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RECORDATION NO. 11944

200 WORLD CENTER BUILDING
FIFTEENTH STREET, N.W.
WASHINGTON, D. C.
20006

JUN 27 1 34 PM '80

JUN 27 1980 - 1 40 PM

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INTERSTATE COMMERCE COMMISSION
June 26, 1980

179A039

No.
Date JUN 27 1980

Fee \$ 50.00

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20434

ICC Washington, D. C.

Dear Madam:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 are the original and 2 counterparts of a Security Agreement dated as of April 1, 1980.

A general description of the railroad rolling stock covered by the enclosed document is as follows:

Fifty (50) 4750 cubic foot covered hopper cars bearing reporting mark and numbers IMTX 801001 to IMTX 801050, both inclusive.

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

Secured Party: Bankers Life Company
711 High Street
Des Moines, Iowa 50307

Debtor: Multifoods Transportation, Inc.
Multifoods Building
Eighth and Marquette
Minneapolis, Minnesota 55402

The undersigned is Agent for the Debtor mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and one counterpart of the Security Agreement to Robert P. Davis, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler
Charles T. Kappler

Countersigned C.T. Kappler

RECORDATION NO. **11944** Filed 1425

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of April 1, 1980

FROM

MULTIFOODS TRANSPORTATION, INC.

DEBTOR

TO

BANKERS LIFE COMPANY

SECURED PARTY

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ATTACHMENT TO SECURITY AGREEMENT:

Appendix 1 - Description of Equipment

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of April 1, 1980 (the "Security Agreement") from MULTIFOODS TRANSPORTATION, INC., a Delaware corporation (the "Debtor"), whose address is Multifoods Building, Eighth and Marquette, Minneapolis, Minnesota 55402, to BANKERS LIFE COMPANY, an Iowa corporation (the "Secured Party"), whose address is 711 High Street, Des Moines, Iowa 50307.

RECITALS:

A. The Debtor is the owner of the covered hopper rail cars described in Appendix 1 hereto (collectively, the "Equipment" and individually, an "Item" or "Item of Equipment"). The Equipment has been leased pursuant to the Lease Agreement dated February 1, 1980 (said Lease Agreement, including any renewals thereof whether pursuant to the terms thereof or otherwise, being herein referred to as the "Lease") between the Debtor, as lessor, and International Multifoods Corporation, a Delaware corporation, as lessee (the "Lessee").

B. The Secured Party entered into a Loan Agreement dated as of April 1, 1980 (the "Loan Agreement"), providing for the commitment of the Secured Party to make a loan to the Debtor in an amount equal to \$1,928,250 on July 1, 1980 (or such later date as mutually agreed on), which loan is to be evidenced by the 13% Secured Note (said Note and any Note issued and delivered pursuant to the Loan Agreement being hereinafter referred to as the "Notes") of the Debtor to be dated the date of issue, bear interest at the rate of 13% per annum prior to maturity, which interest is to be payable on each January 1, April 1, July 1 and October 1, commencing October 1, 1980 to and including April 1, 1995 and at maturity, and which Note is to mature in fifteen equal annual installments of principal, each in the amount of \$128,550, payable on each July 1 commencing July 1, 1981 to and including July 1, 1995, and to be otherwise substantially in the form attached as Exhibit A to the Loan Agreement.

C. The Notes and all principal thereof and interest and premium, if any, thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Loan Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

D. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY.

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest and premium, if any, on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Notes and in this Security Agreement and in the Loan Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant to the Secured Party, its successors and assigns, a security interest in, all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1.1 and 1.2 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. Equipment Collateral. Collateral includes the Equipment, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom.

1.2. Rental Collateral. Collateral also includes the Lease and all rents and other sums due and to become due thereunder, including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment and any New Lease as defined in Section 2.10 hereof and all rents and other sums due thereunder insofar as the same cover or relate to the Equipment; it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said rents and other sums due and to become due under the Lease shall be effective and operative immediately and continue in full force and effect and the Secured Party shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 4 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

1.3. Limitations to Security Interest. The security interest granted by this Section 1 is subject to (a) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law) or, if delinquent, the validity of which is being contested in good faith in a manner which will not affect or endanger the title and interest of the Debtor to the Collateral, and (b) the right, title and interest of the Lessee in and to the Equipment under the Lease so long as no default under the Lease shall have occurred and be continuing (hereinafter called "Permitted Encumbrances").

