RECORDATION NO. 28054-G
FILED September 21, 2012 02:40 AM
SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

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

OF COUNSEL
URBAN A. LESTER

September 21, 2012

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

Dear 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 and Assignment and Assumption Agreement, dated as of September 14, 2012, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Security Agreement filed with the Board under Recordation Number 28054.

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

Seller: American Railcar Leasing LLC
620 North Second Street
St. Charles, Missouri 63301

Buyer: ARL II Funding LLC
620 North Second Street
St. Charles, Missouri 63301

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

151 railcars: SHPX 210251 – SHPX 210275, SHPX 201343 – SHPX 210350, SHPX 210482 – SHPX 210496, SHPX 221881, SHPX 450832 - SHPX 450856 and within the series SHPX 208655 – SHPX 209751 and SHPX 221891 – SHPX 221961 as more particularly set forth in the attachment to the document.

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

Bill of Sale and Assignment and Assumption Agreement.

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,

Edward M. Luria

EML/sem
Enclosures

RECORDATION NO. 28054-G
FILED September 21, 2012 02:40 AM
SURFACE TRANSPORTATION BOARD

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") dated as of September 14, 2012, between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company ("Seller"), and ARL II FUNDING LLC, a Delaware limited liability company ("Buyer").

WHEREAS, Buyer and Seller desire to enter into this Agreement, in connection with the sale of, among other things, the Railcars (as defined below) and the Equipment Leases (as defined below), from Seller to Buyer; and

WHEREAS, the parties also desire to carry out the intent and purpose of the sale of the Railcars by, among other things, the parties' execution and delivery of this instrument evidencing the sale by Seller of all of its rights, title and interest in and to the Railcars and Equipment Leases to Buyer and the assumption by Buyer of all of Seller's obligations under the Equipment Leases.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Sale and Assignment. (a) Seller, for good and valuable consideration, the receipt of which is hereby acknowledged, effective as of the date hereof, does hereby sell, grant, bargain, convey, assign, transfer, deliver and set over to Buyer absolutely and forever, all of Seller's right, title and interest in and to (i) the railcars described on Schedule 1 hereto and made a part hereof, together with all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature appertaining or attached thereto (collectively, the "Railcars"), (ii) all leases or other contracts entitling another party to use any of the Railcars, as more specifically described on Schedule 1 and including, without limitation, all extensions, renewals, supplements and modifications of any of the foregoing (collectively, the "Equipment Leases"), (iii) all security deposits or other assets or agreements provided by the applicable lessee to secure the performance of its obligations with respect to its Equipment Lease, (iv) all documentation, books and records related to the Railcars and Equipment Leases, (v) all rights to enforce manufacturer's warranties, with respect thereto, (vi) all identification marks attached to the Railcars, (vii) all payments due and to become due with respect to any of the foregoing, whether as contractual obligations, damages, casualty payments, railroad mileage credits, rents, insurance proceeds or otherwise, and (viii) all income, profits and proceeds from any of the foregoing (the assets described in the foregoing clauses (i) through (viii) are collectively referred to herein as the "Railcar Assets").

(b) After giving effect to the conveyance of the Railcar Assets effected hereby, the ownership of, and Seller's interest in, the Railcar Assets shall be fully vested in Buyer. Seller agrees (i) to take no action inconsistent with the ownership by Buyer of the Railcar Assets and (ii) to claim no ownership interest or security interest in the Railcar Assets. Seller acknowledges that Buyer will be assigning its rights in the Railcar Assets to a third party lender as security for

Buyer's obligations, and Seller agrees to take no action inconsistent with the ownership by Buyer's assigns or any security interest granted by Buyer in the Railcar Assets.

(c) Seller shall deliver or cause to be delivered on or before the date hereof the one and only original of each Equipment Lease and a copy of the files related to the Railcar Assets to, or at the direction of, Buyer.

2. Warranties of Seller. Seller hereby represents and warrants to Buyer and its successors and assigns, with knowledge that Buyer is relying on such representations and warranties in undertaking its financing of the Railcar Assets, that:

