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**Morgan, Lewis
& Bockius LLP**
C O U N S E L O R S A T L A W

Dennis N. Barnes
202-467-7060

RECORDED 20356 →
FILED 149
NOV 8 1996 10 35 AM

November 8, 1996

BY HAND DELIVERY

Mr. Vernon Williams, Secretary
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

I have enclosed an original and two (2) fully executed and acknowledged counterparts of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The enclosed document is a Memorandum of Assignment, Assumption and Amendment Agreement, a secondary document, dated as of November 1, 1996. This Memorandum of Assignment, Assumption and Amendment Agreement is a summary of, and is subject to, that certain Assignment, Assumption and Amendment Agreement, dated as of November 1, 1996 ("Assignment") among Fleet National Bank ("Owner Trustee"), First Union Rail Corporation ("Replacement Lessee") and Connell Finance Company, Inc. ("Owner Participant") which amended the Replacement Lease Agreement dated as of August 23, 1996 and provided for the transfer and assignment of Owner Participant's interest in the Replacement Lease Agreement to the Owner Trustee. The primary document to which the enclosure is connected is recorded under Recordation No. 20356; the enclosed document should be assigned Recordation No. 20356-D. We request that this assignment be cross-indexed.

NOV 8 10 31 AM '96
RECEIVED
SURFACE TRANSPORTATION
BOARD

James E. Sawyer
Counterparts

Mr. Vernon Williams
November 8, 1996
Page 2

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

Owner Trustee:

FLEET NATIONAL BANK
111 Westminster Street
Providence, RI 02903
Attn: Mr. Christopher J. Lembo

Replacement Lessee:

FIRST UNION RAIL CORPORATION
c/o First Union Leasing Group
One First Union Center
301 South College Street
20th Floor
Charlotte, North Carolina 28288-0738
Attn: Ms. Linda H. Minter

Owner Participant:

CONNELL FINANCE COMPANY, INC.
45 Cardinal Drive
Westfield, NJ 07090
Attn: Mr. Richard E. Bartok

The following is a description of the equipment covered by the document:

Type of Equipment: Covered, 6,225 cubic foot, plastic pellet hopper railcars
Number: 190
Identifying Marks: ECUX
First and Last Inclusive Numbers: 887001 through 887190 inclusive
Manufacturer: ACF Industries, Inc.

The equipment is more fully described in the enclosed Memorandum of Assignment, Assumption and Amendment Agreement.

A fee of \$22.00 is enclosed. Please return the original and any extra copies of the enclosed documents not needed by the Surface Transportation Board for recordation to Dennis N. Barnes, Morgan, Lewis & Bockius LLP, 1800 M Street, N.W., Suite 900 North, Washington, D.C. 20036 (tel. no. 202-467-7060).

The following is a short summary of the document to appear in the index:

Secondary Document:

Memorandum of Assignment, Assumption and Amendment Agreement, among Connell Finance Company, Inc., whose address is 45 Cardinal Drive, Westfield, New Jersey 07090, First Union Rail Corporation, whose address is c/o First Union Leasing Group, 301 South College Street, Charlotte, North Carolina 28288, and Fleet National Bank, a national banking

Mr. Vernon Williams
November 8, 1996
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association, whose address is 111 Westminster Street, Providence, Rhode Island 02903, not in its individual capacity except as expressly provided therein but solely as trustee under a certain Trust Agreement, dated as of November 1, 1996, covering one hundred ninety (190) Covered Hopper Railcars manufactured by ACF Industries, Inc. and the replacement lease thereof.

If you have any questions or comments, please do not hesitate to contact the undersigned.

Sincerely yours,

A handwritten signature in black ink that reads "Dennis N. Barnes". The signature is written in a cursive, slightly slanted style.

Dennis N. Barnes

Enclosures
DNB:ll

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

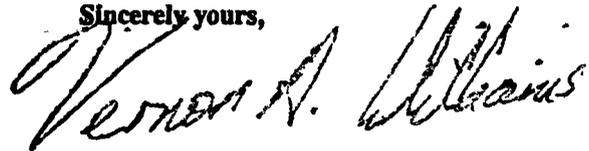
11/8/96

Dennis N. Barnes
Morgan, Lewis & Bockius LLP
1800 M Street, NW
Washington, DC., 20036-5869

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/8/96 at 10:35AM, and assigned recordation number(s). 20356-D.

