

May 28, 2014

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board (the "Board")
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: SMRS SPV II LLC (f/k/a Flagship Rail SPV II, LLC)
Memorandum of Security Agreement

Dear Chief:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two (2) executed copies of the Memorandum of Security Agreement Supplement No. 1, dated as of May 28, 2014, but effective as of October 30, 2013, among SMRS SPV II LLC (f/k/a Flagship Rail SPV II, LLC), as borrower (the "*Borrower*"), Credit Agricole Corporate and Investment Bank, not in its individual capacity, but solely as administrative agent (the "*Administrative Agent*") and Wells Fargo Bank, National Association, not in its individual capacity, but solely as collateral agent (the "*Collateral Agent*"), 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, dated as of October 30, 2013, among the Borrower, the Administrative Agent and the Collateral Agent which was recorded on October 30, 2013 at 4:20 P.M. under recordation number 30963.

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

Borrower: SMRS SPV II LLC
(f/k/a Flagship Rail SPV II, LLC)
300 South Riverside Plaza, Suite 1925
Chicago, Illinois 60606

Chapman and Cutler LLP

Administrative Agent: Credit Agricole Corporate and Investment Bank
1301 Avenue of the Americas
New York, New York 10019

Collateral Agent: Wells Fargo Bank, National Association
MAC: U1240-026
260 N. Charles Lindbergh Drive
Salt Lake City, Utah 84116
Dallas, Texas 75254

The equipment covered as of the date hereof by the aforesaid Memorandum of Security Agreement Supplement No. 1 consists of 100 Mill Gondola Cars bearing the road numbers and reporting marks within the series SOXX 660000 through SOXX 660099, inclusive, all as specifically described in the Memorandum of Security Agreement Supplement No. 1 attached hereto.

A short summary of the document to appear in the index is: Memorandum of Security Agreement Supplement No. 1.

A fee of forty-four dollars (\$44.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Edward M. Luria, Esq.
Alvord and Alvord
1050 Seventeenth Street, N.W.
Suite 301
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312) 845-2991.

Sincerely,

CHAPMAN AND CUTLER LLP

By Michael D. Robson
Michael D. Robson

Enclosure

MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 1

Memorandum of Security Agreement Supplement No. 1, dated as of May 28, 2014, but effective as of October 30, 2013, by and among SMRS SPV II LLC (F/K/A FLAGSHIP RAIL SPV II, LLC), as borrower (the "*Borrower*"), CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, not in its individual capacity, but solely as administrative agent (the "*Administrative Agent*") and WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as collateral agent (the "*Collateral Agent*").

WITNESSETH:

1. The Borrower, the Administrative Agent, the Collateral Agent, certain lenders party thereto (the "*Lenders*") and Credit Agricole Corporate and Investment Bank and Deutsche Bank Securities, Inc. have entered into that certain Loan Agreement, dated as of October 30, 2013 (as amended, amended, supplemented or modified, the "*Loan Agreement*") whereby the Lenders have agreed to make loans to the Borrower on the terms and conditions set forth therein.

2. To secure the Borrower's payment and performance of the Credit Obligations (as defined in the Loan Agreement), the Borrower has granted a security interest to the Collateral Agent in, among other things, all of the Borrower's assets pursuant to the terms that certain Security Agreement, dated as of October 30, 2013 (as amended, supplemented or modified, the "*Security Agreement*") by and among the parties hereto.

3. A memorandum of said Security Agreement was recorded with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code on October 30, 2013.

4. The undersigned have entered into that certain Security Agreement Supplement No. 1, dated as of May 28, 2014, but effective as of October 30, 2013, whereby the terms and provisions of the above-described Security Agreement are made applicable to the certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto (or as such equipment may be subsequently identified), and all leases (whether now existing or hereafter entered into) with respect to such railroad equipment, including those listed on Exhibit-B attached hereto.

5. The undersigned acknowledge and agree that (i) this Memorandum of Security Agreement Supplement No. 1 is not a complete summary of the Security Agreement nor a complete recitation of the terms and provisions thereof and (ii) in the event of a conflict between this Memorandum of Security Agreement Supplement No. 1 and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

6. This Memorandum of Security Agreement Supplement No. 1 is being recorded with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement Supplement No. 1 to be duly executed in its name as of the date set forth below and effective as of the date first above written.

