

**STATE OF ~~ILLINOIS~~ NEVADA**  
**UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1**

**INSTRUCTIONS:**

- PLEASE TYPE this form. Fold only along perforation for mailing.
- Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
- If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party.

This STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

For Filing Officer  
 (Date, Time, Number, and Filing Office)

Debtor(s) (Last Name First) and address(es)

Secured Party(ies) and address(es)

NEVADA SYNDICATE  
 625 HIGHWAY 50, TIMBERLINE BLDG.  
 ZEPHYR COVE, NEVADA 89448

**ADVANCE PROCESS SUPPLY COMPANY**  
 400 North Noble Street  
 Chicago, Illinois 60622

**06102**

1. This financing statement covers the following types (or items) of property:

**Machinery and equipment described in detail in Installment Sale Contract (Security Agreement) attached hereto and made a part hereof dated APRIL 22, 1985 together with all accessions attachments and appurtenances thereto and substitutions and replacements therefor and all casualty insurance policies thereon and all proceeds of all the foregoing collateral. DEBTOR IS NOT AUTHORIZED TO SELL, TRANSFER OR OTHERWISE CONVEY ANY OF THE FOREGOING COLLATERAL.**

ASSIGNEE OF SECURED PARTY

Bank of Elk Grove  
 100 E. Higgins Rd.  
 Elk Grove Village, IL 60007

**SECURED PARTY**

**ADVANCE PROCESS SUPPLY COMPANY**

**117952**

BY

*Albert Cohen*  
*Vice Pres*

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2.  Products of Collateral are also covered.

NEVADA SYNDICATE

Additional sheets presented.  RECORDER COUNTY

Filed with Office of Secretary of State of Illinois.

Debtor is a transmitting utility as defined in UCC §9-105.

By: *Jo Perez* Partner  
 Signature of (Debtor) (Secured Party)\*

\*Signature of Debtor Required in Most Cases;  
 Signature of Secured Party in Cases Covered By UCC §9-402 (2)

(1) Filing Officer Copy-Alphabetical

This form of financing statement is approved by the Secretary of State.

**INSTALLMENT SALE CONTRACT**  
(Security Agreement)

THIS AGREEMENT OF SALE made at SPRING CREEK, NEVADA 89448 APRIL 22, 1966 between:

ADVANCE PROCESS SUPPLY COMPANY  
(Name of Seller, hereinafter called "Seller")  
409 WOODS WOODS STREET  
(Principal place of business)  
CHICAGO, ILLINOIS 60612  
(City) (County) (State)

NEVADA STEELCO  
(Name of Buyer, hereinafter called "Buyer")  
625 HIGHWAY 50, TINDERLINE BLDG.,  
(Principal place of business)  
SPRING CREEK, NEVADA 89448  
(City) (County) (State)

(Buyer's residence address if not a Corporation)

Seller sells to Buyer and Buyer purchases from Seller the following described property (hereinafter called "Goods"), upon the terms stated below and upon the reverse side hereof, all of which constitute a part hereof:

**DESCRIPTION OF GOODS**  
(State Fully Showing QUANTITY, MANUFACTURER, MODEL AND SERIAL NUMBER)

- (1) 44-6496-4 20 71 EMISSION REMOVER
- (1) 73-3999-1 VVH-1418-2 CAMERA 270 VORES
- (1) 73-3999-1 VFC 27 CONTACT FRAME
- (1) 43-9217-0 INGERSO HEAVY DUTY CUTTER 12X18 W/GUARD RAIL
- (1) 34-1875-1 TRX-3 KUBES GUN W/MOBILE
- (1) 73-3999-1 GP 14 PROGRESSORI AND

GOODS TO BE LOCATED AT 625 HIGHWAY 50, TINDERLINE BLDG., SPRING CREEK NEVADA 89448

Buyer acknowledges that Seller has concurrently herewith offered Buyer a cash price of \$ 5,342.24 and a time price (Item 1 below) of \$ 6,013.25 for the Goods and Buyer has elected to purchase the Goods for the time price, the unpaid balance of which (hereinafter called "Time Price Balance"—Item 4 below) is calculated as follows:

