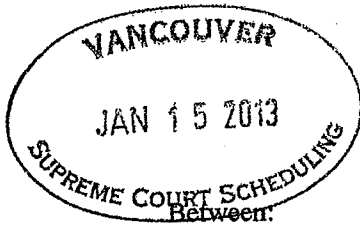


No. S-128887
Vancouver Registry



In the Supreme Court of British Columbia

Dumas Holdings Inc.

Petitioner

AND

Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd. Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd.

Respondents

NOTICE OF APPLICATION

Name of applicant: FTI Consulting Canada Inc., in its capacity as the Court-appointed Receiver of the assets, undertaking and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively referred to as the "Debtors")

To: Respondents

TAKE NOTICE that an application will be made by the applicant, FTI Consulting Canada Inc., (the "Receiver") to The Honourable Mr. Justice Sewell at the Vancouver Courthouse at 800 Smithe Street, Vancouver, British Columbia on Monday, January 21, 2013 at 9:00 a.m. for the Orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. That the time for service of this Notice of Application and supporting materials is hereby abridged so that this Application is properly returnable today, and the need for further service of the Notice of Application and supporting materials is hereby dispensed with.

2. That the Receiver is seeking orders substantially in the form attached hereto as Appendix "I" and Appendix "II", and such further and other relief as this Honourable Court may consider appropriate.

Part 2: FACTUAL BASIS

1. Pursuant to an Order pronounced by The Honourable Mr. Justice Sewell on December 14, 2012, FTI Consulting Canada Inc. was appointed as Receiver of the assets, undertakings and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively referred to as the "**Debtors**").

2. On January 15, 2012, The Honourable Mr. Justice Sewell granted an Order approving the sale of certain assets of the Debtors contemplated by the Asset Purchase and Sale Agreement dated December 21, 2012.

3. The Receiver is seeking directions regarding the distribution of the proceeds of the sale of assets and bankruptcy and receivership transition issues.

Part 3: LEGAL BASIS

1. Rules 8-1, 10-2 and 13-5 of the *Rules of Court*; and
2. the inherent jurisdiction of this Honourable Court.

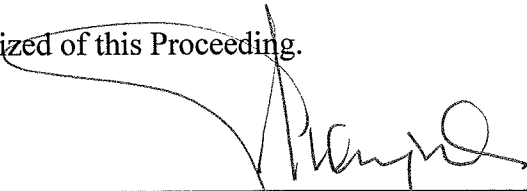
Part 4: MATERIAL TO BE RELIED ON

1. Second Report of the Receiver dated January 15, 2013;
2. the pleadings and proceedings had and taken herein; and
3. such further and other material as counsel may advise and the Court may permit.

The applicant estimates that the application will take 60 minutes.

The Honourable Mr. Justice Sewell is seized of this Proceeding.

Date: January 15, 2013



Signature of Geoffrey Thompson

applicant lawyer for applicant
FTI Consulting Canada Inc.

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of
Part 1 of this notice of application

with the following variations and additional terms:

Date: _____
Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

APPENDIX "I"

No. S128887
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF AN APPLICATION PURSUANT TO
SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c.B-3, AS AMENDED and SECTION 39 OF THE *LAW AND EQUITY ACT*,
R.S.B.C. 1996 C.253, AS AMENDED

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

**TERCON INVESTMENTS LTD., TERCON A.C. LTD., TERCON EQUIPMENT LTD.,
TERCON CONSTRUCTION LTD., TERCON MINING LTD., TERCON ENTERPRISES
LTD., TERCON MRC LIMITED, FNP VENTURES INC., TERCON MINING PV LTD.,
TERCON EQUIPMENT ALASKA PARTNERSHIP AND TERCON ALASKA LTD.**

Respondents

ORDER MADE AFTER APPLICATION

DISTRIBUTION ORDER

BEFORE THE HONOURABLE)
) 21/01/2013
JUSTICE SEWELL)

THE APPLICATION of FTI CONSULTING CANADA INC. in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively, the "Debtors") coming on

for hearing at Vancouver, British Columbia, on the 21st day of January, 2013; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, and no one appearing for [REDACTED], although duly served; AND UPON READING the material filed, including the Second Report of the Receiver dated January [REDACTED], 2013 (the "Second Report")¹;

THIS COURT ORDERS AND DECLARES THAT:

Payment of Accounts Receivable

1. All amounts owing to any of the Debtors, including any holdback amounts, by any person having notice of this order shall forthwith be paid to the Receiver and no such funds shall be paid to any other person unless such payment is approved in advance by the Court, on notice to the Receiver.