1.4. Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Collateral forever; provided always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Loan Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise, to remain in full force and effect.

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Loan Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2. Warranty of Title. The Debtor has the right, power and authority to grant a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth. The Collateral is free and clear of any liens or encumbrances, other than Permitted Encumbrances, and the Debtor will warrant and defend such title to the Collateral against all claims and demands of any persons whatsoever. Without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named as or which the Debtor has filed, as debtor or mortgagor, now on file in any public office covering any of the Collateral, excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

2.3. Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired. The Secured Party may at any time file financing statements with respect to the Collateral without the signature of the Debtor. Without limiting the foregoing but in furtherance of the security interest herein granted in the rents and other sums due and to become due under the Lease, the Debtor covenants and agrees that it will notify the Lessee of such assignment and upon receipt of the written request of the Secured Party direct the Lessee to make all payments of such rents and other

sums due and to become due under the Lease directly to the Secured Party.

2.4. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired by the Debtor shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. Recordation and Filing. The Debtor will cause the Lease and all supplements thereto to be kept recorded and filed at its own expense in such manner and at such places as may be required by law to protect the Company's title to the Equipment and will cause this Security Agreement and all supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of each supplemental security agreement, an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby, and stating the requirements of applicable law with respect to the re-recording or refiling of this Security Agreement and of each supplemental security agreement prior to the final maturity date of the Notes in order to maintain the lien and security interest granted thereunder in full force and effect as against creditors of and purchasers from the Debtor.

2.6. Modification of the Lease. The Debtor will not:

(a) declare a default or exercise the remedies of the lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided in the Lease) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) receive or collect or permit the receipt or collection (except by the Secured Party hereunder) of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Secured Party hereunder) any rent payment then due or to

accrue in the future under the Lease in respect of the Equipment; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.7. Power of Attorney in Respect of the Lease. The Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1.1 and Section 1.2 hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.8. Prepayment. Except to the extent otherwise provided for in Section 1.2 of the Loan Agreement or Section 4 hereof, the Notes shall not be subject to prepayment or redemption in whole or in part at the option of the Debtor prior to the expressed maturity date thereof.

2.9. Notice of Default. The Debtor further covenants and agrees that it will give the Secured Party prompt written notice of any event or condition constituting an Event of Default hereunder or which would, with the giving of notice or the lapse of time, or both, constitute such an Event of Default, if the Debtor has actual knowledge of any such event or condition.

2.10. Lease Renewal or Substitution. Upon expiration or termination of the Lease (unless renewed on the same terms and conditions or on terms and conditions more favorable to the Debtor by the Lessee, and in such case on the date on which such renewal term expires and is not so renewed), so long as any principal or interest on the Notes shall remain outstanding, the Debtor shall upon not less than 30 days' written notice prior to such expiration or in the case of a termination on not less than 10 days' written notice following such termination to the Secured Party have the right to lease the Equipment to a new lessee for a term of not less than one year and upon the expiration or termination of such lease or any further lease, upon like notice, to lease the Equipment for a further term of not less than one year to such lessee or another lessee (such leases hereinafter referred to as "New Leases" and such lessees as "New Lessees"); provided, however, that prior to entering any New Lease:

(i) The Debtor shall execute a Certificate signed by the President or any Vice President of the Debtor and dated the date of execution of the New Lease certifying that no Event of Default under this Security Agreement nor any event which with the giving of notice or the lapse of time or both, would constitute such an Event of Default under this Security Agreement shall have occurred and be continuing;

(ii) Each New Lease shall provide that the interest of the New Lessee is subordinate to the interest of the Secured Party under this Security Agreement and that any use of the Equipment outside the continental United States shall be incidental and temporary, and the Debtor shall obtain the written approval of the Secured Party as to each New Lessee and as to the form and substance of each New Lease, which approval shall not be unreasonably withheld;

