



RECORDATION NO. 1 5178 Filed & Recorded

FEB 26 1987 2-4 5 PM

CONTINENTAL BANK

INTERSTATE COMMERCE COMMISSION

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO • 231 SOUTH LA SALLE STREET • CHICAGO, ILLINOIS 60697

February 20, 1987

EDWARD R. RABE
SENIOR ATTORNEY
(312) 828-3270

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue NW
Washington, D.C. 20423

Date 2/26/87
Fee \$ 10.00
ICC Washington, D.C.

Dear Secretary:

I have enclosed an original and one certified true copy of the document described below, to be recorded pursuant to Section 11303 of title 49 of the U.S. Code.

This document is a Uniform Commercial Code security agreement, a primary document, dated as of August 1, 1986.

The names and addresses of the parties to this document are as follows:

Debtor: Page Engineering Company
5100 South Lawndale
McCook, Illinois 60525

Secured Party: Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60697

Included in the property covered by the aforesaid security agreement are railroad cars and locomotives intended for use related to interstate commerce, or interests therein, owned by Page Engineering Company at the date of said security agreement or thereafter acquired by it or its successors.

A fee of \$10.00 is enclosed. Please return the original security agreement to Edward R. Rabe, Esq., 231 South LaSalle Street, Chicago, Illinois 60697.

A short summary of the document to appear in the index follows: Uniform Commercial Code Security Agreement between Page Engineering Company as debtor, 5100 South Lawndale, McCook, Illinois 60525, and Continental Illinois National Bank and Trust Company of Chicago as secured party, 231 South LaSalle Street,



-2-

Chicago, Illinois 60697, dated as of August 1, 1986, and covering, among other things, all presently existing and after-acquired equipment of Page Engineering Company, including railroad cars and locomotives.

Very truly yours,

ERR:d1m

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

2/27/87

Edward R. Rabe
Senior Atty.
Continental Bank
231 S. LaSalle St.
Chicago, Illinois 60697

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/26/87 at 2:45pm, and assigned re-
recording number(s). 15178

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

1 5178
RECORDATION NO. _____ Filed & Recorded

FEB 26 1987 2:45 PM

INTERSTATE COMMERCE COMMISSION

I, Lynn M. Savage, a notary public, in and for the County and State aforesaid, DO HEREBY CERTIFY that I have compared the attached copy of the Security Agreement dated as of August 1, 1986 between Continental Illinois National Bank and Trust Company of Chicago and Page Engineering Company with the original and have found the attached copy to be complete and identical in all respects to the original Security Agreement.

Given under my hand and notarial seal this 20th day of February, 1987.

Lynn M. Savage
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES JANUARY 30, 1988

SECURITY AGREEMENT

THIS AGREEMENT, made as of the 1st day of August, 1986, between CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (herein called the "Bank"), 231 South LaSalle Street, Chicago, Illinois 60697, and PAGE ENGINEERING COMPANY (herein called "Borrower"), 5100 South Lawndale, McCook, Illinois 60525.

W I T N E S S E T H:

WHEREAS, the Bank has heretofore made loans and advances to Borrower which are outstanding as at the date hereof and has heretofore issued letters of credit for the account of Borrower which are also outstanding as at the date hereof; and

WHEREAS, it is contemplated that Borrower may from time to time request additional loans or advances from the Bank and the issuance of additional letters of credit for the account of Borrower and that the Bank may, at its election, comply with any such request, in whole or in part;

NOW, THEREFORE, for and in consideration of any loan or advance (including any loan or advance by renewal or extension) heretofore or hereafter made to Borrower by the Bank, any letter of credit heretofore or hereafter issued by the Bank for the account of Borrower, and any release hereafter made by the Bank of any balance in the Assignee Deposit Account (hereinafter defined), and for other good and valuable consideration, the parties hereto agree as follows:

1. Definitions. When used herein, the following terms shall have the following meanings:

"Account Debtor" shall mean the party who is obligated on or under any Account Receivable or Contract Right.

"Account Receivable" shall mean any right of Borrower to payment for goods sold or leased or for services rendered.

"Agreement" shall mean this Security Agreement, as it may be amended, modified or supplemented from time to time.

"Assignee Deposit Account" shall have the meaning given to such term in Section 5 hereof.

"Collateral" shall mean all property or rights in which a security interest is granted hereunder.

"Contract Right" shall mean any right of Borrower to payment under a contract for the sale or lease of goods or the rendering

of services, which right is at the time not yet earned by performance.

"Default" shall mean the occurrence of any of the following events: (a) default, and the continuance thereof for 5 days after notice, in the due and punctual payment of any amount payable on any of the Liabilities; (b) default, and the continuance thereof for 10 days after notice, in the due and punctual performance or observance of any agreement of Borrower contained herein or in any other agreement of Borrower with the Bank; (c) any warranty of Borrower herein or in any other agreement of Borrower with the Bank is untrue in any material respect; (d) default, and the continuance thereof beyond any applicable grace period, in the due and punctual performance or observance of any obligation of Borrower contained in any application for any letter of credit issued by the Bank for the account of Borrower; (e) an event of default under the Mortgage or under any other document securing any of the Liabilities; (f) any Obligor becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they mature, or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Obligor or any property of such Obligor; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Obligor or any property of any Obligor and is not discharged within 30 days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against any Obligor and if instituted against any Obligor is consented to or acquiesced in by such Obligor or remains for 30 days undismissed; or any warrant of attachment is issued against any portion of the property of any Obligor which is not released within 30 days of service; (g) entry of any judgment against any Obligor; (h) death of any Obligor who is a natural person, or of any partner of any Obligor which is a partnership; (i) merger or consolidation, or transfer of a substantial part of the property of any Obligor which is a corporation or a partnership; (j) a Stock Transfer; or (k) the Bank feels insecure for any other reason whatsoever.

"Eligible Account Receivable" shall mean an Account Receivable which meets each of the following requirements: (a) if it arises from the sale or lease of goods, such goods have been shipped or delivered to the Account Debtor under such Account Receivable; (b) it is a valid, legally enforceable obligation of the Account Debtor thereunder, and is not subject to any offset, counterclaim or other defense on the part of such Account Debtor or to any claim on the part of such Account Debtor denying liability thereunder in whole or in part; (c) it is not subject to any lien or security interest whatsoever other than the security interest hereunder; (d) it is evidenced by an invoice (dated not

later than the date of shipment or performance and having payment terms acceptable to the Bank) rendered to such Account Debtor, and is not evidenced by any instrument or chattel paper; (e) it is not owing by any Account Debtor whose obligations the Bank, acting in its discretion, shall have notified Borrower in writing are not deemed to constitute Eligible Accounts Receivable; and (f) the invoice evidencing such Account Receivable is not more than 60 days overdue. An Account Receivable which is at any time an Eligible Account Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account Receivable.

