

RECORDATION NO. 30699-C
FILED AUGUST 30 2013 12:40 PM
SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD (2011)

August 30, 2013

Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Bill of Sale, dated as of August 30, 2013, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The attached document relates to the documents filed with the Board under Recordation Number 30699.

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

Seller: Flagship Rail Services, LLC
300 South Riverside Plaza, Suite 1925
Chicago, IL 60606

Purchaser: FRS I LLC
300 South Riverside Plaza, Suite 1925
Chicago, IL 60606

Section Chief
August 30, 2013
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A description of the railroad equipment covered by the enclosed document is:

25 railcars: TILX 136345 - TILX 136369; AND 200 railcars: GATX 286000 – GATX 286199.

A short summary of the document to appear in the index is:

Bill of Sale.

Also enclosed is a check in the amount of \$42.00 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,

A handwritten signature in blue ink, appearing to read 'E. Luria', with a stylized flourish at the end.

Edward M. Luria

EML/sem
Enclosures

BILL OF SALE

August 30, 2013

Flagship Rail Services, LLC, a Delaware limited liability company (the “**Seller**”), in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration paid at or before the execution and delivery of these presents, and receipt of which is hereby acknowledged, does hereby (i) grant, bargain, sell, transfer, assign and set over unto FRS I LLC, a Delaware limited liability company (the “**Purchaser**”) and its successors and assigns all right, title and interest of the Seller, in and to the items of railroad rolling stock forth on Schedule I hereto (together with (a) any and all replacements or substitutions thereof, (b) any and all tangible components thereof, and (c) any and all related appliances, parts, accessories, appurtenances, accessions, additions, improvements to and replacements from time to time incorporated or installed in any item thereof) (the “**Railcars**”), together with (A) all licenses, manufacturer’s warranties and other warranties, Supporting Obligations, Payment Intangibles, Chattel Paper, General Intangibles and all other rights and obligations related to the Railcars, (B) all Railroad Mileage Credits and Car Hire allocable to such Railcars, and any payments in respect of such credits accruing on or after the applicable Delivery Date, (C) all tort claims or any other claims of any kind or nature related to such Railcars and any payments in respect of such claims, (D) all other payments owing by any Person (including any railroads or similar entities) in respect of or attributable to such Railcars or the use, loss, damage, casualty, condemnation of such Railcars or the Marks associated therewith, in each case whether arising by contract, operation of law, course of dealing, industry practice or otherwise, and (E) without duplication, any Miscellaneous Items relating to such Railcars; and (ii) assign all of its right, title and interest in and to all warranties or representations made or given to the Seller with respect to the Railcars by the manufacturer thereof (collectively, the “**Purchased Railcars**”). The Purchaser hereby accepts delivery of the Purchased Railcars, including the Railcars set forth on Schedule I hereto.

To have and to hold all and singular the rights to the Purchased Railcars to the Purchaser and its successors and assigns for its and their own use and behalf forever.

And the Seller hereby warrants to the Purchaser and its successors and assigns that at the time of delivery of the Purchased Railcars, the Seller has good and marketable legal and beneficial title to and good and lawful right to sell, the Purchased Railcars, and the Purchased Railcars are free and clear of all Encumbrances (other than Permitted Encumbrances), and the Seller covenants that it will defend forever such title to the Purchased Railcars against the demands or claims of all Persons whomsoever (including, without limitation, the holders of such Permitted Encumbrances) based on claims arising as a result of, or related or attributable to, acts, events or circumstances occurring prior to the delivery of the Purchased Railcars by the Seller hereunder. Notwithstanding the provisions above and its and the Purchaser’s intent that the Seller grant, bargain, sell, transfer, assign and set over to the Purchaser all right, title and interest of the Seller in the Purchased Railcars, as a precaution only, in the event of any challenge to this Bill of Sale as being in the nature of an absolute sale or assignment rather than a financing, the Seller hereby also grants the Purchaser a security interest in the Purchased Railcars. Such grant

of a security interest does not constitute an admission or acknowledgment that the transactions contemplated by the Asset Transfer Agreement provide that this Bill of Sale is other than a grant, bargain, sale, transfer, assignment and set over to the Purchaser of all right, title and interest of the Seller in the Purchased Railcars.

Terms used herein with initial capital letters and not otherwise defined shall have the respective meanings given thereto in (i) Annex A to the Master Indenture, dated as of April 18, 2013, as amended, restated or otherwise modified from time to time, by and between the Purchaser, as Issuer, and Deutsche Bank Trust Company Americas, as Indenture Trustee, or (ii) the Purchase and Contribution Agreement, dated as of April 18, 2013 (as amended, restated or otherwise modified from time to time, the “**Asset Transfer Agreement**”), by and between the Purchaser and the Seller.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, Section 5-1401 and Section 5-1402 of the New York General Obligations Law but otherwise without regard to conflict of laws principles.

The grant, bargain, sale, transfer, assignment and setting over of the Purchased Railcars pursuant to this Bill of Sale shall be deemed to occur within the State of Illinois.

This Bill of Sale shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and assigns as permitted by and in accordance with the terms hereof. Except as expressly provided herein or in the other Operative Agreements, no party hereto may assign their interests herein without the consent of the other party hereto.

The Seller will duly execute and deliver to the Purchaser such further documents and assurances and take such further action as the Purchaser may from time to time reasonably request or as may be required by Applicable Law in order to effectively carry out the intent and purpose of this Bill of Sale and to establish and protect the rights and remedies created or intended to be created in favor of the Purchaser hereunder, including, without limitation, the execution and delivery of supplements or amendments hereto, in recordable form.

* * *

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed as of the date first above written.

FLAGSHIP RAIL SERVICES, LLC

By: 

Name:

Title:

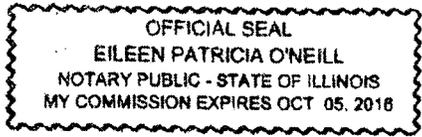
Eugene T. Henneberry
Chief Executive Officer

STATE OF ILLINOIS)
)
) SS:
COUNTY OF COOK)

On this 27th day of August, 2013, before me personally appeared Eugene J. Hennrich, to me personally known, who being duly sworn, stated that he is the CEO of Flagship Rail Services, LLC, that said instrument was signed on behalf of said entity by authority of its management or other governing body, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said entity.

Eileen Patricia O'Neill
Notary Public

My Commission Expires: 10/5/16



SCHEDULE I

GATX 286000 through GATX 286199, inclusive

TILX 136345 through TILX 136369, inclusive

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 8/30/13

Edward M Luria
Edward M. Luria