1. Time Price	<u>6,013.25</u>
2. Filing fees and other charges, (Specify: _____)	<u>20.00</u>
3. Deductions from Time Price:	
(a) Down Payment	<u>1,800.00</u>
(b) Trade-in Description: _____	<u>1,800.00</u>
4. Time Price Balance (Sum of Items 1 and 2, less Item 3)	<u>4,233.25</u>

Buyer will pay to Seller the Time Price Balance at the office of Seller specified above, or at such other place as Seller may designate in writing to Buyer, in 24 consecutive monthly installments of:

- 1. \_\_\_\_\_ consecutive installments of \$ 176.46 each; then 2. \_\_\_\_\_ consecutive installments of \$ 176.68 each; then
- 3. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each; then 4. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each; then
- 5. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each; then 6. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each; then
- 7. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each; then 8. \_\_\_\_\_ consecutive installments of \$ \_\_\_\_\_ each;

which installment payments will be made on the \_\_\_\_\_ day of each month beginning with the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_. All of said installments will be payable on said dates and in said amounts notwithstanding that delivery of all or part of the Goods may be made at any time or times hereafter. If any installment of the Time Price Balance is not paid when due or declared due, then, to the extent permitted by applicable law, Buyer will pay to Seller, immediately upon demand: interest thereon at the highest contract rate permitted by applicable law from the date due or declared due until paid; and, in addition thereto, a single late charge calculated at the rate of five cents for each dollar of each installment in default.

To secure the payment by Buyer to Seller of the Time Price Balance, all other indebtedness now or hereafter owing by Buyer to Seller hereunder and the performance by Buyer of all of its covenants, warranties, representations and undertakings under this contract (hereinafter collectively called "Buyer's Liabilities"), Buyer hereby grants Seller a security interest in the Goods and all existing and after-acquired attachments, replacements, substitutions, additions and accessions thereto and the proceeds thereof.

Several copies or counterparts of this Contract may be signed by Seller and Buyer, but only the original Contract (white copy) shall be deemed chattel paper, document, or security agreement for purposes of assignment, transfer and perfection of security interests.

**BUYER HEREBY ACKNOWLEDGES RECEIPT OF A TRUE AND CORRECT COPY OF THIS CONTRACT AND THAT ALL BLANK SPACES CONTAINED HEREIN, EXCEPT SERIAL NUMBERS OF THE GOODS, HAVE BEEN FILLED IN PRIOR TO BUYER'S EXECUTION HEREOF.**

Accepted ADVANCE PROCESS SUPPLY COMPANY  
(Name of Seller)

NEVADA STEELCO (SEAL)  
(Name of Buyer)

By \_\_\_\_\_  
(Must be signed by authorized Corporate Officer, Partner or Owner) Title \_\_\_\_\_

By \_\_\_\_\_  
(Must be signed by authorized Corporate Officer, Partner or Owner) Title \_\_\_\_\_

(PLACE BUYER'S CORPORATE SEAL)

By \_\_\_\_\_  
(Must be signed by authorized Corporate Officer, Partner or Owner) Title \_\_\_\_\_

(Attest or witness: Secretary, if Corporation, otherwise witness)