"Eligible Inventory" shall mean any Inventory which meets each of the following requirements: (a) it is in first class condition; (b) in case of goods held for sale or lease, it is (except as the Bank may otherwise consent in writing) new and unused; and (c) it is owned by Borrower and is not subject to any lien or security interest whatsoever other than the security interest hereunder. Any Inventory which is at any time Eligible Inventory, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be Eligible Inventory.

"Equipment" shall mean all equipment of Borrower of every description, all accessories, parts and other property at any time affixed thereto or used in connection therewith and all substitutions and replacements of any of the foregoing.

"Fixtures" shall mean all fixtures of Borrower of every description and all substitutions and replacements of any thereof.

"General Intangibles" shall mean all personal property of Borrower (including things in action) other than Equipment, Inventory and other goods, Accounts Receivable, Contract Rights, chattel paper, documents, instruments and money. General Intangibles shall include, without limitation, inventions, designs, patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, rights to indemnification and rights under warranties.

"Inventory" shall mean all goods held by Borrower for sale or lease, or leased by Borrower, or furnished or to be furnished by Borrower under any contract of service, or held by Borrower as raw materials, work in process or materials used or consumed in a business, and all goods, the sale or lease of which has given rise to an Account Receivable, Contract Right, instrument

or chattel paper, which are returned to Borrower, repossessed by Borrower, stopped in transit by Borrower or which otherwise come into the possession of Borrower.

"Liabilities" shall mean all obligations of Borrower under any Note; all obligations of Borrower under any application for any letter of credit issued by the Bank for the account of Borrower; all obligations of Borrower hereunder; and all other obligations of Borrower to the Bank, its successors and assigns, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due.

"Mortgage" shall mean the Mortgage and Security Agreement dated as of August 1, 1986 by Borrower to the Bank, as it may be amended, modified or supplemented from time to time.

"Non-Goods Collateral" shall mean all Collateral other than Inventory, Fixtures, Equipment and other goods.

"Note" shall mean any promissory note of Borrower evidencing any loan or advance made by the Bank to Borrower.

"Obligor" shall mean Borrower and each other party primarily or secondarily liable on any Note or any of the other Liabilities.

"Reference Rate" shall mean at any time the rate of interest then most recently announced by the Bank at Chicago, Illinois as its reference rate.

"Stock Transfer" shall mean any conveyance, sale, assignment, transfer, lien, pledge, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing), whether effected directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, of any shares of capital stock of Borrower or a corporation which is the owner of substantially all of the capital stock of Borrower, if granted, accomplished, attempted or effectuated without the prior written consent of the Bank; provided, however, that any transfer of any such shares of capital stock by or on behalf of an owner who is deceased or declared judicially incompetent to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives shall not be a Stock Transfer for purposes of this Agreement.

2. Grant of Security Interest. As security for the payment of all Liabilities, Borrower hereby assigns to the Bank, and grants to the Bank a continuing security interest in, the following, whether now or hereafter existing or acquired:

(a) all Inventory (whether or not Eligible Inventory), Accounts Receivable (whether or not Eligible Accounts Receivable), Contract Rights and documents of title of Borrower;

(b) all chattel paper and instruments evidencing any obligation to Borrower for payment for goods sold or leased or services rendered;

(c) all interest of Borrower in any goods the sale or lease of which shall have given or shall give rise to, and in all guaranties and other property securing the payment of or performance under, any Accounts Receivable, Contract Rights, or any such chattel paper or instruments;

(d) all Fixtures and Equipment of Borrower, including, but not limited to, the equipment and fixtures described on Schedule A hereto;

(e) all General Intangibles of Borrower;

(f) all rights of Borrower under contracts for the sale or lease of goods or the rendering of services by Borrower and all payments under such contracts;

(g) any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys of or in the name of Borrower now or hereafter with the Bank and any and all property of every kind or description of or in the name of Borrower now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Bank or any agent or bailee for the Bank;

(h) to the extent related to the property described in clauses (a) through (f) above, all books, correspondence, credit files, records, invoices and other papers and documents, including, without limitation, to the extent so related, all tapes, cards, computer runs, computer programs and other papers and documents in the possession or control of Borrower or any computer bureau from time to time acting for Borrower, and, to the extent so related, all rights in, to and under all policies of insurance, including claims of rights to payments thereunder and proceeds therefrom, including any credit insurance; and

(i) all proceeds and products of any of the foregoing.

3. Warranties. Borrower warrants that:

(a) no financing statement (other than (i) any which may have been filed on behalf of the Bank and (ii) any which may have been filed on behalf of the lessor/secured party identified on Schedule B hereto with respect to the property described on

Schedule B hereto) covering any of the Collateral is on file in any public office;

(b) except for (i) General Intangibles and (ii) Equipment consisting of railroad equipment, none of the Collateral is of a type where a security interest or lien may be filed under, or notice thereof given under, any federal statute;

(c) the legal descriptions of all property on which Fixtures are located are listed on Schedule C hereto, together with the common addresses of such real estate and the names of the record owners thereof;

(d) Borrower is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than (i) the security interest hereunder and (ii) the security interest retained by the lessor/secured party identified on Schedule B hereto with respect to the property described on Schedule B hereto, with full power and authority to execute this Agreement and perform Borrower's obligations hereunder, and to subject the Collateral to the security interest hereunder; and

(e) all information with respect to Collateral and Account Debtors set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by Borrower to the Bank, and all other written information heretofore or hereafter furnished by Borrower to the Bank, is and will be true and correct as of the date furnished.

4. Use of Equipment. Until Default, Borrower may have possession of all Equipment and Fixtures and use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on any of the Equipment or Fixtures.

5. Processing, Sale, Collections, etc. Until such time as the Bank shall notify Borrower of the revocation of such power and authority, Borrower (a) may, in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by Borrower for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by Borrower for such purpose; (b) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Non-Goods Collateral, including the taking of such action with respect to such collection as the Bank may reasonably request or, in the absence of such request, as Borrower may deem advisable; and (c) may grant, in the ordinary course of business, to any party obligated on or with respect to any of the Non-Goods Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given

rise to such Non-Goods Collateral. The Bank, however, may, at any time, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on or with respect to any of the Non-Goods Collateral to make payment directly to the Bank of any amounts due or to become due thereunder and enforce collection of any of the Non-Goods Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Bank, Borrower will, at its own expense, notify any parties obligated on or with respect to any of the Non-Goods Collateral to make payment to the Bank of any amounts due or to become due thereunder.

