RECORDATION NO. 26062 FILED

DEC 23 '05 12-31 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

December 23, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

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 (Collateral Schedule No. 01), dated as of December 12, 2005, 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:

Secured Party: Key Equipment Finance Inc.
66 South Pearl St., 8th Floor
Albany, New York 12207

Debtor: Interstate Commodities, Inc.
7 Madison Street
Troy, New York 12181

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

162 cars within the following series as set forth in the exhibit attached to the document, plus INTX 8001 and RRRX 1110:

INTX 5000 – INTX 5073
INTX 7508 – INTX 7531
NAHX 46941 – NAHX 511662
RRRX 182753 – RRRX 182909
RRRX 460081 – RRRX 470133.

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

Memorandum of Security Agreement (Collateral Schedule No. 01).

Also enclosed is a check in the amount of $33.00 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,

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 26062 FILED

DEC 2 3 '05 12-31 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT
(Collateral Schedule No. 01)

Dated as of December 12, 2005

between

KEY EQUIPMENT FINANCE INC.,
Secured Party

and

INTERSTATE COMMODITIES, INC.
Debtor

Filed with the Surface Transportation Board pursuant to
49 U.S.C. § 11301 on _____, 2005, at ____:____ ___.M
Recordation Number _____

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT (Collateral Schedule No. 01) dated as of December 12, 2005 is made by and between INTERSTATE COMMODITIES, INC., a New York corporation ("Debtor"), and KEY EQUIPMENT FINANCE INC., a Michigan corporation ("Secured Party").

WITNESSETH

1. Pursuant to a Security Agreement, together with Collateral Schedule No. 01 of even date (collectively, the "Security Agreement"), Debtor has pledged to Secured Party 162 railcars bearing the railroad reporting markings set forth on Exhibit A attached hereto.

2. The Security Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the Term as defined in the Security Agreement.

3. This Memorandum of Security Agreement may be executed in duplicate originals and any number of counterparts and by different parties in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement (Collateral Schedule No. 01) to be signed and sealed by their respective corporate officers as of the date and year first above written.

Secured Party:

KEY EQUIPMENT FINANCE INC.

By: _____
Name: JOHN J. AMATO
Title: REGIONAL BUSINESS UNIT MANAGER

STATE OF COLORADO)
) ss.:
COUNTY OF BOULDER)

On this 9th day of December, 2005, before me the subscriber personally appeared John J. Amato, who being by me duly sworn, did depose and say: that (s)he resides at Albany, New York: that (s)he is Reg. Bus. Unit Mgr of KEY EQUIPMENT FINANCE INC. the corporation described in and which executed the foregoing instrument and that (s)he signed his/her name thereto by order of the Board of Directors of said corporation.

_____
NOTARY PUBLIC

My Commission Expires:

KIMBERLY L. BUSH NOTARY PUBLIC STATE OF COLORADO

My Commission Expires July 12, 2009

[Secured Party Signature Page]

SEA 1726670v3 46569-600

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement (Collateral Schedule No. 01) to be signed and sealed by their respective corporate officers as of the date and year first above written.

Debtor:

INTERSTATE COMMODITIES, INC.

By: _____
Name: Michael G. Piazza
Title: Chief Financial Officer

STATE OF NEW YORK)
) ss.:
COUNTY OF RENSSELAER)

On this 9 day of December, 2005, before me the subscriber personally appeared Michael G Piazza who being by me duly sworn, did depose and say; that (s)he resides at Cohoes, NY; that (s)he is a CFO of INTERSTATE COMMODITIES, INC., the corporation described in and which executed the foregoing instrument and that (s)he signed his/her name thereto by order of the Board of Directors of said corporation.