(iii) The Debtor shall upon the execution and delivery of the New Lease enter into a supplement to this Security Agreement assigning all of its right, title and interest in and to such New Lease and to the rent and other sums due and to become due thereunder to the Secured Party as additional security for the Notes;

(iv) Prior to the delivery of any Item of Equipment to any New Lessee under any New Lease, the Debtor will at its or such New Lessee's expense cause the New Lease and the supplement to this Security Agreement to be duly filed, recorded with and deposited with the Interstate Commerce Commission in conformity with 49 USC §11303 and in such other places within the United States or Canada as the Secured Party or the holder of any Note may reasonably request for the protection of the title to or the security interest in the Equipment and will furnish to the Secured Party or the holder of each Note proof thereof;

(v) The Debtor shall furnish to the Secured Party a certificate of such New Lessee in which said New Lessee accepts delivery of all Items of Equipment under the New Lease; and

(vi) The New Lessee and the Debtor shall have delivered to the Secured Party and the holder of each Note such certificates, opinions or any documents as the Secured Party or the holder of any Note shall reasonably request in connection with the substitution of the New Lessee.

2.11. Use and Maintenance of Equipment. The Debtor covenants and agrees that it will not use the Equipment or permit the Equipment to be used in any manner for which it was not designed and intended or so as to subject it to other than ordinary wear and tear and further that any use of the Equipment outside of the continental United States shall be incidental and temporary. The Debtor further covenants and agrees that it shall keep the Equipment in good order and repair, ordinary wear and tear excepted, and comply with any requirements for safety appliances and construction specified by the American Association of Railroads, the Interstate Commerce Commission or the United States Department of Transportation, and in general maintain the Equipment suitable for use in interchange according to rules promulgated by the American Association of Railroads, all at its own cost and expense.

2.12. Marking of Equipment. (a) The Debtor will cause each Item of Equipment to be kept numbered with its road number as set forth in Appendix 1 hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"LEASED FROM MULTIFOODS TRANSPORTATION,
INC., AS OWNER AND LESSOR AND SUBJECT
TO A SECURITY INTEREST IN FAVOR OF
BANKERS LIFE COMPANY RECORDED WITH THE
INTERSTATE COMMERCE COMMISSION."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security interest of the Secured Party in such Item of Equipment. The Debtor will replace promptly any road number or word or words of such legend which may be removed, obliterated, defaced or destroyed. The Debtor will not allow the change of any road number of any Item of Equipment except with the consent of the Secured Party and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been delivered to the Secured Party by the Debtor and filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited.

(b) Except as provided in Section 2.12(a) hereof, the Debtor will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or any New Lessee on railroad equipment used by it of the same or similar type for convenience of identification of the right of the Lessee or such New Lessee to use the Equipment under the Lease or New Lease, as the case may be.

2.13. Maintenance of Corporate Existence. The Debtor will preserve and keep in full force and effect its corporate existence, rights and franchises and all licenses and permits necessary to the

performance of its obligations hereunder, provided that the foregoing shall not prevent any transaction permitted by Section 2.14 hereof.

2.14. Restrictions on Mergers, Consolidations and Sales of Assets. The Debtor will not sell, lease, transfer or otherwise dispose of all or a substantial portion of its corporate property or assets to any person, firm or corporation or consolidate with or merge into any other corporation or permit another corporation to merge into it unless (i) the successor formed by or resulting from such consolidation or merger or to which such sale, lease or other disposition shall have been made shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia; (ii) such successor corporation (if other than the Debtor) shall assume all of the Debtor's obligations under this Security Agreement, the Notes, the Loan Agreement and the Lease; and (iii) immediately after such merger, sale, lease or other disposition, such successor corporation shall not be in default in the performance or observance of any of the covenants, agreements or conditions contained in the Loan Agreement, this Security Agreement or the Lease.