Upon request of the Bank, Borrower will forthwith, upon receipt, transmit and deliver to the Bank, in the form received, all cash, checks, drafts, chattel paper and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Bank) which may be received by Borrower at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Any such items which may be received by Borrower after such request by the Bank will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Bank until delivery is made to the Bank.

All items or amounts which are received by the Bank from Borrower or any other party on account of partial or full payment or otherwise as proceeds of any of the Collateral shall, upon request of the Bank, be deposited to the credit of a deposit account (herein called the "Assignee Deposit Account") of Borrower with the Bank, as security for payment of the Liabilities. Borrower shall have no right to withdraw any funds deposited in the Assignee Deposit Account. The Bank may, from time to time, in its discretion, and shall upon request of Borrower made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account toward payment of the Liabilities, whether or not then due, in such order of application as the Bank may determine, and the Bank may, from time to time, in its discretion, release all or any of such balance to Borrower.

The Bank is authorized to endorse, in the name of Borrower, any item, howsoever received by the Bank, representing any payment on or other proceeds of any of the Collateral.

6. Certificates, Schedules and Reports. Borrower will furnish to the Bank:

(a) within 20 days after each month of each fiscal year of Borrower, a duly completed Certificate as to Collateral Values in the form set forth as Exhibit D hereto signed by the Treasurer of Borrower;

(b) from time to time, as the Bank may request, a schedule identifying each Eligible Account Receivable (not previously so identified) subject to the security interest hereunder, accompanied (if the Bank so requests) by a true and correct copy of the invoice evidencing such Eligible Account Receivable and by evidence of shipment or performance;

(c) immediately upon learning of the occurrence of any event causing loss or depreciation in value of Eligible Inventory or loss in value of Equipment or Fixtures (other than loss in value of Equipment or Fixtures attributable to ordinary wear and tear and depreciation), written notice thereof, describing the same, and specifying the amount of such loss or depreciation; and

(d) from time to time, as the Bank may request, such additional schedules and such certificates and reports respecting all or any of the Collateral at the time subject to the security interest hereunder and the items or amounts received by Borrower in full or partial payment or otherwise as proceeds of any of the Collateral, all to such extent as the Bank may request.

Each of the foregoing schedules, certificates, reports and notices shall be executed by a duly authorized officer of Borrower and shall be in such form and detail as the Bank may specify.

7. Agreements of Borrower. Borrower:

(a) will, upon request of the Bank, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Bank) and do such other acts and things, all as the Bank may from time to time request, to establish and maintain a valid security interest in the Collateral (free of all liens, claims and rights of third parties whatsoever, other than (i) the security interest hereunder and (ii) the security interest retained by the lessor/secured party identified on Schedule B hereto with respect to the property described on Schedule B hereto) to secure the payment of the Liabilities, including, without limitation, depositing with the Bank any certificate of title issuable with respect to any of the Collateral consisting of Equipment and noting thereon the security interest hereunder. Borrower agrees that any carbon, photographic or

other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement;

(b) will keep all Inventory at the addresses shown on Schedule E hereto, unless the Bank shall otherwise consent in writing;

(c) will keep its records concerning Non-Goods Collateral at its address shown on the first page hereof, which records will be of such character as will enable the Bank or its designees to determine at any time the status thereof, and Borrower will not, unless the Bank shall otherwise consent in writing, duplicate any such records at any other address;

(d) will keep all Collateral consisting of Equipment, except any thereof which Borrower shall have identified on Schedule A hereto as equipment normally used in more than one State (referred to in this clause (d) as "mobile goods"), at its address shown on the first page hereof (or if any other location is shown with respect to any Equipment in the description thereof on Schedule A hereto, then at such other location), unless the Bank shall otherwise consent in writing; will immediately give written notice to the Bank of any use of any mobile goods in any jurisdiction other than a State in which Borrower shall have previously advised the Bank such mobile goods will be used; and will not use any mobile goods outside the territorial limits of the United States, unless the Bank shall otherwise consent in writing;

(e) will keep all Collateral consisting of Fixtures at the addresses shown on Schedule C hereto, unless the Bank shall otherwise consent in writing;

(f) will not, unless the Bank shall otherwise consent in writing, change the location of the chief executive office or the chief place of business of Borrower;

(g) will not, unless the Bank shall otherwise consent in writing, change its name;

(h) will furnish the Bank any information concerning Borrower, the Collateral and the Account Debtors that the Bank may from time to time reasonably request;

(i) will permit the Bank and its agents or its designees, from time to time, to inspect and evaluate the Collateral or any thereof, and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of Borrower, and will, upon request of the Bank, deliver to the Bank all of such records and papers which pertain to the Collateral and Account Debtors;

(j) will, upon request of the Bank, stamp on its records concerning the Collateral a notation, in form satisfactory to the Bank, of the security interest of the Bank hereunder;

(k) except for (i) the sale or lease of Inventory in the ordinary course of its business, (ii) the security interest retained by the lessor/secured party identified on Schedule B hereto with respect to the property described on Schedule B hereto and (iii) the sale or other disposition of any Collateral in accordance with the terms and conditions of Paragraph 18 (a) (i) of the Mortgage, will not, unless the Bank shall otherwise consent in writing, sell, lease, transfer, assign or otherwise dispose of, or create or permit to exist any lien on or security interest in, any Collateral to or in favor of anyone other than the Bank;

(l) will at all times keep all Inventory, Equipment and Fixtures insured against loss, damage, theft and other risks, in such amounts and with such companies and under such policies and in such form, all as shall be satisfactory to the Bank, which policies shall provide that loss thereunder shall be payable to the Bank as its interest may appear (and the Bank may apply any proceeds of such insurance which may be received by it toward payment of Liabilities, whether or not due, in such order of application as the Bank may determine), and such policies or certificates thereof shall, if the Bank so requests, be deposited with the Bank;

(m) will at all times keep all Equipment and Fixtures in first class order and repair, excepting any loss or damage or destruction which is fully covered by proceeds of insurance;

(n) will reimburse the Bank upon demand for all reasonable costs and expenses, including reasonable fees of attorneys for the Bank (who may be employees of the Bank) and legal expenses, incurred by the Bank in seeking to collect or enforce any rights under the Collateral and, in case of Default, in seeking to collect each Note and all other Liabilities and to enforce rights hereunder, including expenses of any repairs to any realty or other property to which any of the Equipment or Fixtures may be affixed or be a part;

(o) will reimburse the Bank upon demand for all reasonable costs and expenses incurred by the Bank, its agents or its designees in the course of the evaluations, audits and extractions referred to in clause (i) of this Section 7; and

(p) will pay when due all taxes, assessments, governmental charges and other similar charges levied against any of the Collateral, except and as so long as contested in good faith and by appropriate proceedings.