_____
NOTARY PUBLIC

My Commission Expires:

VICTOR A. OBERTING III
Notary Public, State of New York
No. 02OB6055561
Qualified in Albany County
Commission Expires Feb. 26, 2007

[Debtor Signature Page]

SEA 1726670v3 46569-600

EXHIBIT A
TO MEMORANDUM OF SECURITY AGREEMENT
DATED AS OF December 12, 2005

	Prev Mark	Prev Num	Curr Mark	Curr Num	Built Yr	Capacity
1			RRRX	1110	1981	4650
2			RRRX	182753	1981	4650
3			RRRX	182770	1981	4650
4			RRRX	182784	1981	4650
5			RRRX	182786	1981	4650
6			RRRX	182788	1981	4650
7			RRRX	182791	1981	4650
8			RRRX	182792	1981	4650
9			RRRX	182809	1981	4650
10			RRRX	182818	1981	4650
11			RRRX	182821	1981	4650
12			RRRX	182825	1981	4650
13			RRRX	182828	1981	4650
14			RRRX	182833	1981	4650
15			RRRX	182835	1981	4650
16			RRRX	182839	1981	4650
17			RRRX	182841	1981	4650
18			RRRX	182843	1981	4650
19			RRRX	182845	1981	4650
20			RRRX	182859	1981	4650
21			RRRX	182863	1981	4650
22			RRRX	182869	1981	4650
23			RRRX	182878	1981	4650
24			RRRX	182881	1981	4650
25			RRRX	182885	1981	4650
26			RRRX	182886	1981	4650
27			RRRX	182901	1981	4650
28			RRRX	182907	1981	4650
29			RRRX	182909	1981	4650
30			RRRX	460081	1981	4650
31			RRRX	460092	1981	4650
32			RRRX	460106	1981	4650
33			RRRX	460113	1981	4650
34			RRRX	460120	1981	4650
35			RRRX	460121	1981	4650
36			RRRX	460131	1981	4650
37			RRRX	460136	1981	4650
38			RRRX	460186	1981	4650
39			RRRX	460187	1981	4650
40			RRRX	460210	1981	4650
41			RRRX	460222	1981	4650
42			RRRX	460241	1981	4650

	Prev Mark	Prev Num	Curr Mark	Curr Num	Built Yr	Capacity
43			RRRX	460243	1981	4650
44			RRRX	460254	1981	4650
45			RRRX	460258	1981	4650
46			RRRX	460262	1981	4650
47			RRRX	460266	1981	4650
48			RRRX	460278	1981	4650
49			RRRX	460284	1981	4650
50			RRRX	460299	1981	4650
51			RRRX	460302	1981	4650
52			RRRX	460305	1981	4650
53			RRRX	460329	1981	4650
54			RRRX	460331	1981	4650
55			RRRX	460339	1981	4650
56			RRRX	460345	1981	4650
57			RRRX	460356	1981	4650
58			RRRX	460357	1981	4650
59			RRRX	460377	1981	4650
60			RRRX	460381	1981	4650
61			RRRX	460386	1981	4650
62			RRRX	460389	1981	4650
63			RRRX	460396	1981	4650
64			RRRX	460406	1981	4650
65			RRRX	460414	1981	4650
66			RRRX	460425	1981	4650
67			RRRX	460436	1981	4650
68			RRRX	460441	1981	4650
69			RRRX	460443	1981	4650
70			RRRX	463022	1981	4650
71			RRRX	470033	1981	4650
72			RRRX	470038	1981	4650
73			RRRX	470040	1981	4650
74			RRRX	470042	1981	4650
75			RRRX	470043	1981	4650
76			RRRX	470046	1981	4650
77			RRRX	470049	1981	4650
78			RRRX	470058	1981	4650
79			RRRX	470062	1981	4650
80			RRRX	470069	1981	4650
81			RRRX	470072	1981	4650
82			RRRX	470073	1981	4650
83			RRRX	470083	1981	4650
84			RRRX	470085	1981	4650
85			RRRX	470087	1981	4650
86			RRRX	470097	1981	4650
87			RRRX	470099	1981	4650
88			RRRX	470101	1981	4650
89			RRRX	470102	1981	4650