THIS INSTALLMENT SALES CONTRACT WAS PREPARED BY \_\_\_\_\_

1. **ASSIGNMENT.** Seller may assign this Contract at any time and without Buyer's consent. Buyer will not and cannot assign this Contract, any interest herein or in the Goods by its own act or by operation of law or otherwise and any such attempted assignment will be void. In the event Seller assigns this Contract: (i) Buyer will not be relieved of any obligation, undertaking, warranty or representation contained or made herein; (ii) Seller's assignee will have all the rights, powers, remedies and interests of Seller hereunder and in this regard, any reference to Seller hereunder will also be deemed to mean Seller's assignee; (iii) Seller's assignee will not be subject to any of Seller's obligations hereunder; (iv) no modification or alteration hereof will be effective against Seller's assignee after notice of such assignment has been given to Buyer, unless such modification or alteration has been expressly agreed to in writing by such assignee; (v) Seller will not be deemed to be Seller's assignee's agent for any purpose, and Buyer's obligations hereunder will be unconditional, irrevocable and absolute in any and all events and circumstances; (vi) Buyer will not assert against any assignee of Seller any defense, setoff, counterclaim or claim which Buyer may now or hereafter have against Seller, and Buyer will resolve all such defenses, setoffs, counterclaims, or claims it may have against Seller directly with Seller and Buyer hereby waives the same as against any such assignee.

2. **SELLER'S WARRANTIES. BUYER PURCHASES THE GOODS "AS IS" AND NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, OF MERCHANTABILITY OR OTHERWISE ARE OR HAVE BEEN MADE BY SELLER.**

3. **BUYER'S WARRANTIES, REPRESENTATIONS AND COVENANTS.** Buyer warrants, represents and covenants to Seller that: (a) the Goods are bought (and will be used) solely for commercial or business use; (b) the Goods, and all of Buyer's records with respect thereto, will be located at all times at the place indicated on front of this Contract and that Buyer will promptly notify Seller of any change in the location of the Goods and such records; (c) Buyer will not remove the Goods from the location specified above without the prior written consent of Seller; (d) the address(es) so specified at the beginning of this Contract (on the reverse side hereof) is Buyers' sole place of business and, that so specified is Buyer's residence; (e) Buyer will immediately advise Seller in writing of any change in Buyer's residence, or of any change of Buyer's place of business, or of the opening of any new place of business, or if any change in Buyer's name, organization, identity, or Corporate structure; (f) no financing statement, continuation statement or other record or notice of lien covering the Goods or any proceeds thereof is on file in any public office; (g) Buyer has good and indefeasible title, free and clear of liens, encumbrances and security interests, in and to all of the property traded-in by Buyer to Seller under this Contract, and that Buyer has the right and power to transfer such title thereto to Seller; (h) Buyer will keep and maintain the Goods in good operating condition and repair and make all necessary replacements thereto so that the value and operating efficiency thereof will at all times be maintained and preserved; (i) Buyer will keep the Goods free from all liens, encumbrances and security interests other than that of Seller; (j) Buyer will pay promptly when due all fees, taxes and assessments upon the Goods, this Contract, or with respect to the use, ownership or operation of the Goods; (k) Buyer will not use the Goods illegally, nor dispose of the Goods, nor permit the Goods to become fixtures to real estate or accessions to other goods; and (l) Buyer will acquire, at its own cost and expense, all permits, licenses and certificates of title required by law with respect to the Goods or their use, ownership or operation.

4. **RISK OF LOSS.** All risk of loss, damage or destruction to any or all of the Goods will be borne, at all times, by Buyer.

5. **INSURANCE.** Until repayment of Buyer's Liabilities, Buyer, at its expense, will obtain and maintain the following insurance (without coinsurance by Buyer) with such insurers as are satisfactory to Seller: (a) upon the Goods against loss or damage by fire, theft, and all other hazards and risks ordinarily subject to extended coverage insurance and against such other hazards and risks as Seller may request, in amounts not less than the full replacement value of the Goods or the unpaid balance owing hereunder by Buyer to Seller, whichever is greater; and (b) for public liability and property damage relating to the ownership and use of the Goods whether by Seller, Buyer, or third parties for at least the amount specified herein as the Time Price. Seller's acceptance of policies in lesser amount of risks than required hereby shall not constitute a waiver by Seller of any obligation of Buyer hereunder. All such policies will contain an endorsement, in form acceptable to Seller, showing loss payable to Seller and its assignee, if any, as their respective interests may appear and will be non-cancellable except upon written notice to Seller and its assignee. Buyer will deliver to Seller certified copies of such policies of insurance and evidence of payment of all premiums.