The Bank may from time to time, at its option, perform any agreement of Borrower hereunder which Borrower shall fail to perform and take any other action which the Bank deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and Borrower agrees to forthwith reimburse the Bank for all expenses of the Bank in connection with the foregoing, together with interest thereon from the date incurred until reimbursed by Borrower at a rate per annum equal to the Reference Rate in effect from time to time plus 2% per annum. Each change in the interest rate on said expenses shall take effect on the effective date of the change in the Reference Rate.

8. Default. Whenever a Default shall be existing, each Note and all other Liabilities may (notwithstanding any provisions thereof), at the option of the Bank, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable, and the Bank may exercise from time to time any rights and remedies available to it under applicable law. Borrower agrees, in case of Default, to assemble, at its expense, all Inventory, Equipment and Fixtures at a convenient place acceptable to the Bank. Without limiting the foregoing, upon Default the Bank may, to the fullest extent permitted by applicable law, without notice, hearing or process of law of any kind, (a) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral; (b) sell any or all of the Collateral, free of all rights and claims of Borrower therein and thereto, at any public or private sale; and (c) bid for and purchase any or all of such Collateral at any such sale. Borrower hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies upon Default. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least 5 days before such disposition. Any proceeds of any disposition by the Bank of any of the Collateral may be applied by the Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Bank toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect.

9. General. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Borrower requests in writing, but failure of the Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect

to the preservation of such Collateral not so requested by Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

Any notice from the Bank to Borrower, if mailed, shall be deemed given when mailed, postage prepaid, addressed to Borrower either at Borrower's address shown on the first page hereof, or at any other address of Borrower appearing on the records of the Bank.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

Either the Bank or Borrower may terminate this Agreement at any time upon written notice to the other of such termination; provided, however, that such termination shall in no way affect, and this Agreement shall remain fully operative as to, any transactions entered into or rights granted or Liabilities incurred prior to the receipt of such notice by the party to whom given, any and all Liabilities created or acquired thereafter pursuant to any previous commitments made by the Bank, any and all extensions or renewals of any of the foregoing, any and all interest on any of the foregoing, and any and all expenses incurred by the Bank in seeking to collect any of the foregoing and to collect or enforce any rights under the Collateral. Prior to such termination, this Agreement shall be a continuing agreement in every respect.

This Agreement has been delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

Borrower waives any right to a trial by jury in any action or proceeding to enforce or defend any rights (i) under this Agreement or under any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or (ii) arising from any banking

relationship existing in connection with this Agreement, and agrees that any such action or proceeding shall be tried before a court and not before a jury.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

PAGE ENGINEERING COMPANY

By: William W. Gates

Title: C. E. O. & Chairman

By: Wm. P. Butler

Title: President

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

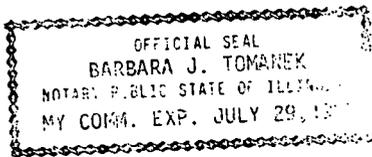
By: John H. Beirise

Title: JOHN H. BEIRISE
SENIOR VICE PRESIDENT

STATE OF Illinois)
COUNTY OF Cook) SS.

I, Barbara J. Tomanek, a notary public, in and for the County and State aforesaid, DO HEREBY CERTIFY that William D. Bates and Wm P. Bates, personally known to me to be the same persons whose names are, respectively, as COE Chairman and President of Page Engineering Co., a Illinois corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged to me that they, being thereunto duly authorized, signed, sealed with the corporate seal of said corporation and delivered said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes set forth therein.

Given under my hand and notarial seal, this 19 day of December, 1986



Barbara J. Tomanek
Notary Public

My Commission Expires:

SCHEDULE A
TO
SECURITY AGREEMENT
BETWEEN
PAGE ENGINEERING COMPANY
AND
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

Schedule, consisting of 24
pages, of Equipment and
Fixtures subject to
security interest.

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	CINCINNATI 18" x 100" CINTURN UNIVERSAL SLANT BED CNC TURNING CENTER: W/Cincinnati Acramatic 900 CNC Controls; Jorgensen Chip Conveyor; 50 HP Main Drive Motor; S/N 5305U18-84-002 (1985)
1	HANDLING SYSTEMS 1 TON FREE STANDING JIB CRANE W/ELECTRIC HOIST: S/N 850118-1
1	QUEEN CITY 1 HP DOUBLE END PEDESTAL TOOL GRINDER
1	ABRASIVE 8" x 24" NO. M3 MECHANICAL FEED SURFACE GRINDER: S/N M3-404
1	BAKER MECHANICAL KEYSEATER
1	BULLARD 42" NEW ERA VERTICAL TURRET LATHE: W/Side Head; S/N 9995
1	CINCINNATI NO. 4P PLAIN HORIZONTAL MILL: S/N B5603-1

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	MONARCH 16"/18.5" x 54" ENGINE LATHE: S/N 16093
1	MONARCH 18"/20.5" x 48" ENGINE LATHE: S/N 16721
1	MONARCH 20"/28" x 72" ENGINE LATHE: S/N 34004
1	MITTS & MERRILL MECHANICAL KEYSEATER
1	OHIO 24" SHAPER: S/N 4H135
1	QUEEN CITY 1 HP DOUBLE END PEDESTAL TOOL GRINDER
1	AGET MODEL 1151-SP DUSTKOP DUST COLLECTOR: S/N 11169
1	HAMMOND 10" DOUBLE END CARBIDE GRINDER
1	MONARCH 20"/22.5" x 96" ENGINE LATHE: S/N 29578
1	BULLARD 36" SPIRAL DRIVE VERTICAL TURRET LATHE W/SIDE HEAD: S/N 18656
1	BULLARD 42" NEW ERA VERTICAL TURRET LATHE W/SIDE HEAD: S/N 9805
1	CINCINNATI NO. 4 PLAIN HORIZONTAL MILL W/UNIVERSAL VERTICAL MILLING ATTACHMENT: S/N 3J4P5D-1