2.15. Insurance. (a) The Debtor will maintain, or cause to be maintained in effect, physical damage insurance with respect to each Item of Equipment, against loss or damage from any cause whatever (other than such causes as to which insurance coverage is not available to any Person) for the actual value of such Item of Equipment and in no event for less than the Loan Value for such Item of Equipment, subject to a deductible of not more than \$5,000 per occurrence or, in the aggregate for all of the Equipment, \$100,000 per occurrence. Such insurance shall provide that losses, if any, in respect of the Equipment shall be payable to the Secured Party (except as provided below) under a standard mortgage loss payable clause satisfactory to the Secured Party.

(b) The Debtor will maintain, or cause to be maintained in effect, comprehensive general public liability insurance with respect to each Item of Equipment, against liability for bodily injury, death and property damage, in an amount for bodily injury and death of at least \$1,000,000 each occurrence, subject to a deductible of not more than \$100,000 in the aggregate for all of the Equipment per occurrence and in an amount for property damage of at least \$500,000 each occurrence, subject to a deductible of not more than \$50,000 in the aggregate for all the Equipment per occurrence. Such insurance shall name the Secured Party as additional insured.

(c) Any physical damage insurance pertaining to the Equipment may provide that, unless an Event of Default (or an event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default) shall have occurred and be continuing, losses shall be adjusted with the insurance companies by the Debtor, or otherwise collected, including the filing of proceedings deemed advisable by the Debtor, subject to the approval of the Secured Party if the loss exceeds \$100,000. The loss so adjusted shall be paid to the Secured Party pursuant to the loss payable clause unless the

amount thereof is \$50,000 or less in which case such amount shall be paid directly to the Debtor.

(d) Any insurance policies carried in accordance with this Section 2.15 shall be written by companies of recognized national standing authorized to do business in the State of Minnesota and shall provide that: (i) the Secured Party's interest shall be insured regardless of any breach or violation by the Debtor of any warranties, declarations or conditions contained in such policies, (ii) such insurance, as to the interest of the Secured Party therein, shall not be invalidated by the use or operation of the Equipment for purposes which are not permitted by such policies, (iii) the insurers shall waive any right of subrogation of the insurers to any set-off or counterclaim or any deduction, whether by attachment or otherwise, in respect of any liability of the Debtor, (iv) if any premium or installment is not paid when due, or if such insurance would lapse or be cancelled, terminated or materially changed for any reason whatsoever, the insurers will promptly notify the Secured Party and any such lapse, cancellation, termination or change shall not be effective as to the Secured Party for thirty days after receipt of such notice, and (v) appropriate certification shall be made to the Secured Party by each insurer with respect thereto. No such policy shall contain a provision under which the Debtor is a co-insurer or relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Equipment against the peril involved, whether collectible or not. Any such insurance may be carried under blanket policies maintained by the Debtor so long as such policies otherwise comply with the provisions of this Section 2.15.

(e) On the Closing Date under the Loan Agreement, and on or before November 30 of each year, commencing November 30, 1981, the Debtor will furnish to the Secured Party a report signed by an independent insurance broker satisfactory to the Secured Party with respect to the insurance maintained under this Security Agreement (including, without limitation, as to each policy, its number, the amount, the insurer, the named assureds, the type of risk, the loss payees and the expiration date) and stating the opinion of said broker that such insurance complies with the terms of this Section 2.15 and further that such insurance is adequate for the protection of the interests of the Debtor and the Secured Party.

(f) Notwithstanding the foregoing provisions of this Section 15, the Debtor shall not be required to maintain insurance in respect of the Equipment or to comply with the provisions of Section 2.15(e) hereof unless (i) the Lessee fails to maintain such insurance as is required pursuant to Section 8 of the Lease, (ii) the Equipment is not under lease to the Lessee pursuant to the Lease (or any renewal thereof by the Lessee on the same terms and conditions or on terms and conditions more favorable to the Debtor), or (iii) in the opinion of the Secured Party, there has been a material and adverse change since February 29, 1980 in the condition, financial or otherwise, of the Lessee.