Establishment of Reserves

2. The Receiver is authorized and directed to establish reserves in respect of the following proceeds of Property in the Receiver's possession ("**Proceeds**"):
 - (a) The amount of \$•, in respect of the Total Lien Amount referred to in paragraph • of the Second Report or such other amount as may be, in the discretion of the Receiver, necessary to pay any claims for lien registered (the "**Registered Liens**") against the Equipment (as such term is defined in the Asset Purchase and Sale Agreement dated as of December 21, 2012 (the "**APA**")) as at the date of this Order (the "**Equipment Lien Reserve**"), such Equipment Lien Reserve to be established solely from the net proceeds of the Equipment received by the Receiver pursuant to the APA;
 - (b) The aggregate of all amounts claimed in accordance with the provisions of this Order prior to the Reserve Bar Date (defined below) in connection with any security interests or charges evidenced by registrations against the Debtors pursuant to the *Personal Property Security Act* ("**PPSA**") of British Columbia or Alberta, or pursuant to the Uniform Commercial Code ("**Secured Claims**") or other state law relating to the registration of Secured Claims in Alaska where such Secured Claims may, by virtue of priority of registration, or pursuant to the claim of a person asserting a Secured Claim, have priority to the security interests of HSBC or DHI to the Assets (the "**Priority Claims Reserve**"), such Priority Claims Reserve to be established solely from the net proceeds of the Assets (as defined in the APA) received by the Receiver pursuant to the APA;
 - (c) All amounts that might be payable to the Purchasers pursuant to the provisions of the APA (the "**APA Reserve**");

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Second Report.

- (d) From any funds received by the Receiver in respect of any Bonded Project, the lesser of (i) the face amount of the Bond issued on the Bonded Project; (ii) the amount of accounts receivable collected on account of the Bonded Project; and (iii) the aggregate of the amounts of all claims, if any, made against Trisura Guarantee Insurance Company (“**Trisura**”) in respect of the Bond for the within the 90 day period provided for such claims pursuant to the terms of the Bond (the “**90 Day Period**”) issued in respect of the Bonded Project (the “**Bonded Project Reserve**”), For greater clarity, there shall be a separate Bonded Project Reserve for each Bonded Project;
- (e) Out of any funds received by the Receiver in respect of any Tercon Project, the aggregate of the amounts of all claims for lien that have been preserved in accordance with applicable lien legislation or that may constitute trust funds pursuant to applicable lien legislation (the “**Lien and Trust Reserve**”);
- (f) From the proceeds of sale of any Property (as defined in the Receivership Order dated December 14, 2012) delivered to the Receiver by a Possessory Claimant (as defined in the Receivership Order) pursuant to paragraph 5 of the Receivership Order, an amount which is the lesser of:
 - (a) the alleged Possessory Claim (as defined in the Receivership Order);
 - and
 - (b) the proceeds of sale of the Property against which the Possessory Claim is made (the “**Possessory Claim Reserve**”); and
- (g) An amount determined by the Receiver, in its sole discretion, to be sufficient to pay all of the Receiver’s fees, costs, expenses and disbursements during the Receivership Proceedings (the “**Receiver’s Costs**”), to the date of its discharge (the “**Receivership Reserve**”);

(collectively hereinafter referred to as the “**Reserves**”).