To secure the payment of Buyer's Liabilities, Buyer: (i) assigns to Seller the right to receive the proceeds of the aforesaid policies; (ii) directs all insurers to pay all proceeds of the aforesaid policies directly to Seller; (iii) appoints Seller its attorney for the purpose of making, settling and adjusting claims under said policies, endorsing the name of Buyer on any check, draft, instrument, or other item of payment for the proceeds of said policies and for determining whether to replace the Goods or take cash; and (iv) grants to Seller a security interest in and to all of said policies and the proceeds thereof. Proceeds of the aforesaid policies may be applied by Seller, upon receipt, in any manner determined by Seller to Buyer's Liabilities and the balance of such proceeds, if any, remaining after such application will be remitted by Seller to Buyer.

6. **DEFAULT.** Each of the following events will constitute an event of default hereunder (hereinafter called a "Default"): (i) failure of Buyer to pay any of Buyer's Liabilities on the date when the same are due or declared due; (ii) failure of Buyer to perform, keep or observe any term, provision, warranty or condition contained herein, or in any other contract, agreement, instrument or document heretofore, now or hereafter executed by Buyer and delivered to Seller, which term, provision, warranty or condition is required to be performed, kept or observed by Buyer; (iii) at any time or times now or, hereafter, any warranty, representation, statement, report or certificate now or hereafter made or furnished to Seller by or on behalf of Buyer is not true and correct; (iv) at any time or times hereafter Seller shall, in good faith, determine it is insecure with respect to the payment from Buyer to Seller of any of Buyer's Liabilities; (v) all or any part of the property of Buyer is attached, seized, subject to a writ or distress warrant, or is levied upon, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors; (vi) the death of Buyer or any co-signer; (vii) the filing or commencement of any application or proceeding by or against Buyer or any co-signer for dissolution or liquidation; (viii) the filing by or against Buyer or any co-signer of any proceeding under the Bankruptcy Act or for the appointment of a receiver, trustee or custodian for all or any part of the property of Buyer or any co-signer; (ix) the making by Buyer or any co-signer of an assignment for the benefit of creditors; (x) the attempt by Buyer or any co-signer to make an adjustment, settlement, or extension of debts with creditors; (xi) the filing of a notice of tax lien against Buyer or any co-signer or the existence of any lien, security interest or encumbrance with respect to the Goods; (xii) Buyer is enjoined, restrained or in any way prevented by court order or otherwise from conducting all or any part of its business affairs in the ordinary course.

Upon a Default, Seller may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are hereby authorized by Buyer: (i) declare all unpaid installments of the Time Price Balance immediately due and payable; (ii) declare all other of Buyer's Liabilities immediately due and payable; (iii) enter, with or without process of law, any premises where the Goods might be and without breach of the peace take possession of the Goods and store them on said premises, without charge or liability to Seller therefor, or remove the Goods to such other place or places as Seller deems convenient, all until foreclosure, sale, lease or other disposition of the Goods by Seller; (iv) take possession of all or part of the premises where the Goods are located and place a custodian in exclusive control thereof; (v) sell or otherwise dispose of the Goods at public or private sale in accordance with applicable law, for cash or credit at the election of Seller (but Buyer shall be credited with the net proceeds of any such sale only when said proceeds are actually received by Seller), and Seller may become the purchaser at any such sale if permissible under applicable law; (vi) exercise any or all of the rights accruing to a secured party under the Uniform Commercial Code and any other applicable law upon default by a debtor. Buyer will, if Seller requests, assemble the Goods and make them available to Seller at a place to be designated by Seller which is reasonably convenient to Seller and Buyer.

Buyer will pay Seller any deficiency that may remain after Seller credits Buyer's Liabilities in the net amount of any proceeds received by Seller through Seller's exercise of any or all of its rights or with any amounts received by Seller from the sale, lease or other disposition of the Goods by a receiver, trustee, custodian or auctioneer. All Seller's rights under this Contract are cumulative.