2.16. Reports and Rights of Inspection. The Debtor will keep proper books of record and account in which full and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Debtor, in accordance with generally accepted principles of accounting consistently maintained (except for changes disclosed in the financial statements furnished to you pursuant to this Section 2.16 and concurred in by the independent public accountants referred to in paragraph (b) below), and will furnish to the Secured Party (in duplicate if so specified below or otherwise requested):

(a) If prepared in the ordinary course, as soon as available and in any event within 45 days after the end of each quarterly fiscal period (except the last) of each fiscal year, copies of:

(i) the balance sheet of the Debtor as of the close of such period, and

(ii) the statement of earnings, changes in common stockholders' equity and changes in financial position of the Debtor for the portion of the fiscal year ending with such period,

in each case setting forth in comparative form the figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments by an authorized financial officer of the Debtor;

(b) If prepared in the ordinary course, as soon as available and in any event within 90 days after the close of each fiscal year of the Debtor, copies in duplicate of:

(i) the balance sheet of the Debtor as of the close of such fiscal year, and

(ii) the statement of earnings, changes in common stockholders' equity and changes in financial position of the Debtor for such fiscal year,

in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by an opinion thereon of a firm of independent public accountants of recognized national standing selected by the Debtor to the effect that the financial statements have been prepared in accordance with generally accepted accounting principles consistently maintained (except for changes in which such accountants

concur) and that the examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and accordingly, include such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) Promptly upon receipt thereof, one copy of each interim or special audit made by independent accountants of the books of the Debtor;

(d) Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by the Debtor to its stockholders generally and of each regular or periodic report, and any registration statement or prospectus filed by the Debtor with the Securities and Exchange Commission or any successor agency, and copies of any orders in any proceedings to which the Debtor is a party, issued by any governmental agency, Federal or state, having jurisdiction over the Debtor;

(e) With reasonable promptness, such other data and information as the Secured Party may reasonably request; and

(f) Within the periods provided in paragraphs (a) and (b) above, a certificate of the Debtor signed by an authorized financial officer of the Debtor stating that he has reviewed the provisions of this Security Agreement and setting forth whether there existed as of the date of such financial statements and whether, to the best of his knowledge, there exists on the date of the certificate or existed at any time during the period covered by such financial statements any Event of Default (or event which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default) and, if any such condition or event exists on the date of the certificate, specifying the nature and period of existence thereof and the action the Debtor is taking and proposes to take with respect thereto.

Without limiting the foregoing, the Debtor agrees to permit the Secured Party to visit and inspect the Equipment when it is available for such inspection and to examine the records or books of account of the Debtor, all at such reasonable times and as often as the Secured Party may desire; provided, that such visits do not materially interfere with the operations of the Debtor.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

3.1. Possession of Collateral. While the Debtor is not in default hereunder it shall be suffered and permitted to remain in

full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 3.1.

3.2. Release of Property. So long as no Event of Default (or event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default) has occurred and is continuing, the Secured Party shall execute a release in respect of any Item of Equipment for which settlement has been made pursuant to Section 7 of the Lease or which has suffered a Casualty Occurrence as defined in Section 4.3 hereof promptly upon the prepayment of the Notes in accordance with the provisions of Section 4.1(d) or 4.3 hereof, as the case may be.

3.3. Release of Equipment - Consent of Noteholders. In addition to the sale, exchange or resale pursuant to the foregoing Section 3.2, the Debtor may sell or otherwise dispose of any Equipment then subject to the lien of this Security Agreement, and the Secured Party shall release the same from the lien hereof to the extent and on the terms and upon compliance with the conditions provided for in any written consent given thereto at any time or from time to time by the holders of the indebtedness hereby secured.

3.4. Protection of Purchaser. No Purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the mortgaged property be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

4.1. Application of Moneys. As more fully set forth in Section 1.2 hereof, the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Note. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time paid by the Lessee as monthly rental under the Lease ("Monthly Rental") to the Debtor may be paid to and retained by the Debtor until such time as the Secured Party shall give written notice to the Debtor and the

Lessee that such Monthly Rental should be paid to it, in which case application of such Monthly Rentals will be made as provided in paragraph (b) of this Section 4.1.