Payment to HSBC

- 3. Subject to the Receiver establishing the Reserves and subject to paragraph 4 hereof, the Receiver shall be authorized and directed, without further Order of the Court, to distribute to HSBC Bank Canada (“**HSBC**”) as Lead Arranger, Bookrunner and Administrative Agent under the senior secured credit agreement dated as of February 28, 2012 between, *inter alia*, HSBC, certain lenders from time to time (the “**Secured Lenders**”) and the Debtors, such Proceeds of the Assets in its hands, free and clear of all Encumbrances other than those in favour of the Secured Lenders (the “**HSBC Distributions**”).
- 4. The Receiver is authorized to make HSBC Distributions from time to time as soon as practical once it has, in its possession, at least \$500,000 in excess of the Reserves to distribute to HSBC.

Claims against Reserves

5. The Receiver shall as soon as practicable after the date of this Order, send a copy of this Order, together with a copy of a notice substantially in the form attached as Schedule "B" hereto (the "**Property Claim Notice**") to every individual, firm, corporation, governmental body or agency (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") with a Registered Lien or a Secured Claim (a "**Potential Property Interest Claimant**") by regular prepaid mail, facsimile, courier or electronic mail to the address of such Potential Property Interest Claimant as set out in the registrations made in respect of the Registered Liens or the Secured Claims.
6. The Receiver shall cause the Property Claim Notice and this Order to be posted on the Receiver's Website as soon as practicable after the date of this Order and cause it to remain posted thereon until its discharge as Receiver.
7. All Potential Property Interest Claimants and other entities having notice of this Order, excluding HSBC and DHI, that intend to assert a claim against the Assets, the Equipment Lien Reserve or the Priority Claims Reserve shall provide the Receiver with an affidavit or declaration, or other notice in writing in a form acceptable to the Receiver setting out all of particulars of the Potential Property Interest Claim and attaching all documents and records that support the Potential Property Interest Claim of the Person (the "**Claim Support Documents**") on or before February 15, 2013 (the "**Reserve Bar Date**").
8. No Potential Property Interest Claimant shall be entitled to any payment from the Equipment Lien Reserve or the Priority Claims Reserve unless it has delivered to the Receiver the Claim Support Documents prior to the Reserve Bar Date.
9. Any Person that has registered a lien against real property owned by a third party relating to a Tercon Project (as defined in the Second Report) shall deliver copies of all lien claim and registration documents to the Receiver forthwith after making such registration or receiving notice of this order.
10. Trisura shall, within five (5) business days following receipt of any Bond Claim (as defined hereafter), provide the Receiver with copies of all and documents received in support thereof, any and all claims which it receives against the Bonds within the 90 Day Period provided pursuant to the Bonds ("**Bond Claims**").
11. Any Person asserting a Bond Claim shall provide copies of all documents relating to the Bond Claim to the Receiver forthwith after filing such Bond Claim with Trisura or upon receipt of a copy of this order.
12. Any paper copy of any notice, notification or communication required to be provided or delivered to the Receiver under this Order will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West, Suite 2010
P. O. Box 104
Toronto, ON M5K 1G8
Attn: Nigel Meakin
Fax: 416-649-8101
Email: tercon@fticonsulting.com

13. The Receiver is entitled to bring a motion to the Court for an Order to determine the entitlement of any and all Potential Property Interest Claimants to the Purchased Assets, the Equipment Lien Reserve and/or the Priority Claims Reserve on seven (7) days' notice following the expiration of the Reserve Bar Date on notice to all Potential Property Interest Claimants and the service list established in this proceeding.

Payment from Reserves

14. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Equipment Lien Reserve to or for the benefit of any of the Equipment Lien Claimants (as described in the Second Report) that have Registered Liens that are valid and enforceable against the Equipment and that have priority to the interests of HSBC and DHI, in an amount agreed upon between HSBC, DHI and the Receiver or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.
15. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Priority Claims Reserve to or for the benefit of any of person asserting a Secured Claim to the Assets in priority to the interest of DHI or HSBC in an amount agreed upon between HSBC, DHI and the Receiver or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.
16. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the APA Reserve to or for the benefit of any of the Purchasers (as described in the Second Report) in accordance with the terms of the APA, free and clear of all Encumbrances.
17. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Possessory Claim Reserve to or for the benefit of any Person who delivered Assets to the Receiver pursuant to paragraph 5 of the Receivership Order in an amount agreed upon between HSBC, DHI and the Receiver, or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.
18. The Receiver is authorized to disburse funds from the Receivership Reserve in accordance with Receivership Order.