(a) on the date hereof, Seller has, and at the time of delivery of the Railcar Assets, Seller will have, good and marketable, legal and beneficial title to the Railcar Assets and good and lawful right to sell the Railcar Assets and at the time of delivery, the Railcar Assets will be free and clear of all liens, mortgages, deeds of trust, pledges, claims, equity interests, participation agreements, security interests or other charges or encumbrances of any kind, any interest of a vendor or a lessor under a conditional sale agreement, capital lease or title retention agreement (all or any of the foregoing, "Liens"), except the Liens being released contemporaneously with such delivery and transfer or Permitted Liens (as defined below). Seller hereby covenants to defend title to the Railcars against demands of all persons or entities whomever based on claims originating prior to the delivery of the items of Railcar Assets. For purposes of this Agreement, "Permitted Liens" means (i) Liens for taxes, assessments or governmental charges or levies which are not yet assessed or, if assessed, not yet due or contested in good faith by appropriate proceedings (and for which, if related to taxes, assessments or governmental charges or levies due from another person, such other person is providing adequate indemnification), so long as such proceedings do not involve any imminent danger of sale, forfeiture or loss of Railcars or any interest therein, (ii) mechanics', materialmen's, suppliers', warehousemen's, operation of law in the ordinary course of business for which payment is not overdue or the payment of which is being contested in good faith by appropriate proceedings (and for which, if related to amounts due from another person, such other person is providing adequate indemnification), so long as such proceedings do not involve any imminent danger of sale, forfeiture or loss, of such Railcar or any interest therein, (iii) Liens arising out of judgments or awards against Seller that are being contested in good faith by appropriate proceedings and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review, so long as such proceedings, in the reasonable judgment of Buyer and its lenders, do not involve any danger of sale, forfeiture or loss of such Railcar or any interest therein, and (iv) the rights of the applicable Equipment Lessee under the Equipment Lease with respect to a Railcar, including the rights of any sublessee of an Equipment Lessee to the extent such sublease was entered into in accordance with such Equipment Lease.

(b) All information regarding the Railcar Assets set forth on Schedule 1 is true and correct.

(c) As to each Equipment Lease set forth on Schedule 1: (i) (A) such Equipment Lease evidences an enforceable payment obligation of the applicable Equipment Lessee and (B) is not subject to any known defenses, disputes, offsets, counterclaims or rights of return or

cancellation, (ii) each Equipment Lease has been documented on forms approved by Buyer and its lenders, in accordance with Seller's credit and collection policies and all applicable laws, and (iii) the original Equipment Lease delivered to or own behalf of Buyer constitutes the one and only original of such Equipment Lease.

3. Master Leases. For the avoidance of doubt, if any Equipment Lease is in the form of a master lease (a) all existing Railcars that are the subject of one schedule or rider to such master lease shall be included on Schedule 1 and conveyed together by this Agreement and (b) payment and other obligations arising under such master lease shall be subject to this Agreement only to the extent they relate to Railcars and riders conveyed hereby, and (c) the term Equipment Lease shall be deemed to include the master lease only insofar as it applies to Railcars and riders that are the subject of this Agreement and can be separately enforced as such, without adverse affect on Buyer or its assigns.

4. Buyer Assumption. Except as otherwise provided herein, effective as of the date hereof, Buyer accepts, assumes, takes over and succeeds to all of Seller's rights, title and interest as of such date in and to the Equipment Leases, subject to the rights of lessees under the Equipment Leases, and Buyer hereby covenants and agrees to discharge, perform and comply with, and to be bound by, all the terms, conditions, provisions, obligations, covenants and duties of Seller under the Equipment Leases (but only to the extent it relates to the period from and after the date hereof), as if Buyer were an original party thereto.

5. Seller Indemnity. Seller shall, for the benefit of Buyer and its assigns, defend forever Buyer's title to the Railcar and Equipment Leases against all demands, liens or claims of all persons (including, without limitation, the holders of any Permitted Liens) based on claims arising as a result of, or related or attributable to: (a) acts, events, circumstances occurring prior to the delivery of such Railcars and the assignment of such Equipment Leases by Seller to Buyer hereunder, (b) breach of any of the warranties of Seller under this Agreement; or (c) railcars not assigned to Buyer pursuant to this Agreement, but which are subject to the same master lease agreement as any of the Railcars ("Excluded Railcars"), including any breach by Seller of its obligations or with respect to such Excluded Railcars under such master lease agreements.

6. Further Assurances. (a) Seller hereby covenants and agrees that, at any time and from time to time after the date hereof, at the request of Buyer or its assigns, Seller shall, at its expense, promptly and duly execute and deliver, or cause to be executed and delivered, to Buyer all such further instruments and take all such further action as may be reasonably requested by Buyer or its assigns to more effectively sell, transfer, assign, convey, grant and set over the Railcar Assets to Buyer. Seller hereby authorizes Buyer to file UCC financing statements and such other filings with governmental authorities as are reasonably necessary or desirable to evidence the assignments effected hereby (including any assignments of such filings to Buyer's lenders).

(b) Buyer hereby covenants and agrees that, at the request and expense of Seller, it shall hereafter execute any further assumptions or instruments of transfer or conveyance as may be reasonably requested by Seller to assume the Equipment Leases or to release Seller and its affiliates from their obligations under or on account of the Equipment Leases so long as such release will not prejudice Buyer's rights, title and interest in and to the Equipment Leases.