(b) The amounts from time to time received by the Secured Party which constitute payment of the installments of Monthly Rental under the Lease shall be held and applied as follows:

(i) FIRST, on the first day of each January, April, July and October of each year, to the payment of the installments of interest on the Notes which mature on such date;

(ii) SECOND, on July 1 of each year, to the payment of the installments of principal on the Notes which mature on such date; and

(iii) THIRD, on July 1 of each year, commencing July 1, 1981, the balance, if any, of such amounts to the Debtor.

(c) The amount from time to time paid by the Lessee to the Debtor as settlement pursuant to Section 7 of the Lease (such amount hereinafter referred to as the "Casualty Value") may be paid to and retained by the Debtor until such time as the Secured Party shall give written notice to the Debtor and the Lessee that such Casualty Value should be paid to it, in which case application of such Casualty Values will be made pursuant to paragraph (d) of this Section 4.1.

(d) The amounts from time to time received by the Secured Party which constitute settlement by the Lessee of the Casualty Value for any Item of Equipment pursuant to the Lease shall be applied as follows:

(i) FIRST, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph;

(ii) SECOND, to the prepayment of the Notes in an amount equal to the Loan Value of such Item of Equipment and each of the remaining installments of each Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such Note immediately prior to the prepayment; and

(iii) THIRD, the balance, if any, to or upon the order of the Debtor.

(e) The amounts, if any, received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Lessee or the Debtor in respect of any Item of Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing to the knowledge of the Secured Party, the proceeds of such insurance shall, if such Item is to be repaired, be released to the Debtor to reimburse it for expenditures made for such repair upon receipt by the Secured Party of a certificate of an authorized officer of the Debtor to the effect that any damage to such Item in respect of which such proceeds were paid has been fully repaired; and

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding paragraph (i) within 180 days from the receipt thereof by the Secured Party, or if within such period the Debtor shall have notified the Secured Party in writing that an event in respect of such Item has occurred requiring a prepayment of the Notes pursuant to Section 4.3 hereof, then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the insurance proceeds shall be applied by the Secured Party as follows:

(A) FIRST, in the manner provided for by Section 4.1(d) hereof; and

(B) SECOND, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

4.2. Loan Value for Equipment. The term "Loan Value" in respect of any Item of Equipment shall be an amount equal to the

product of (A) a fraction, the numerator of which is one and the denominator of which is the total number of Items of Equipment then subject to this Security Agreement (including the Item or Items of Equipment for which settlement is then being made), times (B) the unpaid principal amount of the Notes immediately prior to the prepayment provided for in Section 4.1(c) or (d) hereof or Section 4.3 hereof, as the case may be, after giving effect to all payments of installments of principal made or to be made on the date of prepayment provided for in Section 4.1 or 4.3 hereof, as the case may be.

4.3. Required Prepayments in Respect of Loss or Requisition.

In the event of an actual or constructive total loss or requisition by any governmental authority of title to or ownership or use of, any Item of Equipment (a "Casualty Occurrence"), the Debtor will prepay and apply on the principal indebtedness evidenced by the Notes an amount equal to the Loan Value of such Item of Equipment within sixty days after such occurrence. Any such prepayment shall be made by payment of such principal amount and accrued interest thereon to the date of prepayment and without premium; and each of the remaining installments of each Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such Note immediately prior to the prepayment.

4.4. Multiple Notes.

If more than one Note is outstanding at the time any application is made pursuant to this Section 4, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon.