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	CINCINNATI GILBERT 4" HORIZONTAL FLOOR TYPE BORING MILL W/36" x 60" T-SLOTTED WORK TABLE MOUNTED ON T-SLOTTED WORK BASE: S/N 149
1	LIBERTY 42" x 120" OPEN SIDE PLANER CONVERTED TO HYDRAULIC TABLE FEED AND SINGLE RAIL MILLING HEAD: S/N N/A
1	LINCOLN 500 AMP IDEAL ARC R3M-500 WELDER: S/N AC-305540
1	DRILL MOUNTED ON JIB CRANE
1	CANEDY-OTTO ROYAL BENCH DRILL: S/N 3335
1	BULLARD 54" SPIRAL DRIVE VERTICAL TURRET LATHE W/SIDE HEAD: Hydraulic Tracer Attachment; S/N 23425
1	GIDDINGS & LEWIS BICKFORD 6' ARM 15" COLUMN CHIP MASTER RADIAL DRILL: S/N 962-00063-76
1	FISHER 5" FLOOR TYPE HORIZONTAL BORING MILL: W/DC Main Drive Motor; Sony 2 Axis Digital Readouts; 60" x 100" T-Slotted Work Table Mounted On T-Slotted Work Base; S/N N/A
1	KING 72" VERTICAL BORING MILL W/2 - SWIVELING RAIL HEADS: S/N N/A

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	HYSTER 3,000 LB. MODEL H30E LP GAS FORKLIFT TRUCK: S/N BLD-8259P (321) (3-wheel)
1	CINCINNATI 28" x 100" CINTURN UNIVERSAL CNC SLANT BED TURNING CENTER: W/Cincinnati Acramatic 900 CNC Controls; Jorgensen Chip Conveyor; 75 HP Main Drive Motor; S/N 5309U28-83-002
1	HANDLING SYSTEMS 1 TON FREE STANDING JIB CRANE W/ELECTRIC HOIST: S/N 840583-1
1	PAGE CAM GRINDER FOR DIESEL ENGINES
1	LANDIS 2" SINGLE HEAD LEADSCREW BOLT THREADER: S/N 2L-228
1	STARTRITE MODEL H175W HORIZONTAL BAND SAW: S/N 91132
1	P & H 10 TON x APPROX. 45' SPAN TWIN GIRDER FISH BELLY ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Cab Driven; S/N 7008
15	POST MOUNTED JIB CRANES W/HOISTS: @ \$200.00 Each
1	OLIVER 600 DRILL GRINDER: S/N G-7241
1	LINCOLN 400 AMP TYPE SAE 400 WELDER: S/N A-495129
1	DELTA BENCH DRILL: S/N 108-4751

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	SOUTH BEND 9" x 24" BENCH LATHE: S/N 162714
1	GALMEYER & LIVINGSTON NO. 3 UNIVERSAL TOOL GRINDER
1	DOUBLE END TOOL GRINDER
LOT	POWER PLANT EQUIPMENT (Seen But Not Appraised, Considered With Real Estate)
1	LINCOLN 250 AMP WELDER: S/N A-377351
1	60" x 60" BURN TABLE
1	WELDING CART W/TORCH SET-UP
1	INGERSOLL-RAND 200 HP TYPE XRE DUPLEX AIR COMPRESSOR: S/N 5640968
1	WELDING CART W/TORCH SETUP
1	CUMMINS MODEL C112-F DRILL S/N 020854
1	2 TON x APPROX. 35' SPAN TRAVELING I-BEAM W/CHAIN FALL
1	5 HP APPROX. Y-TYPE TANK MOUNTED AIR COMPRESSOR
1	GENERAL ELECTRIC 235 HP DIESEL- ELECTRIC LOCOMOTIVE: Class B-70/70-1GE763; S/N 32844 (1957)

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	WORTHINGTON 50 HP MODEL R240-50 AIR COMPRESSOR: S/N 830-245
1	RIDGID MODEL 535 PIPE THREADER: S/N 318730
1	BAKER DRILL
1	HOWE RICHARDSON 300 LB. MODEL SSD-600 BENCH PLATFORM SCALE: S/N 0881-09127-01
1	DEWALT 16" RADIAL ARM SAW: W/Dust-Master Dust Collector
1	CLARK 2,000 LB. MODEL C20B LP GAS FORKLIFT TRUCK: S/N 155-387-69
1	HOWE 5,100 LB. PIT SCALE
1	TENNANT MODEL 42E-HD FLOOR SWEEPER: S/N 6630
1	CLARK 5,000 LB. MODEL C500-Y50 GASOLINE FORKLIFT TRUCK: S/N Y355-65-4322-1279
1	LEBLOND 32" x 108" ENGINE LATHE: S/N N/A
1	HYDRAULIC H-FRAME STRAIGHTENING PRESS
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-305538

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	M/W 300 AMP/600 AMP MODEL 300/600CP WELDER: S/N RG812291; W/Wire Feeder Mounted on Portable Welding Boom
1	WELDING CART W/TORCH SETUP
3	LINCOLN 400 AMP WELDERS: @ \$150.00 Each
2	M/W 600 AMP MODEL 600 CP WELDER W/WIRE FEEDER AND WELDING BOOM: @ \$400.00 Each
1	PHOENIX TYPE 300 ELECTRODE STABILIZING OVEN
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-319650
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-305541
1	PAGE HYDRAULIC HORIZONTAL BULL- DOZER
2	LINCOLN 500 AMP MODEL R3R-500 WELDERS: S/N's AC348651; @ \$650.00 Each
1	LINCOLN 650 AMP MODEL R3N-650 WELDER: S/N AC-303680
1	KLING MECHANICAL BULLDOZER
1	PAGE 12' MOTORIZED HEAVY DUTY APRON BENDING PLATE

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	ERIE SELF CONTAINED HYDRAULIC PRESS: 48" x 72" BED: S/N 2661 (1947)
1	PACIFIC 5/8" x 8' MODEL 625S8 HYDRAULIC SHEAR: W/Rear Operated Manual Back Gauges; S/N S10029
1	QUEEN CITY 1 HP DOUBLE END TOOL GRINDER
1	ARONSON 2,500 LB. MODEL HD25A WELDING POSITIONER: S/N 831624
1	WESTINGHOUSE WELDER
1	M/W 600 AMP MODEL 600 CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	UNIVERSAL 3" HORIZONTAL TABLE TYPE BORING MILL: S/N N/A
1	HILLES & JONES NO. 3 MECHANICAL PUNCH
1	AIRCO 2-HEAD TRACER BURN MACHINE: W/Aircotron Model D Electronic Tracer; Tracing Table; Burn Table
1	TAYLOR WILSON C-FRAME SELF CONTAINED HYDRAULIC PRESS: S/N 57740
1	PEERLESS 11" x 11" HACK SAW
1	QUEEN CITY DOUBLE END TOOL GRINDER

