ARTICLE 22. Designation of Vendors: Manufacturer shall provide the Company, prior to the commencement of manufacture of the Units, with a list of all vendors which Manufacturer shall utilize to supply parts or specialties utilized in the manufacture of Units. Such list shall set forth Manufacturer's cost of purchasing such parts or specialties from such vendors. Company shall have the right to designate vendors of its choice or to supply itself any parts or specialties, as long as the cost to Manufacturer of same does not exceed the cost shown on Manufacturer's list. The Company shall have the right to designate an independent public accounting firm of recognized standing to perform an audit to verify the accuracy of Manufacturer's list. Manufacturer agrees to cooperate with such auditors in performing such verification. In the event that such audit discloses that Manufacturer has incurred higher costs than those set forth on Manufacturer's list, Manufacturer shall be liable to Company for the difference between the cost shown and the cost actually incurred as well as the cost of the audit. Company shall have the right to deduct the foregoing amount from any payments owed to the Manufacturer.

IN WITNESS WHEREOF, The parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the day, month and year first above written.

KASGRO RAIL CORPORATION

By: _____
President

(CORPORATE SEAL)

Attest:
_____
Secretary

TTX COMPANY

By: _____
Treasurer

(CORPORATE SEAL)

Attest:

_____
Assistant Secretary

STATE OF PENNSYLVANIA)
) SS:
COUNTY OF LAWRENCE)

On this 29th day of July, 1999, before me personally appeared G. M. Nassab, to me personally known, who, being by me duly sworn, says that he is a President of Kasgro Rail Corporation; that one of the seals 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joan M. Phillips
Notary Public

Notarial Seal
Joan M. Phillips, Notary Public
Taylor Twp., Lawrence County
My Commission Expires Aug. 20, 2001
Member, Pennsylvania Association of Notaries

(NOTARIAL SEAL)

My Commission Expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 4th day of August, 1999, before me personally appeared Thomas D. Marion, to me personally known, who being by me duly sworn, says that he is the Treasurer of TTX COMPANY; that one of the seals 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 acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Edward Keith Workman
Notary Public

"OFFICIAL SEAL"
EDWARD KEITH WORKMAN
Notary Public, State of Illinois
My Commission Expires 2/22/2003

(NOTARIAL SEAL)
My Commission Expires:

ANNEX A

KASGRO RAIL CORPORATION
(Manufacturer)

TTX COMPANY
(Company)

ITEM 1:

Type*	Qty	Company Car Numbers (Include)	Unit Price	Total Price	Month Of Delivery	Spec. (Contract Number)
QTTX	5	131052-131056			August-Sept 1999	T-1298-K

ITEM 2: January 31, 2000

ITEM 3: To be determined

ITEM 4: 320 East Cherry Street
New Castle, PA 16102

* 55 foot loading deck, 220 ton nominal capacity flat cars. TTX Specification "General Requirements for Freight Cars" No. 68-43-011586, revised August 8, 1997 and TTX Supplementary Specification No. 68-43-102690 revised October 9, 1995. Kasgro Specification 1524.

ANNEX B

MANUFACTURING AGREEMENT SUPPLEMENT NO. ___
DATED AS OF _____ , 199__, between _____,
the "Manufacturer") and TTX COMPANY (the "Company").

The parties hereto have heretofore entered into a Manufacturing Agreement dated as of , 199 , which was filed and recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11303 (a) on _____, 199__, at _____, recordation number _____, which provides for the execution and delivery from time to time of supplements thereto, each substantially in the form hereof for the purpose of subjecting to said Manufacturing Agreement additional units of new, standard gauge railroad equipment.

The units of railroad equipment described in Item 1 of Annex A hereto are hereby subjected to said Manufacturing Agreement. The information set forth in Annex A hereto in respect of such units of railroad equipment, and set forth in Items 2, 3, and 4 of said Annex A, is hereby incorporated into Annex A to the Manufacturing Agreement as though originally set forth therein; provided, however, that such information shall apply and refer only to the units of railroad equipment described in Annex A hereto.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the day, month and year first above written.

MANUFACTURER

By: _____
Vice President

(CORPORATE SEAL)

ATTEST:

_____
Assistant Secretary

TTX COMPANY

By: _____
Treasurer

(CORPORATE SEAL)

ATTEST:

_____
Assistant Secretary

STATE OF)
) SS:
COUNTY OF)

On this __ day of _____, 199__, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a Vice President of _____, that one of the seals 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this __ day of _____,199__, before me personally appeared T. D. Marion, to me personally known, who being by me duly sworn, says that he is the Treasurer of TTX COMPANY; that one of the seals 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 acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(NOTARIAL SEAL)
My Commission expires:

ANNEX A TO MANUFACTURING AGREEMENT SUPPLEMENT NO.