4.5. Default.

If an Event of Default referred to in Section 5 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

5.1. Events of Default.

The term "Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of interest on any Note when and as the same shall become due and payable, and any such default shall continue unremedied for more than five days; or

(b) Default in payment of an installment of principal of any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise; or

(c) Default by the Debtor in the due observance or performance by the Debtor of any other covenant or

agreement either under this Security Agreement or the Loan Agreement, and such default shall continue unremedied for thirty calendar days after notice thereof to the Debtor from the Secured Party or the holder of any Note; or

(d) Any representation or warranty made by the Debtor or International Multifoods Corporation, a Delaware corporation (the "Guarantor") herein or in the Loan Agreement or Guaranty (as hereinafter defined) or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Loan Agreement or the Guaranty, or the transactions contemplated therein shall prove to have been false or misleading in any material respect when made or furnished, or

(e) Any claim, lien or charge (including, without limitation, the rights of a New Lessee under any New Lease) other than a Permitted Encumbrance shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within thirty calendar days after written notice from the Secured Party or the holder of the Note to the Debtor demanding the discharge or removal thereof, or

(f) Default by the Guarantor under the Guaranty dated _____, 19__ (the "Guaranty") in the due observance or performance by the Guarantor of any covenants or agreements made in the Guaranty, and such default shall continue unremedied for ten calendar days after notice thereof to the Guarantor from the Secured Party or holder of any Note; or

(g) The Guaranty shall, for any reason whatsoever, cease to be in full force and effect, or

(h) Default under the Lease shall have occurred and be continuing, or

(i) Final judgments for the payment of money in excess of \$100,000 in the aggregate shall be rendered by a court of record against the Debtor or the Guarantor and the Debtor or the Guarantor shall not discharge the same or provide for such discharge in accordance with the terms of such judgments, or procure stays of execution thereon within sixty days from the date of entry thereof and within sixty days, or such longer period during which execution of any such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(j) The Debtor or the Guarantor is not, in the reasonable opinion of the Secured Party, generally paying its debts as such debts become due; or

(k) The Debtor or the Guarantor files a voluntary petition in bankruptcy, or the Debtor or the Guarantor shall admit in writing the inability to pay its debts as they mature, or the Debtor or the Guarantor consents to the appointment of a trustee or receiver for it or for the major part of its property, or the Debtor or the Guarantor makes any assignment for the benefit of its creditors, or the Debtor or the Guarantor enters into an agreement of composition with its creditors; or

(l) A trustee or receiver is appointed for the Debtor or the Guarantor or for the major part of the Debtor's or the Guarantor's property and is not discharged within thirty days after such appointment; or

(m) The adjudication of the Debtor or the Guarantor as bankrupt, or bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Debtor or the Guarantor and, if instituted against the Debtor or the Guarantor, are consented to or are not dismissed within thirty days after such institution.

5.2. Secured Party's Rights. The Debtor agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of Minnesota (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Secured Party may, by notice in writing to the Debtor declare the entire unpaid balance of the Notes to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon and (to the extent permitted by law) if the interest rate borne by current United States Treasury borrowings having a stated maturity of fifteen years from the date of such declaration is less than 13% per annum, a premium in an amount equal to the difference between (i) the aggregate amount of the unpaid installments of principal and interest payable on the Notes, discounted on the basis of a percentage per annum interest factor equal to such interest rate borne by such United States

Treasury borrowings, and (ii) the aggregate amount of such installments, discounted on the basis of a 13% per annum interest factor, in each case compounded quarterly from the respective dates on which such installments of principal and interest are payable, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months, shall be and become immediately due and payable;

(b) Subject always to the rights of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) Subject always to the rights of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) Subject always to the rights of the Lessee under the Lease, the Secured Party may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the

mortgaged property or any part thereof, or for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) Subject always to the rights of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. Acceleration Clause. In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon and (to the extent permitted by law) if the interest rate borne by current United States Treasury borrowings having a stated maturity of fifteen years from the date of such sale is less than 13% per annum, a premium in an amount equal to the difference between (i) the aggregate amount of the unpaid installments of principal and interest payable on the Notes, discounted on the basis of a percentage per annum interest factor equal to such interest rate borne by such United States Treasury borrowings, and (ii) the aggregate amount of such installments, discounted on the basis of a 13% per annum interest factor, in each case compounded quarterly from the respective date on which such installments of principal and interest are payable, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months; shall at once become and be immediately due and payable; also, in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for premium, if any, and interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal, interest and premium, thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

5.4. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns.

