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March 29, 2016

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 Memorandum of Security Agreement, dated as of March 29, 2016, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The document covers all rail equipment and leasehold interests therein of the Guarantor now owned or hereafter acquired and relates to the Memorandum of Security Agreements previously filed with the Board under Recordation Number 31011.

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

Agent for the Lenders:	Bank of Montreal One First Canadian Place, 4th Floor 100 King Street West Toronto, Ontario M5X 1A1 Canada
Guarantor:	Element Rail LLC 161 Bay Street, Suite 4600 PO Box 621 Toronto, Ontario M5J 2S1

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

All now owned and hereafter acquired rail equipment, including but not limited to the 133 railcars as more particularly set forth in the attachment to the document:

TILX 306948 – TILX 307047 (not inclusive)
TILX 400924 – TILX 400963

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$43.00 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

MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement (this "Memorandum") is executed as of this 29th day of March, 2016, by and between Element Rail LLC (the "Guarantor") and Bank of Montreal, as Agent pursuant to the Syndicated Credit Facility (as defined below).

The Guarantor and the Agent have entered into a General Security Agreement, dated as of December 19, 2013 (as from time to time amended, modified or supplemented, the "Security Agreement") by which the Guarantor has granted a security interest to the Agent, for the ratable benefit of the lenders under that certain Second Amended and Restated Credit Agreement dated as of August 24, 2015, among Element Financial Corporation, Element Financial (US) Corp., the Agent and the various lenders from time to time party thereto (the "Syndicated Credit Facility"), as amended, supplemented or otherwise modified from time to time, and as confirmed by that certain Amended and Restated Guarantee and Indemnity Agreement, dated as of August 31, 2015, among Element Financial Corporation and Element Financial (US) Corp., as the debtors, the Guarantor and the Agent, in all assets of the Guarantor, including without limitation, certain railroad equipment described on and bearing reporting marks and road numbers as provided on Exhibit A (the "Railcars") and all leases relating to such Railcars whether now or hereafter arising or acquired, including the leases described on Exhibit B (the "Leases").

The purpose of this Memorandum is to give record notice of the existence of the security interest of the Agent in the Railcars and the Leases, and all terms and conditions of the Security Agreement are incorporated by reference herein.

This Memorandum is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. 11301(a) and the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act (Canada).

[signature page to follow]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

ELEMENT RAIL LLC

By: 
Name: Michel Béland
Title: Chief Financial Officer

BANK OF MONTREAL

By: 
Name: _____
Title: **Jeff Currie**
Director

ACKNOWLEDGMENT

PROVINCE OF Ontario)
)
CITY OF Toronto)

BEFORE ME, a Notary Public of the Province and City aforesaid, personally appeared Michel Béland, who upon oath, acknowledged himself to be President, Chief Executive Officer & Treasurer of ELEMENT RAIL LLC, a Delaware limited liability company, and that he as such officer being authorized to do so, executed the foregoing Memorandum of Security Agreement for the purposes therein contained by signing his name by himself as such officer of ELEMENT RAIL LLC.

WITNESS my hand and official seal this 29th day of March, 2016.



Notary Public - Jim Nikopoulos



ACKNOWLEDGMENT

PROVINCE OF ONTARIO)
CITY OF Toronto)

BEFORE ME, a Notary Public of the Province of Ontario aforesaid, personally appeared Jeff Currie who upon oath, acknowledged himself to be a director of Bank of Montreal, a Canadian chartered bank, and that s/he as such officer being authorized to do so, executed the foregoing Memorandum of Security Agreement for the purposes therein contained by signing his name as such director of Bank of Montreal.

WITNESS my hand and official seal this 24 day of March, 2016.

Notary Public

MY COMMISSION EXPIRES: N/A



HARKIRAN BAINS

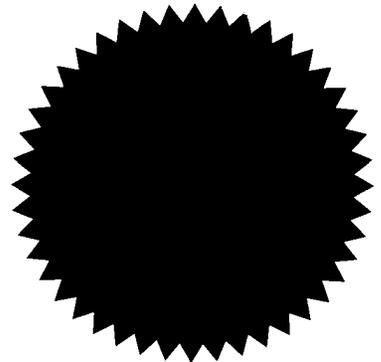


Exhibit A

Schedule of Railcars

TILX306948	TILX307003	TILX400927
TILX306951	TILX307004	TILX400928
TILX306952	TILX307005	TILX400929
TILX306954	TILX307006	TILX400930
TILX306957	TILX307007	TILX400931
TILX306958	TILX307008	TILX400932
TILX306960	TILX307009	TILX400933
TILX306961	TILX307010	TILX400934
TILX306963	TILX307011	TILX400935
TILX306964	TILX307012	TILX400936
TILX306965	TILX307013	TILX400937
TILX306966	TILX307014	TILX400938
TILX306967	TILX307015	TILX400939
TILX306968	TILX307016	TILX400940
TILX306969	TILX307017	TILX400941
TILX306970	TILX307018	TILX400942
TILX306971	TILX307019	TILX400943
TILX306972	TILX307020	TILX400944
TILX306973	TILX307021	TILX400945
TILX306974	TILX307022	TILX400946
TILX306975	TILX307023	TILX400947
TILX306976	TILX307024	TILX400948
TILX306977	TILX307025	TILX400949
TILX306978	TILX307026	TILX400950
TILX306979	TILX307027	TILX400951
TILX306980	TILX307028	TILX400952
TILX306981	TILX307029	TILX400953
TILX306982	TILX307030	TILX400954
TILX306983	TILX307031	TILX400955
TILX306984	TILX307032	TILX400956
TILX306985	TILX307033	TILX400957
TILX306986	TILX307034	TILX400958
TILX306987	TILX307035	TILX400959
TILX306988	TILX307036	TILX400960
TILX306989	TILX307037	TILX400961
TILX306990	TILX307038	TILX400962
TILX306991	TILX307039	TILX400963
TILX306992	TILX307040	
TILX306993	TILX307041	
TILX306994	TILX307042	
TILX306995	TILX307043	
TILX306996	TILX307044	
TILX306997	TILX307045	
TILX306998	TILX307046	
TILX306999	TILX307047	
TILX307000	TILX400924	
TILX307001	TILX400925	
TILX307002	TILX400926	

Exhibit B

Schedule of Leases

Rider Eleven (11.0) to Railroad Car Lease Agreement dated February 19, 2015 between Trinity Industries Leasing Company and Centennial Energy, LLC

Rider Ten (10.0) to Railroad Car Lease Agreement dated January 13, 2006 between Trinity Industries Leasing Company and Linde, Inc.

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: March 29, 2016 .

Edward M Luria

Edward M. Luria