

Nixon, Hargrave, Devans & Doyle LLP  
Attorneys and Counselors at Law

ONE KEYCORP PLAZA  
ALBANY, NEW YORK 12207  
(518) 427-2650

1600 MAIN PLACE TOWER  
BUFFALO, NEW YORK 14202  
(716) 853-8100

990 STEWART AVENUE  
GARDEN CITY, NEW YORK 11530  
(516) 832-7500

CLINTON SQUARE  
POST OFFICE BOX 1051  
ROCHESTER, NEW YORK 14603-1051  
(716) 263-1000  
FAX: (716) 263-1600

WRITER'S DIRECT DIAL NUMBER: (716) 263-1234  
E-MAIL: dcollin@nhdd.com

CITYPLACE  
185 ASYLUM STREET  
HARTFORD, CONNECTICUT 06103  
(860) 275-6820

437 MADISON AVENUE  
NEW YORK, NEW YORK 10022  
(212) 940-3000

SUITE 700  
ONE THOMAS CIRCLE  
WASHINGTON D.C. 20005  
(202) 457-5300

May 28, 1998

**BY HAND DELIVERY**

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

RECORDATION NO. 21459 FILED



~~10-45 AM~~  
10-45 AM

~~June 9~~  
June 9

Dear Sir:

I have enclosed an original and one 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 General Security Agreement, a primary document, dated as of May 25, 1998.

Debtor:

Pivotal Enterprises Corporation  
736 6<sup>th</sup> Avenue SW, Suite 1610  
Calgary, Alberta Canada T2P 3T9

Secured Party:

First Treasury Financial Inc.  
811 14<sup>th</sup> Street NW, Suite 217  
Calgary, Alberta Canada T2N 2A4

A description of the equipment covered by the document is more fully described on Schedule A attached hereto.

*Margaret Adams*

Nixon, Hargrave, Devans & Doyle LLP

Vernon A. Williams

May 28, 1998

Page 2

A fee of \$24.00 is enclosed. Please return the original and any extra copies not needed by the Surface Transportation Board for recordation to:

Dwight R. Collin  
Nixon, Hargrave, Devans & Doyle LLP  
P.O. Box 1051  
Clinton Square  
Rochester, New York 14603

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

The primary document, a General Security Agreement between Pivotal Enterprises Corporation, having a place of business at 736 6<sup>th</sup> Avenue SW, Calgary, Alberta Canada T2P 3T9 as debtor, and First Treasury Financial Inc., having a place of business at 811 14<sup>th</sup> Street NW, Calgary, Alberta Canada T2N 2A4 as secured party, dated May 25, 1998, and covering fifty-seven (57) DOT 105J300W 100 ton roller bearing 33,600 U.S. gallon capacity pressure railroad tank cars manufactured in 1977 bearing ULMER registration marks PLMX 32800-32826, 32828, 32829, 32900-32916, 32918-32922 and 32924-32929.

Very truly yours,



Dwight R. Collin

Attorney for First Treasury Financial Inc.

DRC/klm  
Enclosure

**CORPORATE ACKNOWLEDGMENT**

I, M.H. (MIKE) SHAIKH, certify that I am the President of **Pivotal Enterprises Corporation** (the "Corporation"), that the instrument annexed hereto was signed on behalf of the Corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Corporation. I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the 25 day of May, 1998.

A handwritten signature in cursive script, appearing to read "M.H. Shaikh", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

**M.H. (MIKE) SHAIKH**

**GENERAL SECURITY AGREEMENT**~~June 9~~ June 9, 10-45 AM

BETWEEN:

**PIVOTAL ENTERPRISES CORPORATION**, a body corporate, in the  
City of Calgary, in the Province of Alberta

(hereinafter referred to as the "Debtor")

OF THE FIRST PART

- and -

**FIRST TREASURY FINANCIAL INC.**, a body corporate, having an  
office in the City of Toronto, in the Province of Ontario

(hereinafter referred to as the "Lender")

OF THE SECOND PART

1. **SECURITY INTEREST**

- (a) For value received the Debtor, hereby grants to the Lender by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;

- (iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
  - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property; and
  - (vi) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include (i) any personal property held in trust by Debtor and lawfully belonging to others, (ii) the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term, or (iii) choses in action (but not including money payable thereunder) in which the consent of a third party to such Security Interest is required but cannot be obtained by the Debtor using its best efforts but upon the enforcement of the Security Interest Debtor shall stand possessed of benefits under such chose in action in trust for the benefit of the Lender.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Instruments", "Intangibles", "Securities", "proceeds", "Inventory", "Accession", "Money", "Accounts", "financing statements" and "financing change statements" whenever used herein shall be interpreted

pursuant to their respective meaning when used in the *Personal Property Security Act (Alberta)*, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby is general and continuing security for the payment and performance of any and all obligations, indebtedness and liability of Debtor to the Lender pursuant to the Loan Agreement between the Debtor and the Lender dated as of the date hereof, (including interest thereon) and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment thereof.