Any notice of foreclosure, sale, lease or other disposition of the Goods or any other intended action by Seller with respect to the Goods or this Contract, sent to Buyer at its principal place of business as specified on the reverse side hereof, or such other address of Buyer as may from time to time be shown on Seller's records, at least five (5) days prior to such action will constitute reasonable and fair notice to Buyer of any such action and will be deemed to have been received by Buyer two (2) days after the date such notice is deposited in the United States mail.

To the extent permitted by applicable law, Buyer hereby waives and releases Seller of and from any and all liabilities or penalties for failure of Seller to comply with any statutory or other requirement imposed on Seller relating to notices of sale, holding of sale, or reporting of any sale, and Buyer waives all rights of redemption from any such sale. In the event Seller seeks to take possession of the Goods by replevin or other court process, Buyer hereby irrevocably waives any bonds, and any surety or security relating thereto, required by any statute, court rule or otherwise as an incident to such possession, and waives any demand for possession prior to the commencement of any suit or action to recover possession of the Goods and waives the right to trial by jury with respect thereto and in any other action in which the Seller is a party. To the extent permitted by applicable law, Buyer hereby waives the application of and all of its rights and powers under all statutes of limitation and similar statutes and laws as to this Contract and all portions thereof.

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7. **COSTS, EXPENSES AND ATTORNEYS' FEES.** If at any time or times hereafter Seller employs counsel for advice with respect to this Contract, or to intervene, file a petition, answer, motion or other pleadings in any suit or proceeding relating to this Contract, or relating to the Goods or any of such collateral, or to attempt to enforce the security interest in said Goods or any such collateral, or to represent Seller in any pending or threatened litigation with respect to the affairs of Buyer, or to enforce any rights of Seller or the payment of Buyer's Liabilities, then in any of such events, all of the reasonable attorneys' fees arising from such services, and any expenses, costs and charges relating thereto, will be an addition to Buyer's Liabilities, payable on demand.