19. No disbursements from the Bonded Project Reserve or the Lien and Trust Reserve shall be made without further Order of the Court.
20. Once all claims to the Equipment Lien Reserve, the Priority Claims Reserve, the APA Reserve and the Possessory Claim Reserve (collectively, the “**Disbursable Reserves**”) have been finally determined and all applicable payments have been made, the Receiver is hereby authorized, without further Order of the Court, to distribute all amounts remaining in such Disbursable Reserve to HSBC, free and clear of all Encumbrances.
21. For greater certainty, no amounts shall be payable from any Disbursable Reserve on account of a claim to any other Disbursable Reserve, with the exception of the Receiver’s Costs, which may be applied to any of the other Disbursable Reserves if the Receivership Reserve is not sufficient to pay all of the Receiver’s Costs up to and including its discharge.
22. In the event that: (i) any legislation applicable in the Provinces of British Columbia or Alberta, or the State of Alaska, requires the seizure of property subject to a lien in order to enforce, or prevent the expiry of, lien rights against the Equipment and (ii) any Person with a Registered Lien would be required to seize or direct the seizure of the Equipment to preserve or perfect the Registered Lien (“Seizure”), then:
 - (a) all such requirements are hereby suspended and extended, *nunc pro tunc*, from the date of the Approval and Vesting Order made in this proceeding (the “**Suspension Date**”), pending further order of the Court; and
 - (b) all periods of limitation providing the time within such Seizure must be enforced or effected are hereby suspended and extended, *nunc pro tunc*, from the Suspension Date, pending further order of the Court;
23. The terms of paragraph 22 are without prejudice to the rights of the Parties with Registered Liens, the Receiver, HSBC and DHI, each as against the other, and in particular, are made without prejudice to any positions or legal defences arising from the passage of time that may have accrued with respect to the Registered Liens as at the Suspension Date to the benefit of the Persons with the Registered Liens, the Receiver, HSBC and DHI under any statute, at common law, or in equity.

Directions

24. Each of the Receiver, HSBC, DHI, the Purchasers or any Person asserting a claim to a Reserve may apply to the Court for directions in respect of any aspect of this Order.
25. The Receiver shall have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
26. The activities of the Receiver set out in the Second Report filed, be and are hereby approved.

27. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of
 Party Lawyer for the Petitioners

<Print Name>

Signature of
 Party Lawyer for <name of party(ies)>

<Print Name>

BY THE COURT

REGISTRAR

SCHEDULE A - List of Counsel

Action No. [REDACTED]

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

- and -

**TERCON INVESTMENTS LTD., TERCON A.C. LTD.,
TERECON EQUIPMENT LTD., TERCON
CONSTRUCTION LTD., TERCON MINING LTD.,
TERCON ENTERPRISES LTD., TERCON MRC
LIMITED, FNP VENTURES INC., TERCON MINING
PV LTD., TERCON EQUIPMENT ALASKA
PARTNERSHIP AND TERCON ALASKA LTD.**

Respondents

AND:

Action No. [REDACTED]

Estate No. [REDACTED]

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
**TERCON INVESTMENTS LTD., TERCON A.C. LTD.,
TERECON EQUIPMENT LTD., TERCON
CONSTRUCTION LTD., TERCON MINING LTD.,
TERCON ENTERPRISES LTD., TERCON MRC
LIMITED, FNP VENTURES INC., TERCON MINING
PV LTD., TERCON EQUIPMENT ALASKA
PARTNERSHIP AND TERCON ALASKA LTD.**

INTERIM DISTRIBUTION ORDER

APPENDIX "II"

No. S128887
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF AN APPLICATION PURSUANT TO
SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c.B-3, AS AMENDED and SECTION 39 OF THE *LAW AND EQUITY ACT*,
R.S.B.C. 1996 C.253, AS AMENDED

