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

February 18, 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 February 16, 2016, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

| | |
|-----------------------|---|
| Administrative Agent: | First Niagara Bank, N.A. 364 Connecticut St Buffalo, NY 14213 |
| Borrower: | Interstate Shredding, LLC 27 Furnace Lane Girard, OH 44420 |
| [Lenders: | First Niagara Bank, N.A. Fifth Third Bank First National Bank of Pennsylvania S&T Bank Mars National Bank 364 Connecticut St Buffalo, NY 14213] |

Section Chief
February 18, 2016
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[Borrowers: Interstate Shredding, LLC
Liberty Iron & Metal Holdings, LLC
Liberty Iron & Metal, LLC
Diamond Hurwitz Scrap, LLC
Premier Metals Group, LLC
Mercer Co.
Niles Iron & Metal Company, LLC
LNM Holdings, LLC
Liberty Iron & Metal International, Inc.
LNM International, Inc.
27 Furnace Lane
Girard, OH 44420]

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

2 locomotives: GE Model 040 Class 70-ton diesel s/n 18739, 1953 and GE Model D004115 Control, s/n 53G68; and 17 gondola railcars: ISHX 01 – ISHX 17.

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

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, dated February 16, 2016 (this "Memorandum"), is made by and between INTERSTATE SHREDDING, LLC, a Delaware limited liability company ("Interstate") and FIRST NIAGARA BANK, N.A., in its capacity as administrative agent (the "Agent") for FIRST NIAGARA BANK, N.A., FIFTH THIRD BANK, FIRST NATIONAL BANK OF PENNSYLVANIA, S&T BANK, and MARS NATIONAL BANK (together with their respective successors and assigns, each a "Lender" and collectively the "Lenders") with respect to (1) that certain Security Agreement, dated August 8, 2013 (as amended from time to time, the "Security Agreement") made by LIBERTY IRON & METAL HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), LIBERTY IRON & METAL, LLC, a Delaware limited liability company ("Liberty Iron"), DIAMOND HURWITZ SCRAP, LLC, a New York limited liability company ("Diamond"), PREMIER METALS GROUP, LLC, a New York limited liability company ("Premier"), MERCER CO., a Pennsylvania corporation ("Mercer"), NILES IRON & METAL COMPANY, LLC, a Delaware limited liability company ("Niles"), LNM HOLDINGS, LLC, a Delaware limited liability company ("LNM"), Interstate, LIBERTY IRON & METAL INTERNATIONAL, INC., a Delaware corporation ("Liberty Disc"), and LNM INTERNATIONAL, INC., a Delaware corporation ("LNM Disc") (Holdings, Liberty Iron, Diamond, Premier, Mercer, Niles, LNM, Interstate, Liberty Disc, and LNM Disc, each being a "Borrower" and collectively the "Borrowers") in favor of the Agent; and (2) that certain Credit Agreement, dated as of August 8, 2013 (as amended from time to time, the "Credit Agreement" and together with the Security Agreement, the "Agreements"), by and among the Borrowers, the Agent, and the Lenders. All capitalized terms used but not defined herein shall have the meanings given such terms in the Agreements.

WITNESSETH

Pursuant to provisions of the Agreements, Interstate and the Agent hereby affirm and acknowledge that:

1. The Lenders made available to the Borrowers a revolving credit facility, a term loan, and other credit accommodations pursuant to the Credit Agreement, and Interstate granted to the Agent a first priority lien on and security interest in, among other things, the following property in order to secure the Borrowers' obligations under the Credit Agreement and other Loan Documents:

All of Interstate's right, title and interest in the following property:

- (a) that certain GE Model 040 Class 70-Ton Diesel Locomotive, S/N 18739, 1953;
- (b) that certain GE Model D004115 Control, S/N 53G68;
- (c) those certain seventeen (17) Gondola Railcars;

ISHX 01

ISHX 02

ISHX 03
ISHX 04
ISHX 05
ISHX 06
ISHX 07
ISHX 08
ISHX 09
ISHX 10
ISHX 11
ISHX 12
ISHX 13
ISHX 14
ISHX 15
ISHX 16
ISHX 17

- (d) all substitutions, replacements, accessions and additions to the foregoing property;
and
 - (e) all proceeds of the foregoing property upon sale, exchange or other disposition thereof in whatever form, including, without limitation, trades, exchanges, goods, money and all insurance proceeds payable by reason of loss of or damage, whether now existing or hereafter arising or acquired, and wherever located.
2. Interstate and the Agent further acknowledge and affirm that this Memorandum is not a summary of either of the Agreements nor is it a complete recitation of the terms and provisions thereof. Accordingly, Interstate and the Agent hereby agree that in the event of a conflict between this Memorandum and the Agreements, the provisions of the Agreements shall control.
 3. This Memorandum is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301.
 4. The Memorandum shall be effective February 16, 2016.

[Signature Pages Follow]

IN WITNESS WHEREOF the parties hereto have signed and delivered this MEMORANDUM OF SECURITY AGREEMENT as of the date first written above.

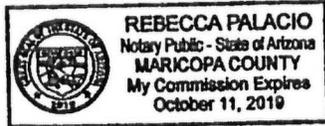
INTERSTATE SHREDDING, LLC

By: Marc E. Olgin
Name: Marc E. Olgin
Title: Chief Executive Officer

STATE OF Arizona :
COUNTY OF Maricopa : ss.

On this 14 day of February 2016, before me, the undersigned officer, personally appeared Marc E. Olgin, who acknowledged himself/herself to be the Chief Executive Officer of INTERSTATE SHREDDING, LLC, and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself/herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Rebecca Palacio
Notary Public

[STAMP]
NOTARIAL SEAL

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: February 18, 2016

Edward M Luria

Edward M. Luria