5.5. Waiver by Debtor. To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead,

or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

5.6. Application of Sale Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) FIRST, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Notes and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) SECOND, to the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, interest and premium, if any; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any, with application on the Notes to be made, first, to the unpaid interest thereon, second, to unpaid premium, if any, thereon, and third, to unpaid principal thereof; such application to be made upon presentation of the Notes, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) THIRD, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

5.7. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor and the Secured Party and the holder or holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

5.8. Cumulative Remedies. No delay or omission of the Secured Party or of the holder of any Note to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of any Note, of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of any Note be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

5.9. Return of Equipment Upon Event of Default. (a) Upon the request of the Secured Party, if an Event of Default shall have occurred and be continuing, the Debtor shall forthwith deliver possession of the Equipment to the Secured Party. For the purpose of delivering possession of any Item of Equipment to the Secured Party as above required, the Debtor shall at its own cost, expense and risk forthwith place such Equipment on the lines of any single railroad designated by the Secured Party in such reasonable storage place as the Secured Party may designate or, in the absence of such designation of a storage place, as the Debtor may select; provided that, in the event the Secured Party shall designate storage tracks which are then unavailable or because such tracks are then being used to store equipment owned by a third party pursuant to a contractual obligation of the Debtor to provide storage therefor or because the storage of the Items of Equipment on such tracks would materially impair the ability of such railroad to meet its obligations to perform services as a common carrier to the public, then the Debtor agrees, at its own cost, to so store the Items of Equipment upon such other storage tracks as

shall then be so available and nearest to such storage tracks designated by the Secured Party. Notwithstanding the foregoing, the Debtor shall not have any duty to deliver physical possession of the foregoing pursuant to this Section 5.9(a) so long as the Lease is in full force and effect and no Default has occurred and is continuing thereunder.

(b) The assembly, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises, the Secured Party shall be entitled to a decree against the Debtor requiring specific performance of the covenants of the Debtor so to assemble, deliver and store the Equipment.

SECTION 6. MISCELLANEOUS.

6.1. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, premises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

6.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

6.3. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Debtor: Multifoods Transportation, Inc.
Multifoods Building
Eighth and Marquette
Minneapolis, Minnesota 55402

Attention: President

If to the Secured Party: Bankers Life Company
711 High Street
Des Moines, Iowa 50307

Attention: Investment Department
Securities Division

or to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with this Section to the other parties.

6.4. Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness hereby secured has been fully paid or discharged.

6.5. Governing Law. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of Minnesota.

6.6. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

6.7. Headings. Any headings or captions preceding the text of the several Sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

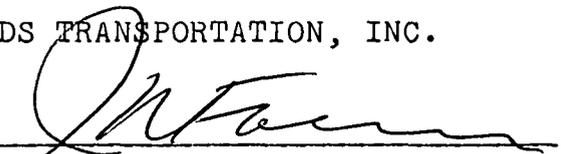
IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed, all as of the day and year first above written.

MULTIFOODS TRANSPORTATION, INC.

[SEAL]

By

Its


TREASURER

DEBTOR

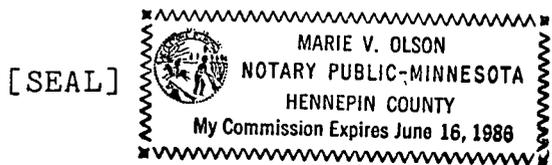
ATTEST:


Its Assistant Secretary

STATE OF Minnesota)
))
COUNTY OF Hennepin)) SS

On this 23rd day of June, 1980, before me personally appeared J. R. Falke, to me personally known, who being by me duly sworn, says that he is a Treasurer of MULTIFOODS TRANSPORTATION, INC., a Delaware corporation, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marie V. Olson
Notary Public



My Commission expires:

DESCRIPTION OF EQUIPMENT

Fifty 4750 Cubic Foot Covered Hopper Rail
Cars bearing numbers IMTX 801001 to
IMTX 801050, both inclusive.