8. **MISCELLANEOUS**

(a) Loss or damage to the Goods will not release Buyer from any obligation undertaken, warranty, representation or covenant contained or made herein by Buyer. (b) Repairs to the Goods and to any attachments, replacements, additions, accessions or substitutions thereto will be at Buyer's expense and will constitute a part of the Goods, subject to the terms of this Contract. (c) No provision or term of this Contract will be of any effect in any state or other jurisdiction in which the inclusion thereof would affect the validity or enforcement of this Contract, but, in any such case, all of the remaining provisions and terms hereof shall subsist and be effective according to the tenor of this Contract, the same as though such other provision or term had never been included herein. (d) This Contract contains the full, final and exclusive statement of the contract of the parties relating to the purchase of the Goods and will not be modified by trade usage or course of performance. The failure at any time or times hereafter to require strict performance by Buyer of any of the provisions, warranties, terms and conditions contained in this Contract or any other contract, agreement, instrument or document now or hereafter executed by Buyer and delivered to Seller will not waive or diminish any right of Seller hereafter to demand strict compliance and performance therewith and with respect to any other provisions, warranties, terms and conditions contained in such contracts, agreements, instruments and documents, and any waiver of any default will not waive or affect any other default, whether prior or subsequent thereto. None of the provisions and terms contained in this Contract or any other contract, agreement, instrument or document now or hereafter executed by Buyer and delivered to Seller will be deemed to have been waived by any act or knowledge of Seller, its agents, officers or employees, but only by an instrument in writing signed by an officer of Seller and directed to Buyer specifying such waiver. (e) Buyer will execute and deliver to Seller concurrently herewith, and at any time or times hereafter at the request of Seller, all financing statements, security agreements, notices, renewal financing statements and notices, and all other documents as Seller may request, in form satisfactory to Seller, to perfect and maintain perfected under all applicable laws the security interests granted by Buyer to Seller hereunder. Seller and its assignees, if any, are hereby each appointed Buyer's attorney-in-fact to do all acts and things which Seller or said assignee may deem necessary to perfect and maintain perfected said security interests and to protect the Goods. (f) If there is more than one signer of this Contract, whether as Buyer or co-signer, their obligations shall be joint and several. (g) The term "Buyer" shall include each Buyer and co-signer jointly and severally. (h) Seller or any of its agents will have the right at any time or times hereafter, during Buyer's reasonable business hours, to examine and inspect any or all of the Goods. (i) In the event Buyer fails to pay any tax, assessment, levy or charge or to discharge any lien upon any or all of the Goods or in the event Buyer fails to obtain or maintain any insurance required to be obtained or maintained by Buyer hereunder, then, in any such event, Seller, without waiving or releasing any obligation or default of Buyer hereunder, may at any time or times hereafter, but will be under no obligation to do so, obtain and maintain such insurance, make such payment, settlement, compromise, or release or cause to be released any such lien and take any such other action with respect thereto which Seller deems advisable. All sums paid by Seller in satisfaction of or on account of any of the foregoing, and any expenses and reasonable attorney's fees relating thereto, will be additions to Buyer's Liabilities, payable on demand. (j) Buyer will obtain and immediately deliver, or cause to be delivered to Seller, waivers of any rights in and to the Goods from all owners and mortgagees of the real estate upon which the Goods are or are to be located. (k) Buyer waives all exemption and homestead laws. (l) Buyer will from time to time at the request of Seller immediately deliver to Seller such financial statements, reports, data and information as is requested. (m) The signature of any officer or managing agent of Buyer, if Buyer is a corporation, or of any partner or managing agent, if Buyer is a partnership or firm, on this Contract, on any receipt for the acceptance of the Goods, or any portion thereof, acknowledging that the Goods are in acceptable condition, or on any one or more statements, reports, agreements, waivers, instruments or documents, now or from time to time hereafter executed in the name of Buyer and delivered to Seller, will be binding upon Buyer. (n) Buyer has the capacity and power and is duly authorized to enter into this Contract and to execute and deliver the same to Seller. (o) Seller will have the right to proceed against any one or more Buyers and/or any one or more co-signers without first exhausting any other remedy available to Seller and or to proceed against Buyer or the Goods. (p) For purposes of determining the amount of Buyer's Liabilities, the receipt of any check or any other item of payment on account of Buyer's Liabilities will not be considered a payment on account thereof until such check or other item of payment is honored when presented for payment. (q) Buyer irrevocably agrees that Seller shall have the continuing exclusive right to apply and reapply any and all such payments received by Seller from or for the account of Buyer at any time or times hereafter in any manner as Seller may deem advisable, notwithstanding any entry by Seller upon any of its books and records and notwithstanding any designation made by Buyer.

In the event of an assignment of this contract by Seller, Seller may direct Buyer and Buyer shall be obligated to make all future installment payments hereunder directly to Seller's assignee.

[FOR USE IN CODE STATES. MUST BE USED IN ALABAMA, ALASKA, ARKANSAS, CALIFORNIA, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, ILLINOIS, INDIANA, IOWA, KENTUCKY, MAINE, MICHIGAN, MINNESOTA, MISSISSIPPI (EFF. 4/1/68), NEVADA (EFF. 3/1/67), NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, NORTH CAROLINA (EFF. 7/1/67), OKLAHOMA, OREGON, PENNSYLVANIA, SOUTH CAROLINA (EFF. 1/1/68), SOUTH DAKOTA (EFF. 7/1/67), TENNESSEE, TEXAS, VERMONT, VIRGINIA, WEST VIRGINIA, WASHINGTON (EFF. 7/1/67), WISCONSIN AND WYOMING.]

REQUESTED BY  
*Bank of Elk Grove*  
IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

'85 MAY 30 10:42

SUZANNE BEAUDREAU  
RECORDER

\$6.00 PAID *JAL* DEPUTY 117952  
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