(Manufacturer)

TTX COMPANY
(Company)

ITEM 1:

Type	Quantity	Company Car Numbers (Incl.)	Unit Price	Total Price	Month of Delivery	Specification (Contract Number)

ITEM 2:

ITEM 3:

ITEM 4:

ANNEX C

ASSIGNMENT OF MANUFACTURING AGREEMENT
dated as of _____, 199__, Between TTX COMPANY,
(the "Assignor") and _____, (the "Assignee").

WHEREAS the Assignor has entered into an agreement together with any supplements and amendments to the date hereof, being (the "Manufacturing Agreement") with _____ _____, (the "Manufacturer"), pursuant to which the Assignor has agreed to purchase and take delivery of certain railroad equipment; and

WHEREAS the Assignee desires to purchase and take delivery of those units of such railroad equipment described in Item 1 of Schedule A hereto as are delivered and accepted on or prior to the date set forth in Item 2 of said Schedule A (such units being the "Assigned Equipment"), and the Assignor agrees to assign its rights to purchase and take delivery of the Assigned Equipment to the Assignee;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of the Assignor in and to the Assigned Equipment; and

(b) all the right, title and interest of the Assignor in and to the Manufacturing Agreement, in so far as it relates to the Assigned Equipment including all the rights, benefits and advantages specified in the first paragraph of Article 13 thereof.

2. The Assignor recognized that the Assignee will lease the Assigned Equipment to the Assignor, and the obligation of the Assignee to purchase and pay for the Assigned Equipment or any portion thereof is subject to customary closing conditions. In respect thereof, the Assignor covenants with the Assignee, and the Manufacturer as a third party beneficiary hereof, that, in the event of any nonpayment by the Assignee in respect of any unit of Assigned Equipment, the Assignor will be obligated to accept all such units completed and delivered by the Manufacturer and to pay the full purchase price therefor when due, all in accordance with the terms of the Manufacturing Agreement.

3. The Assignee accepts the assignments herein contained, and assumes the obligations of the assignor under the Manufacturing Agreement to purchase and pay for the Assigned Equipment, but no other duties or obligations of the Assignor thereunder; provided, however, that the Assignor shall remain liable to the Manufacturer in respect of its duties and obligations in accordance with the Manufacturing Agreement; and provided, further, that the Assignee shall not be liable to the Manufacturer under the Manufacturing Agreement.

4. The Assignor represents and warrants that:

(a) in so far as it relates to the Assigned Equipment, the Assignor is the lawful owner, free from all claims, liens, security interests and encumbrances, of its rights under the Manufacturing Agreement, and the Assignor has the right to sell and assign the Manufacturing Agreement as set forth herein and the Assignor will warrant and defend this assignment against the lawful claims and demands of all persons; and

(b) none of the units of the Assigned Equipment has been delivered by the Manufacturer and no payment has been made in respect thereof to the Manufacturer.

5. The Assignee appoints the Assignor its agent to inspect and accept delivery of the units of Assigned Equipment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by its duly authorized officers, all as of the date first above written.

TTX COMPANY

By: _____
Treasurer

(ASSIGNEE)

By: _____

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Assignment of Manufacturing Agreement is hereby acknowledged and the undersigned hereby confirms to the assignee thereunder all the matters specified in the second paragraph of Article 13 of the Manufacturing Agreement assigned thereby.

MANUFACTURER

By: _____
Vice President

SCHEDULE A
to Assignment of
Manufacturing Agreement

ITEM 1: Assigned Equipment

Type	Quantity	TTX Company Car Numbers (inclusive)

ITEM 2:

ANNEX D

CERTIFICATE OF ACCEPTANCE

TO:

I, a duly appointed inspector and authorized representative of TTX Company (the "Company"), do hereby certify that I have inspected, received, approved and accepted delivery on behalf of the Company or its assigns for which the Company is acting as agent, the following units of railroad equipment:

Type of Car:

Place Accepted:

Date Accepted:

Number of Unit:

Numbered:

I do further certify that the foregoing units are in good order and condition and conform to the specifications applicable thereto and to all applicable Federal Railroad Administration requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to new railroad equipment of the character of such units.

In addition, I further certify that there was plainly, distinctly, permanently and conspicuously placed, in letters not less than one inch in height, the following legend on each side of each unit:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED
WITH THE SURFACE TRANSPORTATION BOARD"

The execution of this certificate will in no way relieve the Manufacturer of its duty or decrease its responsibility to produce and deliver the railroad equipment indicated above in accordance with the terms, including warranties, contained in the manufacturing agreement or conditional sale agreement covering such equipment.

_____

Inspector and Authorized
Representative of TTX COMPANY

ANNEX E

MANUFACTURER PATENTS RELEVANT TO
EQUIPMENT DELIVERED PURSUANT TO
TTX COMPANY CONTRACT NO. T-1298-K

All patent rights owned by the Manufacturer, which may cover the whole, or any portion of the Equipment to be delivered under this contract, are identified as follows:

k:\trsere\recordat\kasgro\t1298k.doc