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

Debtor represents and warrants that and so long as this General Security Agreement remains in effect, it shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Permitted Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption;
- (b) it has good and lawful authority to create or grant the security interest in the Collateral constituted by this General Security Agreement;
- (c) this General Security Agreement has been duly authorized, executed and delivered;

- (d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations.

4. **COVENANTS OF THE DEBTOR**

So long as this General Security Agreement remains in effect the Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption and subject to Clause 5 hereof, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof and the Loan Agreement dated as of the date hereof between the Debtor and the Lender or any amendments, revisions, renewals or replacements thereto (the "Loan Agreement"), use Money available to the Debtor;
- (b) to notify the Lender promptly of:
  - (i) any change in the information contained in Schedule "B" hereto relating to the Debtor, the Debtor's business, the Debtor's name or Collateral; or
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any loss or damage to the Collateral;

- (iv) the details of any claims or litigation affecting the Collateral or the Debtor; and
- (v) any default by an account debtor in payment or other performance of obligations of the account debtor to the Debtor or to others, which potentially affects the Collateral;
- (c) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (d) to prevent the Collateral, save the Collateral sold or leased as permitted hereby or by the Loan Agreement, from being or becoming an Accession to other property not covered by this Security Agreement; and
- (e) to deliver to the Lender from time to time promptly upon request any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral, provided the same are in the possession or control of the Debtor.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained in the Loan Agreement, including, without limitation, clause 4.2(g) thereof, and this Agreement, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and Debtor agrees to furnish all reasonable assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to all premises occupied by Debtor upon reasonable notice during business hours.

6. **SECURITIES**

If the Collateral at any time includes Securities, Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Lender or its nominee(s) may appear on record as the sole owner thereof provided that, until default, the Lender shall deliver promptly to Debtor, all benefits, notices or communications received by the Lender or its nominee(s) as registered owner of the Securities and the Lender will exercise such rights to such Securities, including voting the same, in accordance with the instructions of the Debtor, in that regard.

7. **COLLECTION OF DEBTS**

Before or after default under this General Security Agreement, the Lender may notify all or any account debtors of the Security Interest and may also direct after default such account debtors to make all payments on Collateral to the Lender. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from account debtors, whether before or after notification of this Security Interest to account debtors and after default under this Security Agreement, shall be received and held by Debtor in trust for the Lender and shall be turned over to the Lender upon request.

8. **INCOME FROM AND INTEREST ON COLLATERAL**

- (a) Subject to compliance with Debtor's covenants contained in the Loan Agreement, including, without limitation, clause 4.2(g) thereof, until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if the Lender receives any such Money prior to default, the Lender shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, the Lender shall have the right to receive and Debtor will not request but shall direct that the Lender receive, any Money constituting income from or interest on Collateral. If Debtor receives any such Money, it shall be deemed to have received such funds in trust for the Lender and Debtor shall pay the same within three (3) days to the Lender.

9. **INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

(a) If a default or an event of default has occurred or an event which with notice or lapse of time, or both, would constitute an event of default has occurred, Debtor authorizes the Lender:

(i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly; and

(ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

(b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

10. **EVENTS OF DEFAULT**

An Event of Default as defined or described in the Loan Agreement, shall constitute a default or an event of default under this Agreement.

11. **ACCELERATION**

The Lender, in its sole discretion, may declare on the occurrence of an event of default all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind except such notice required by law. The provisions of this clause are not intended in any way to affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

12.

**REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver"), which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of Debtor and not the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable it to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Lender, all Money received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender, may either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) the Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect

thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.

- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or Proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to pay costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of the Collateral and in enforcing or collecting the Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) the Lender will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.

13. **MISCELLANEOUS**

- (a) Debtor hereby authorizes the Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as the Lender may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the branch of the Lender to be the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which Debtor is in any way liable and, subject to Clause 12(g) hereof, notice of any other action taken by the Lender except required by law.
- (c) This General Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (e) Subject to the requirements of Clauses 12(g) and 13(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request

upon the other, such notice, direction, demand, request or other communication shall be in writing. All notices, requests, demands and other communications hereunder shall be furnished to the parties at the addresses listed below. Notices shall be deemed to have been given if delivered personally, by telecopier, or mailed by registered mail, prepaid, return receipt requested. Any such notice shall be deemed to be received when delivered personally, receipted or transmitted by telecopier on a Business Day (unless such transmission is received after 2:00 p.m. Calgary time, in which case it shall be deemed to have been received the following Business Day) as the case may be, to:

(a) the Borrower at:

**PIVOTAL ENTERPRISES CORPORATION**  
Suite 1610, 736 - 6th Avenue SW  
Calgary AB T2P 3T9

Attention: Mr. M. H. (Mike) Shaikh  
President and Chief Executive Officer

Telecopier: (403) 262-4281

(b) the Lender at: **FIRST TREASURY FINANCIAL INC.**  
Suite 2200, 130 Adelaide Street West  
Toronto ON M5H 3P5

Attention: President  
Telecopier: (416) 367-2594

with a copy to: **FIRST TREASURY WEST INC.**  
Suite 217, 811 - 14th Street NW  
Calgary AB T2N 2A4

Attention: President  
Telecopier: (403) 270-8401

or at such other address as either party specifies from time to time in a notice to the other.