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	STONE 15 HP ABRASIVE CUTOFF
1	LINCOLN WELDER
1	PNEUMATIC C-FRAME PRESS
1	PAGE HYDRAULIC HORIZONTAL BULLDOZER
1	CINCINNATI GILBERT 3 1/2" HORIZONTAL TABLE TYPE BORING MILL: S/N 564
1	AIRCO 4-HEAD TRACER SHAPE CUTTING BURN MACHINE: W/Airco Electric Eye Tracer; Tracing Table; Burn Table
1	MILLER 400 AMP MODEL SRH-404 WELDER: S/N HD700965
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-305544
1	MILLER 650 AMP MODEL MP-65E WELDER: W/Wire Feeder On Welding Boom; S/N JB491775
1	LINCOLN WELDER
1	LINCOLN 600 AMP MODEL BC-600 WELDER: S/N AC550726; W/Power Pack; Lincoln Model LN-9 Squirt Welder Wire Feeder
1	M/W 600 AMP WELDER W/WIRE FEEDER ON WELDING BOOM: S/N T443593
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-325349

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	PHOENIX TYPE 300 ELECTRODE STABILIZING OVEN
1	WELDING CART W/TORCH SETUP
1	LINCOLN 600 AMP MODEL DC-600 WELDER: S/N AC550724; W/Lincoln Model LN-9 Squirt Welder Wire Feeder
1	M/W 600 AMP MODEL 600CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-303690
1	M/W 600 AMP MODEL 600CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC348690
1	M/W 600 AMP WELDER W/WIRE FEEDER AND WELDING BOOM
1	WELDING CART W/TORCH SETUP
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC334180
1	M/W 600 AMP WELDER W/WIRE FEEDER AND WELDING BOOM
1	SET OF WELDING TAIL STOCK POSITIONERS

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	RANSOME 25,000 LB. MODEL 250P-A WELDING POSITIONER: S/N 6526216
1	RANSOME MODEL 33CAR WELDING MANUPILATOR W/LONGITUDINAL TRACK TRAVEL: Lincoln Model NA-3N Solid State Automatic Wire Feeder; Lincoln 1,500 Amp Model DC-1500 Welder; S/N 7625695
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-303687
1	AIRCO BROKEN ARM TORCH BURNING MACHINE
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC334196
2	M/P 600 AMP MODEL 600 CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC353327
1	M/W 600 AMP WELDER W/WIRE FEEDER AND WELDING BOOM
1	PLYMOUTH TYPE 6 MODEL DLB GASOLINE LOCOMOTIVE: S/N 4606
1	FLATBED RAILROAD CAR
1	HORIZONTAL MECHANICAL BULLDOZER
1	QUEEN CITY DOUBLE END TOOL GRINDER

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	MILLER 500 AMP MODEL CP-500-E WELDER
1	M/W 300/600 AMP MODEL 300/600CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	PHOENIX TYPE 300 ELECTRODE STABILIZING OVEN
1	PEERLESS 6" x 6" HACKSAW
1	LINCOLN WELDER
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC333990
1	M/W 300/600 AMP MODEL 300/600CP WELDER W/WIRE FEEDER AND WELDING BOOM
6	M/W 600 AMP MODEL 600CP WELDER W/WIRE FEEDER AND WELDING BOOM; @ \$500.00
1	AIRCO 4-TORCH ELECTRIC EYE SHAPE BURNING MACHINE W/TRACER TABLE: Burn Table
1	MILLER 500 AMP MODEL SRH-555 WELDER: S/N HE810494
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC334156
1	PHOENIX TYPE 300 ELECTRODE STABILIZING OVEN
1	WELDING CART W/TORCH SETUP

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	LINCOLN 400 AMP MODEL R3M-400 WELDER: S/N AC-314699
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-328272
1	LINCOLN 600 AMP MODEL DC-600 WELDER: S/N AC-540471 W/ Lincoln Model LN-9 Squirt Welder Wire Feeder
1	MONARCH 20"/30.5" x 96" ENGINE LATHE: S/N 40517 (Not In Service)
1	LEBLOND 32" x 120" ENGINE LATHE: S/N N/A (Not In Service)
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-305543
1	P & G MODEL M3 RECOVERY SYSTEM: S/N 573
1	WELDING CART W/TORCH SETUP
1	BAKER 5,000 LB. MODEL B-50-PD DIESEL FORKLIFT TRUCK: S/N 331-205-0107-25
1	LINCOLN 600 AMP MODEL DC-600 WELDER: W/Lincoln Model LN-9 Squirt Welder Wire Feeder
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC-325351
1	C-F 14,000 LB. MODEL 140 WELDING POSITIONER: S/N 306

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	WORTHINGTON 50 HP AIR COMPRESSOR
1	M/P 300/600 AMP MODEL 300/600 CP WELDER: W/Wire Feeder And Welding Boom
1	GUARDIAN MODEL BDM-58-5S BENCH DRILL: S/N 012283
LOT	RANSOME POWERED TURNING ROLL: S/N 6621027 W/3 - Idler Rolls
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC376855
1	LINCOLN 600 AMP MODEL DC-600 ARC WELDER: S/N AC549576 W/Lincoln Model LN-9 Squirt Welder Wire Feeder
1	M/W 450 AMP MODEL 450CP WELDER: W/Wire Feeder And Welding Boom
1	MILLER 500 AMP WELDER: S/N HE810508
1	MILLER 500 AMP MODEL SRH-555 WELDER: S/N HE810496
LOT	LINCOLN WELDING EQUIPMENT: Including, Lincoln 500 Amp Welder; Lincoln 600 Amp Welder; 2 - Lincoln Wire Feeders
1	PHOENIX TYPE 300 ELECTRODE STABILIZING OVEN
1	AMERICAN 7' ARM 17" COLUMN RADIAL DRILL: S/N N/A