Sincerely yours,

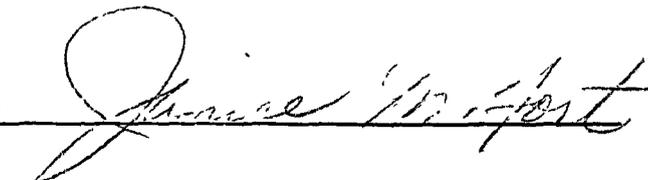


Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 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 and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDED AT 20356-D FILED 1425
NOV 8 1996 10:35 AM

**MEMORANDUM OF ASSIGNMENT,
ASSUMPTION AND AMENDMENT AGREEMENT**

This MEMORANDUM OF ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT dated as of November 1, 1996 is among CONNELL FINANCE COMPANY, INC., a New Jersey corporation ("Owner Participant"), FLEET NATIONAL BANK, a national banking association ("Owner Trustee"), not in its individual capacity but solely as trustee under the Trust Agreement dated as of November 1, 1996 between Owner Trustee and Owner Participant, and FIRST UNION RAIL CORPORATION, a North Carolina corporation ("Replacement Lessee").

1. Owner Participant transfers and assigns to Owner Trustee, and Owner Trustee accepts such transfer and assignment of, all of Owner Participant's right, title and interest in one hundred ninety (190) covered hopper railcars, as more fully described in Schedule I hereto, and in that Replacement Lease Agreement dated as of August 23, 1996 (and the Operative Agreements defined therein) between Owner Participant and Replacement Lessee. Replacement Lessee acknowledges and consents to such transfer and assignment.

2. This Memorandum of Assignment, Assumption and Amendment Agreement is a summary of, and subject to, the terms of that certain Assignment, Assumption and Amendment Agreement dated as of November 1, 1996, among Owner Participant, Owner Trustee and Replacement Lessee.

* * *

[Memorandum of Assignment, Assumption
and Amendment Agreement]

IN WITNESS WHEREOF, Owner Trustee, Replacement Lessee and Owner Participant
have each caused this Memorandum of Assignment, Assumption and Amendment Agreement
to be duly executed and delivered all as of the date first above written.

OWNER TRUSTEE:

REPLACEMENT LESSEE:

FLEET NATIONAL BANK, not in its
individual capacity but solely
as Owner Trustee

FIRST UNION RAIL CORPORATION

By: _____
Name: _____
Title: _____

By: 
Name: JOHN A. THOMAS
Title: PRESIDENT

OWNER PARTICIPANT:

CONNELL FINANCE COMPANY, INC.

By: _____
Name: _____
Title: _____

[Memorandum of Assignment, Assumption
and Amendment Agreement]

IN WITNESS WHEREOF, Owner Trustee, Replacement Lessee and Owner Participant
have each caused this Memorandum of Assignment, Assumption and Amendment Agreement
to be duly executed and delivered all as of the date first above written.

OWNER TRUSTEE:

REPLACEMENT LESSEE:

FLEET NATIONAL BANK, not in its
individual capacity but solely
as Owner Trustee

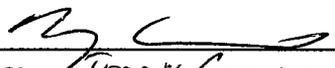
FIRST UNION RAIL CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

OWNER PARTICIPANT:

CONNELL FINANCE COMPANY, INC.

By: 
Name: TERRY CONNELL
Title: EXECUTIVE VICE PRESIDENT & CFO

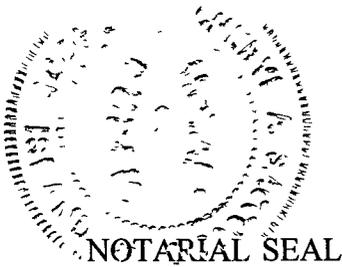
[Memorandum of Assignment, Assumption
and Amendment Agreement]

STATE OF)
) ss
COUNTY OF)

On this 31 day of October, before me personally appeared Christopher J Lembo, to me personally known, who being by me duly sworn, says that he is the ASSISTANT VICE PRES of Fleet National Bank, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

STATE OF)
) ss
COUNTY OF)

On this _____ day of _____, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of First Union Rail Corporation, that the seal 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.



Cheryl A. Jaccow
Notary Public

My Commission Expires: 8/24/97

[Memorandum of Assignment, Assumption
and Amendment Agreement]

STATE OF)
) ss
COUNTY OF)

On this ____ day of _____, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Fleet National Bank, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

STATE OF Illinois)
) ss
COUNTY OF Cook)

On this 31 day of October, before me personally appeared John J. Thomas, to me personally known, who being by me duly sworn, says that he is the President of First Union Rail Corporation, that the seal 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.

Michelle Berg
Notary Public

NOTARIAL SEAL

My Commission Expires:



[Memorandum of Assignment, Assumption
and Amendment Agreement]

SCHEDULE I

To Memorandum of Assignment,
Assumption and Amendment Agreement
Dated as of November 1, 1996 between
Fleet National Bank, First Union Rail Corporation
and Connell Finance Company, Inc.

Units of Equipment

One hundred ninety (190) newly built and not previously in service, covered, 6,225 cubic foot, plastic pellet hopper cars, manufactured by ACF Industries, Inc., with the following identifying marks and car numbers:

Identifying Mark

Car Numbers

ECUX

887001 through 887190, inclusive