7. Successors and Assigns; Third Party Beneficiary. This Agreement shall be binding upon Buyer and Seller and their respective successors and assigns, for the use and purposes set forth and referred to herein, effective as of the date hereof. Seller understands that Buyer is granting a security interest in the Railcar Assets and this Agreement to its lenders and acknowledges and agrees that Buyer's lenders are intended to constitute, and do constitute, express third beneficiaries of this Agreement, including all warranties and indemnities given by Seller hereunder, and that this Agreement cannot be amended without the consent of such lenders so long as such security interests remain in effect.

8. Governing Law. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE LAWS OF THE CONFLICT OF LAWS THEREOF (EXCEPT FOR SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). THE BILL OF SALE CONTAINED IN THIS AGREEMENT IS DELIVERED BY SELLER TO BUYER IN ST. CHARLES, MISSOURI.

9. Venue; Submission to Jurisdiction; Waiver of Jury Trial. (a) BUYER AND SELLER HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY COURT IN THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND BUYER AND SELLER HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. BUYER AND SELLER HEREBY AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THE RELATED DOCUMENTS OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER SHALL NOT SEEK AND HEREBY WAIVE THE RIGHT TO ANY REVIEW OF THE JUDGMENT OF ANY SUCH COURT BY ANY COURT OF ANY OTHER JURISDICTION, WHICH MAY BE CALLED UPON TO GRANT AN ENFORCEMENT OF SUCH JUDGMENT.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BUYER AND SELLER HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

10. Survival of Representations and Warranties. All representations and warranties made hereunder shall survive the execution and delivery hereof. Such representations and warranties have been and will be relied upon by Buyer, regardless of any investigation made by Buyer or on its behalf and notwithstanding that Buyer may have had notice or knowledge of any default at the time of any transfer hereunder.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart signature delivered by facsimile shall be equally effective as delivery of an originally executed counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Bill of Sale and Assignment and Assumption Agreement to be duly executed in one or more counterparts as of the date first above written.

SELLER

AMERICAN RAILCAR LEASING LLC

By: _____
Name: Umesh Choksi
Title: President & CEO

BUYER

ARL II FUNDING LLC

By: _____
Name: Umesh Choksi
Title: President & CEO

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this 13th day of September, 2012, before me, Nancy Netsch, a Notary Public in and for said state, personally appeared Umesh Choksi, the President & CEO of AMERICAN RAILCAR LEASING LLC, known to me to be the person who executed the within Bill of Sale on behalf of said limited liability company and acknowledged to me that he executed the same for the purposes therein stated.

NANCY NETSCH
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles County
My Commission Expires: August 02, 2016
Commission Number: 12499131

Nancy Netsch
Notary Public

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this 13th day of September, 2012, before me, Nancy Netsch, a Notary Public in and for said state, personally appeared Umesh Choksi, the President & CEO of ARL II FUNDING LLC, known to me to be the person who executed the within Bill of Sale on behalf of said limited liability company and acknowledged to me that he executed the same for the purposes therein stated.

NANCY NETSCH
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles County
My Commission Expires: August 02, 2016
Commission Number: 12499131

Nancy Netsch
Notary Public

Schedule 1
(to Form of Bill of Sale and Assignment and Assumption)

Lessee Code	Contract	Rptg Mark	Car Number
1863	88030007	SHPX	208655
1863	88030007	SHPX	208658
1863	88030007	SHPX	208691
1838	87010005	SHPX	209128
1838	87010005	SHPX	209160
170	79630009	SHPX	209390
170	79630009	SHPX	209392
170	79630009	SHPX	209394
170	79630009	SHPX	209395
170	79630009	SHPX	209400
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1540	79650003	SHPX	209751
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1540	79650003	SHPX	210252
1540	79650003	SHPX	210253
1540	79650003	SHPX	210254
1540	79650003	SHPX	210255
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1540	79650003	SHPX	210267
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1540	79650003	SHPX	210346

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1847	87380002	SHPX	450834
1847	87380002	SHPX	450835
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1847	87380002	SHPX	450838

1847	87380002	SHPX	450839
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1847	87380002	SHPX	450842
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1847	87380002	SHPX	450847
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1847	87380002	SHPX	450849
1847	87380002	SHPX	450850
1847	87380002	SHPX	450851
1847	87380002	SHPX	450852
1847	87380002	SHPX	450853
1847	87380002	SHPX	450854
1847	87380002	SHPX	450855
1847	87380002	SHPX	450856
Total Number of Railcars:			**151**

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: 9/21/12

Edward M. Luria