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
2	LINCOLN 500 AMP MODEL R3R500 WELDERS: S/N's AC348692; @ \$400.00 Each
1	WELDING CART W/TORCH SETUP
2	LINCOLN 500 AMP MODEL R3M-500 WELDERS: S/N's AC-305542; @ \$200.00 Each
2	LINCOLN 650 AMP MODEL R3M-650 WELDERS: S/N's AC-325342; @ \$300.00 Each
1	ARMSTRONG-BLUM NO. 81 MARVEL UNIVERSAL VERTICAL BAND SAW: S/N B-1481
1	LINCOLN 500 AMP MODEL K3R-500 WELDER: S/N AC348682
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC333996
1	M/W 450 AMP MODEL 450CP WELDER: W/Wire Feeder And Welding Boom
1	TENNANT MODEL 220 LP GAS POWER SWEEPER: S/N 2703
1	LINCOLN WELDER
1	CINCINNATI BICKFORD 3' ARM 9" COLUMN RADIAL DRILL: S/N 1R1545
1	HYDRAULIC H-FRAME PRESS

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	GUARDIAN MODEL BDM-58-5S BENCH DRILL
1	PAGE 600 TON HYDRAULIC HORIZONTAL WHEEL PRESS
1	BETTS 16' VERTICAL BORING MILL: W/2 - Rail Heads; S/N N/A
1	CINCINNATI 12' HYPRO VERTICAL BORING MILL: W/2 - Rail Heads; Hydraulic Tracer
1	PAGE HYDRAULIC KEYSEATING & SPLINING MACHINE
1	BENENT, MILES 12' x 30' ROLL TURNING LATHE: S/N 2868
1	NILES BEMENT POND 10' x 10' x 20' PLANER CONVERTED TO FUTUREMIL SINGLE MILLING RAIL HEAD DOUBLE HOUSING PLANER MILL; S/N 66942 W/Gettys Hydraulic Tracer; 3 Axis Digital Readouts
LOT	2 - FISHER 5" HORIZONTAL FLOOR TYPE BORING MILLS: W/3 - T- Slotted Work Tables; T-Slotted Floor Plate
1	BETTS 96" VERTICAL BORING MILL W/2 - RAIL HEADS: Digital Readouts
1	GIDDINGS & LEWIS 5" HORIZONTAL FLOOR TYPE BORING MILL
1	QUEEN CITY 2 HP DOUBLE END TOOL GRINDER

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	INGERSOLL 48" x 18' DOUBLE HOUSING PLANER W/2 - RAIL HEADS: Side Head
1	CARLTON 8' ARM 22" COLUMN RADIAL DRILL: S/N 5A2153
1	MILLER MODEL SFV-33-40DSAL TRAILER: VIN Y-29627 (1974)
1	OSGOOD MOBILE YARD CRANE
1	GROVE 30 TON MODEL IND-2535 HYDRAULIC MOBILE CRANE: Diesel Driven; S/N 32958
LOT	SANDBLAST BUILDING: Consisting of, Gardner Denver Air Compressor W/Receiving Tank; Sandblast W/Collector; Sandblast Unit
2	HIGHWAY MOBILE SERVICE VANS: @ \$500.00 Each
1	FRUEHAUF MODEL VB-6-F2-40 TANDAM SLIDING AXLE TRAILER: S/N AVE-166231
1	FRUEHAUF TANDAM SLIDING AXLE TRAILER: S/N MEC-199622
1	ECCA PORTABLE ALUMINUM YARD RAMP
1	FONTAINE MODEL DPT-3-5542 SINGLE DROP TRAILER: VIN 30232
1	40' FLATBED TRAILER

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	TRAILMOBILE SERVICE VAN
LOT	5 - VANS IN YARD USED FOR STORAGE
1	GALION 15 TON MODEL 150 HYDRAULIC MOBILE CRANE: Diesel Driven; VIN N/A
LOT	SANDBLAST BUILDING: Consisting of, Torit Outside Filtering System;
1	LEROI/DRESSER 50 HP APPROX. MODEL 100SS SCREW TYPE AIR COMPRESSOR: S/N 492X25
1	INTERNATIONAL MODEL F2000D SEMI-TRACTOR: Twin Screw; Diesel; VIN 457240G455948; 297,691 Miles At Time Of Appraisal
1	FONPAINÉ MODEL DPT-2-5542 SINGLE DROP TRAILER: VIN 30231 (1978)
1	INTERNATIONAL MODEL 340 UTILITY TRACTOR W/FRONT END BUCKET AND BACK HOE
1	SHEET METAL NIBBLER
1	FORD MODEL 4000 INDUSTRIAL TRACTOR: Gasoline Driven; W/Front End Bucket
1	TENNANT MODEL 42E SWEEPER: S/N 46194

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	CINCINNATI 1/2" x 12' MODEL 4SE12 HYDRAULIC SHEAR W/MICRO COMPUTER BACK GAUGE CONTROL: S/N 44044 (1985)
1	MILLER 650 AMP MODEL R3M-650 WELDER: S/N AC-303687
1	STANLEY DOUBLE END PEDESTAL TOOL GRINDER
1	ATLAS BENCH DRILL
1	GUARDIAN MODEL BDM-58-5S BENCH DRILL: S/N 012312
1	CLARK 8,000 LB. MODEL C500YS-80 GASOLINE FORKLIFT TRUCK: S/N Y685-242-3410
1	PEDDINGHAUS 60 TON UNIVERSAL HYDRAULIC IRON WORKER: S/N N/A
1	GALION 12 TON NO. 125 HYDRAULIC MOBILE CRANE: Gasoline Driven
1	CATERPILLER MODEL 977H TRAXCAVATOR SERIES H BULLDOZER
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC353330
1	INGERSOLL-RAND MODEL 175-80 PORTABLE FIELD AIR COMPRESSOR: S/N 109684-U79-928
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC348683

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
MCCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-272082
1	UP-DASH-RITE 28' HEIGHT CAPACITY AIR LIFT PORTABLE SCAFFOLD
1	LINCOLN 500 AMP MODEL R3R-500 WELDER: S/N AC353328
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-372075
1	LINCOLN 500 AMP MODEL R3M-500 WELDER: S/N AC-268942
1	KLING 8' PYRAMID TYPE PLATE BENDING ROLL
1	CLARK 5,500 LB. MODEL C500-Y55 GASOLINE FORKLIFT TRUCK: S/N Y355-286-3525
1	M/W 450 AMP MODEL 450CP WELDER: W/Wire Feeder And Welding Boom
1	MILLER 650 AMP MODEL MP-65E WELDER: S/N JB491794; W/Wire Feeder And Welding Boom
1	M/W 350 AMP MODEL 350CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	GENERAL AIRE MODEL 75R-100A COMPRESSED AIR DRYER: S/N R-8425
1	M/W 600 AMP MODEL 600CP WELDER W/WIRE FEEDER AND WELDING BOOM