BORROWER:

SMRS SPV II LLC (F/K/A FLAGSHIP RAIL SPV II, LLC)

By T. Stevens
Name: TIMOTHY D. STEVENS
Title: CHIEF RISK OFFICER

Executed on this 20th day of May, 2014.

ADMINISTRATIVE AGENT:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, not in its individual capacity, but solely as Administrative Agent

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Collateral Agent

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement Supplement No. 1 to be duly executed in its name as of the date set forth below and effective as of the date first above written.

BORROWER:

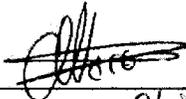
SMRS SPV II LLC (F/K/A FLAGSHIP RAIL SPV II, LLC)

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

ADMINISTRATIVE AGENT:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, not in its individual capacity, but solely as Administrative Agent

By  _____
Name: Claire Vacca
Title: Director

By  _____
Name: **THEODORE M. VANDERMEL**
Title: **Managing Director**

Executed on this 27th day of May, 2014.

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Collateral Agent

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement Supplement No. 1 to be duly executed in its name as of the date set forth below and effective as of the date first above written.

BORROWER:

SMRS SPV II LLC (F/K/A FLAGSHIP RAIL SPV II, LLC)

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

ADMINISTRATIVE AGENT:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, not in its individual capacity, but solely as Administrative Agent

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

Executed on this ____ day of May, 2014.

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Collateral Agent

By Michael Arsenault
Name: Michael Arsenault
Title: Vice President

Executed on this 27th day of May, 2014.

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this, the 20th day of May, 2014, before me, a Notary Public in and for said County and State, personally appeared TIMOTHY D. STEVENS, who being by me duly sworn, says that (s)he is the CHIEF RISK OFFICER of SMRS SPV II LLC (F/K/A FLAGSHIP RAIL SPV II, LLC), that said instrument was signed on May 20, 2014, on behalf of said limited liability company by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Notary Public

My Commission Expires: 10/5/16

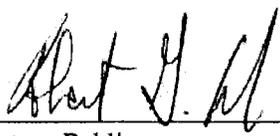


STATE OF NY)
COUNTY OF Suffolk) SS.:

On this, the 27th day of May, 2014, before me, a Notary Public in and for said County and State, personally appeared Ted Vandermei who being by me duly sworn, says that (s)he is the Managing Director of CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, that said instrument was signed on May 27th, 2014, on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

ROBERT G. COLVIN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01CO6018511
QUALIFIED IN SUFFOLK COUNTY
COMMISSION EXPIRES JANUARY 11, 2015



Notary Public

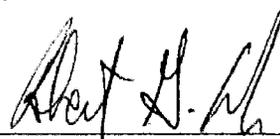
My Commission Expires: 1/11/15

STATE OF NY)
COUNTY OF Suffolk) SS.:

On this, the 27th day of May, 2014, before me, a Notary Public in and for said County and State, personally appeared Claire Vacca who being by me duly sworn, says that (s)he is the Director of CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, that said instrument was signed on May 27th, 2014, on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

ROBERT G. COLVIN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01CO6018511
QUALIFIED IN SUFFOLK COUNTY
COMMISSION EXPIRES JANUARY 11, 2015



Notary Public

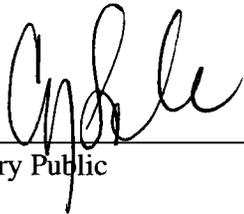
My Commission Expires: 1/11/15

STATE OF Utah)
) SS.:
COUNTY OF Salt Lake)

On this, the 27th day of May, 2014, before me, a Notary Public in and for said County and State, personally appeared Michael Arsenault who being by me duly sworn, says that (s)he is the Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION, that said instrument was signed on May 27, 2014, on behalf of said association by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.





Notary Public

My Commission Expires: 04/20/2018

EXHIBIT A

RAILCARS

EQUIPMENT	QUANTITY	REPORTING MARKS
66' Mill Gondola Cars	100	SOXX 660000 through SOXX 660099, inclusive

EXHIBIT B

LEASES

NONE

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: May 29, 2014

Edward M Luria

Edward M. Luria