(f) This General Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender, and is intended to be a continuing General Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the branch of the Lender

shall actually give written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the giving of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

- (g) The headings used in this General Security Agreement are for convenience only and are not to be considered a part of this General Security Agreement and do not in any way limit or amplify the terms and provisions of this General Security Agreement.
- (h) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (i) In the event any provisions of this General Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this General Security Agreement shall remain in full force and effect.
- (j) Nothing herein contained shall be interpreted in any way which may obligate the Lender to extend the time for payment of any of the Indebtedness or extend the time to remedy an Event of Default.
- (k) The Security Interest created hereby is intended to attach when this General Security Agreement is signed by Debtor and delivered to the Lender.
- (l) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, provided that the General Security Interest granted hereby:

- (i) shall extend to "Collateral" (as that term is herein defined) owned by the Debtor at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
- (ii) shall secure the "Indebtedness" (as that term is herein defined) of the Debtor to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by the Debtor at the time of amalgamation and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (m) This General Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Alberta as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

14. **COPY OF AGREEMENT**

- (a) Debtor hereby acknowledges receipt of a copy of this General Security Agreement.
- (b) Debtor waives any right of the Debtor to receive a copy of any financing statement or financing change statement registered by the Lender.

15. Debtor represents and warrants that the following information is accurate:

**BUSINESS DEBTOR**

NAME OF BUSINESS DEBTOR PIVOTAL ENTERPRISES CORPORATION			
ADDRESS OF BUSINESS DEBTOR 1610, 736 - 6th Avenue SW	CITY CALGARY	PROVINCE ALBERTA	POSTAL CODE T2P 3T9

16. **WAIVER OF SASKATCHEWAN LEGISLATION**

The Debtor hereby covenants and agrees with the Lender:

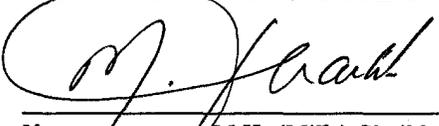
- (a) that The Land Contracts (Actions) Act of the Province of Saskatchewan shall have no application to any action as defined in The Land Contracts (Actions) Act aforesaid, with respect to this General Security Agreement or any other agreement entered into pursuant to or contemplated by this General Security Agreement; and
- (b) that The Limitation of Civil Rights Act of the Province of Saskatchewan shall have no application to:
  - (i) this General Security Agreement;
  - (ii) any mortgage, charge or other security for the payment of money made, given, created or contemplated by this General Security Agreement;
  - (iii) any agreement or instrument renewing or extending or collateral to this General Security Agreement or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in subparagraph (b)(ii) of this paragraph; or
  - (iv) the rights, power or remedies of the parties under this General Security Agreement or any mortgage, charge or other security, agreement or instrument referred to or mentioned in subparagraphs (b)(ii) or (b)(iii) of this paragraph.

17. In the event of conflict or ambiguity between the provisions of this Agreement and the Loan Agreement, the provisions of this Agreement shall prevail.

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 25 day of May 1998.

**PIVOTAL ENTERPRISES CORPORATION**

Per: \_\_\_\_\_

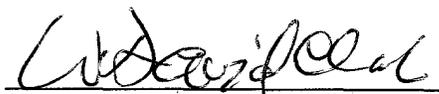
  
Name: M.H. (MIKE) Shaikh  
Position: President

**FIRST TREASURY FINANCIAL INC.**

Per: \_\_\_\_\_

  
Name: BEN BARIGOBUDI  
Position: PRESIDENT

Per: \_\_\_\_\_

  
Name: W. DAVID CLARK  
Position: Authorized Signing Officer

**SCHEDULE "A"**

**ENCUMBRANCES AFFECTING COLLATERAL**

Permitted Encumbrances as defined in the Loan Agreement.

FWD\F23454.GSA

## SCHEDULE "B"

1. Locations of Debtor's Business Operations

Various locations in Ontario, Western Canada and the States of Montana, Idaho, Washington, Oregon and California.

2. Locations of Records relating to Collateral

Calgary, Alberta

3. Location of Collateral

Various locations in Ontario, Western Canada and the States of Montana, Idaho, Washington, Oregon and California.

## **SCHEDULE "C"**

### **DESCRIPTION OF PROPERTY**

- (a) the entire right, title estate and interest of the Debtor in the Fifty-Seven (57) LPG tank cars described in Appendix "1" attached hereto; and
- (b) all present and after-acquired personal property.

FWD\F23454.GSA

## APPENDIX "1"

Fifty-Seven (57) DOT 105J300W 100 ton roller bearings; 33,600 U.S. gallon capacity pressure railroad tank cars manufactured in 1977 bearing ULMER registration marks PLMX 32800-32826, 32828, 32829, 32900, 32918-32922 and 32924-32929.

FWD\F23454.GSA