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	M/W 450 AMP MODEL 450CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	M/W 600 AMP MODEL 600CP WELDER W/WIRE FEEDER AND WELDING BOOM
1	LINCOLN 650 AMP MODEL R3M-650 WELDER: S/N AC303683
1	M/W 650 AMP MODEL CV650 WELDER W/WIRE FEEDER AND WELDING BOOM
1	LINCOLN 400 AMP MODEL R3M-400 WELDER: S/N AC-305494
1	GALION 12,500 LB. MODEL 125 HYDRAULIC MOBILE CRANE: Gasoline Driven
1	CATERPILLER ROAD GRADER: S/N 2M67
1	SHAW-BOX 15 TON x APPROX. 45' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE
1	ROBBINS & MEYERS 2 TON x APPROX. 45' SPAN SINGLE GIRDER ELECTRIC OVERHEAD TRAVELING CRANE: W/Pendant Control
1	CONCO 20 TON x APPROX. 45' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Pendant Control; S/N 4758

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	SHAW-BOX 5 TON x APPROX. 45' SPAN SINGLE GIRDER ELECTRIC OVERHEAD TRAVELING CRANE: Pendant Control
1	ABELL-HOWE 15 TON x APPROX. 45' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: S/N MCL793
6	POST MOUNTED JIB CRANES W/HOISTS: @ \$200.00 Each
1	30 TON x APPROX. 60' SPAN TWIN GIRDER FISH BELLY ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: W/5 Ton Auxiliary Hook; Cab Controlled
1	20 TON x APPROX. 60' SPAN TWIN GIRDER FISH BELLY ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: W/5 Ton Auxiliary Hook; Cab Controlled
1	25 TON x APPROX. 60' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: W/5 Ton Auxiliary Hook; Cab Controlled
1	25 TON x APPROX. 60' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: W/5 Ton Auxiliary Hook; Cab Controlled
1	P & H 5 TON x APPROX. 40' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Cab Controlled

PAGE ENGINEERING COMPANY
5100 S. LAWNDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	20 TON x APPROX. 40' SPAN TWIN GIRDER FISH BELLY ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: W/5 Ton Auxiliary Hook; Cab Controlled
1	P & H 5 TON x APPROX. 30' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Cab Controlled; S/N 7877
1	FORD MODEL F600 14' STAKE BODY TRUCK
1	NILES 20 TON x APPROX. 40' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING CRANE: Cab Controlled
1	5 TON x APPROX. 40' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Cab Controlled
1	10 TON x APPROX. 40' SPAN TWIN GIRDER ELECTRIC OVERHEAD TRAVELING BRIDGE CRANE: Cab Controlled
44	POST MOUNTED JIB CRANES W/HOISTS: @ \$200.00 Each

PAGE ENGINEERING COMPANY
5100 S. LAWDALE
McCOOK, ILLINOIS 60525

<u>QUANTITY</u>	<u>DESCRIPTION</u>
LOT	MISCELLANEOUS PLANT EQUIPMENT: Including, Machine Tooling; Machine Accessories; Inspection Equipment; Welding Equipment; Welding Tables; Material Handling Equipment; Crane Accessories; Hand Tools; Power Tools; Maintenance Equipment; Electrical Equipment; Work Tables; Cabinets; Factory Furniture; Lockers; Assorted Pumps; Racks Shelving; Etc.
LOT	IBM SYSTEM 38 COMPUTER SYSTEM (Leased)
LOT	INTERGRAPH CAD-CAM ENGINEERING COMPUTER SYSTEM (Purchased December 13, 1985 @ A Cost For Hardware of Approx. \$400,000.00)
LOT	OFFICE FURNITURE & BUSINESS MACHINES

SCHEDULE B
 TO
 SECURITY AGREEMENT
 BETWEEN
 PAGE ENGINEERING COMPANY
 AND
 CONTINENTAL ILLINOIS NATIONAL BANK
 AND TRUST COMPANY OF CHICAGO

Lessor/Secured Party: Sanwa Business Credit Corporation

Property: The following International Business Machines Corporation equipment

<u>No.</u>	<u>Equipment Item</u>	<u>Model Number</u>	<u>Serial Number</u>
5381	Processor	581	247YWD
3411	Magnetic Tape Unit	003	247YWE
3370	Direct Access	A11	247YWF
5256	Printer	003	62454
3262	Printer	B01	19381
5251	Display Station	011	H2047
5251	" "	011	H2048
5251	" "	011	H2049
5251	" "	011	H2050
5251	" "	011	M1650
5251	" "	011	M1651
5251	" "	011	Q2322
5251	" "	011	R7989
5251	" "	011	R7990
5251	" "	011	R8410
5251	" "	011	Q3290

SCHEDULE D
TO
SECURITY AGREEMENT
BETWEEN
PAGE ENGINEERING COMPANY
AND
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

CERTIFICATE AS TO COLLATERAL VALUES

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60697

Attention: _____

Ladies/Gentlemen:

Reference is made to the Security Agreement dated as of August 1, 1986 (herein, as it may be amended, modified or supplemented from time to time, called the "Security Agreement") between Page Engineering Company ("Borrower") and Continental Illinois National Bank and Trust Company of Chicago (the "Bank"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Security Agreement.

Borrower hereby reaffirms all warranties made in the Security Agreement and certifies and warrants that, as of _____, 19__ (the "Computation Date"),^{1/} Borrower holds subject to the security interest of the Bank under the Security Agreement, inter alia, the following Collateral (all Inventory being calculated using the last-in, first-out method of accounting and shown below at the lower of cost or market value and all Equipment and Fixtures shown below at book value minus depreciation to the Computation Date):

I. Inventory.

- | | |
|-----------------------|----------|
| 1. All Inventory | \$ _____ |
| 2. Eligible Inventory | \$ _____ |

^{1/} The Computation Date for any Certificate as to Collateral Values is the last day of the calendar month preceding the month in which such Certificate as to Collateral Values is prepared.

SCHEDULE E
TO
SECURITY AGREEMENT
BETWEEN
PAGE ENGINEERING COMPANY
AND
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

Schedule of Inventory Locations:

1. Kaiser Coal Company
York Canyon Mine
Ratan, New Mexico 87740
2. Manalta Coal Company Ltd.
Montgomery Mine
Sheerness, Alberta, Canada
3. OBED Mountain Coal Ltd.
23 Kilometers N.E. of Hinton
Alberta, Canada
4. Page Engineering Company
1795 E. 66th Avenue
Unit #1
Denver, Colorado 80229