	Prev Mark	Prev Num	Curr Mark	Curr Num	Built Yr	Capacity
90			RRRX	470108	1981	4650
91			RRRX	470109	1981	4650
92			RRRX	470111	1981	4650
93			RRRX	470116	1981	4650
94			RRRX	470133	1981	4650
95	HS	487555	INTX	5000	1981	4750
96	HS	900022	INTX	5005	1981	4700
97	HS	900023	INTX	5006	1981	4700
98	HS	900025	INTX	5007	1981	4700
99	HS	900028	INTX	5008	1981	4700
100	HS	900045	INTX	5011	1981	4700
101	HS	900047	INTX	5012	1981	4700
102	HS	900048	INTX	5013	1981	4700
103	HS	900050	INTX	5014	1981	4700
104	HS	900056	INTX	5015	1981	4700
105	HS	900058	INTX	5017	1981	4700
106	HS	900061	INTX	5018	1981	4700
107	HS	900065	INTX	5021	1981	4700
108	HS	900069	INTX	5023	1981	4700
109	HS	900071	INTX	5025	1981	4700
110	HS	900077	INTX	5026	1981	4700
111	HS	900079	INTX	5027	1981	4700
112	HS	900086	INTX	5030	1981	4700
113	HS	900108	INTX	5034	1981	4700
114	HS	900116	INTX	5036	1981	4700
115	HS	900117	INTX	5037	1981	4700
116	HS	900121	INTX	5039	1981	4700
117	HS	900123	INTX	5040	1981	4700
118	HS	900127	INTX	5042	1981	4700
119	HS	900129	INTX	5043	1981	4700
120	HS	900132	INTX	5044	1981	4700
121	HS	900134	INTX	5045	1981	4700
122	HS	900137	INTX	5046	1981	4700
123	HS	900138	INTX	5047	1981	4700
124	HS	900142	INTX	5048	1981	4700
125	HS	900143	INTX	5049	1981	4700
126	HS	900145	INTX	5050	1981	4700
127	HS	900147	INTX	5051	1981	4700
128	HS	900149	INTX	5052	1981	4700
129	HS	900152	INTX	5054	1981	4700
130	HS	900155	INTX	5055	1981	4700
131	HS	900159	INTX	5057	1981	4700
132	HS	900160	INTX	5058	1981	4700
133	HS	900161	INTX	5059	1981	4700
134	HS	900163	INTX	5060	1981	4700
135	HS	900169	INTX	5061	1981	4700
136	HS	900177	INTX	5063	1981	4700

	Prev Mark	Prev Num	Curr Mark	Curr Num	Built Yr	Capacity
137	HS	900180	INTX	5064	1981	4700
138	HS	900188	INTX	5065	1981	4700
139	HS	900191	INTX	5066	1981	4700
140	HS	900193	INTX	5068	1981	4700
141	HS	900209	INTX	5071	1981	4700
142	HS	900216	INTX	5073	1981	4700
143	HS	951	INTX	7514	1980	
144	HS	955	INTX	7517	1980	
145	HS	958	INTX	7530	1980	
146	NAHX	46941	INTX	7531	1974	
147	NAHX	53891	INTX	7528	1974	
148	NAHX	53940	INTX	7525	1974	
149	NAHX	54343	INTX	7518	1974	
150	NAHX	55612	INTX	7526	1974	
151	NAHX	57458	INTX	7511	1975	
152	NAHX	80231	INTX	8001	1974	
153	NAHX	475074	INTX	7509	1974	
154	NAHX	477154	INTX	7523	1975	
155	NAHX	479405	INTX	7508	1978	
156	NAHX	479650	INTX	7529	1978	
157	NAHX	489299	INTX	7524	1983	
158	NAHX	510734	INTX	7527	1979	
159	NAHX	510925	INTX	7516	1980	
160	NAHX	510937	INTX	7513	1980	
161	NAHX	511550	INTX	7520	1980	
162	NAHX	511662	INTX	7522	1980	