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

**TERCON INVESTMENTS LTD., TERCON A.C. LTD., TERCON EQUIPMENT LTD.,
TERCON CONSTRUCTION LTD., TERCON MINING LTD., TERCON ENTERPRISES
LTD., TERCON MRC LIMITED, FNP VENTURES INC., TERCON MINING PV LTD.,
TERCON EQUIPMENT ALASKA PARTNERSHIP AND TERCON ALASKA LTD.**

Respondents

ORDER MADE AFTER APPLICATION

BANKRUPTCY CO-ORDINATION ORDER

BEFORE THE HONOURABLE)
) 21/01/2013
MR. JUSTICE SEWELL)

THE APPLICATION of FTI CONSULTING CANADA INC., in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively, the "Debtors") coming on for hearing at Vancouver, British Columbia, on the 21ST day of January, 2013; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on

Schedule "A" hereto, and no one appearing for [REDACTED], although duly served; AND UPON READING the material filed, including the First Report of the Receiver dated January •, 2013 (the "First Report")¹;

THIS COURT ORDERS AND DECLARES THAT:

Bankruptcy Administration

1. The Receiver be and is hereby authorized and directed, unless otherwise agreed with HSBC Bank Canada, as Agent ("HSBC") and Dumas Holdings Inc. ("DHI"), to file an assignment in bankruptcy for and on behalf of each of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd. (the "Canadian Debtors"), with The Bowra Group Inc. named as trustee in bankruptcy (the "Bankruptcy Proceedings").
2. Subject to any further order of the Court, the Trustee shall not be required to give security to the Official Receiver pursuant to section 16 of the *Bankruptcy and Insolvency Act* R.S.C. 1985, as amended (the "BIA") in respect of the Bankruptcy Proceedings.
3. The Trustee is not required to obtain an independent security opinion of the security granted by the Canadian Debtors to HSBC or DHI.
4. The time periods for the Trustee to perform its statutory obligations prescribed by sections 16, 21, 22, 24, 27 and 102 of the BIA (save for such reports as may be required pursuant to subsection 27(c) of the BIA) are hereby extended until further Order of this Honourable Court, and until such Order is made, the Trustee shall be relieved from performing any such obligations.
5. The Trustee shall be entitled to administer procedural matters relating to the Bankruptcy Proceedings for the Canadian Debtors' estates (the "Estates") on a consolidated basis and, for greater certainty, the Trustee may:
 - (i) Advertise, call and conduct joint meetings of the creditors of all Estates;
 - (ii) Appoint common inspectors to all Estates and hold consolidated meetings of inspectors for all Estates;
 - (iii) Issue consolidated reports and communications with creditors of the Estates;
 - (iv) Prepare all filings and notices required by the BIA for the Estates on a consolidated basis; and

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the First Report.

- (v) Seek orders, including discharge orders, in consolidated motions for the Estates.
6. A single court file number and title of proceedings in the Supreme Court of British Columbia – In Bankruptcy and Insolvency shall be assigned to the consolidated Estates of:
- “In the Matter of the Bankruptcy of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd.”
7. The procedural consolidation contemplated by paragraphs 4 and 5 above is not intended to be a substantive consolidation of the Bankruptcy Proceedings for the Estates.
8. A copy of this order shall be placed in the Court file established pursuant to paragraph 5 hereof.
9. A copy of this order shall be served on the Superintendent of Bankruptcy to be placed in the bankruptcy administration file of each of the Canadian Debtors.

Coordination of Activities of Receiver and Trustee

10. The assets, undertakings and properties of the Debtors acquired for, or used in relation to the business carried on by the Debtors, including all proceeds therefrom (the "Receivership Property") shall vest in the Trustee subject to the rights, powers and authority of the Receiver in respect of the Receivership Property pursuant to the Order of the Honourable Justice Sewell dated December 14, 2012 (as may be amended from time to time, the "Receivership Order"), and all other Orders made in Court File No. S128887 (the "Receivership Proceedings") and, without limiting the foregoing, the Receivership Property will continue to be subject to the court-ordered charges created pursuant to the Receivership Order in accordance with its terms and any further Orders in the Receivership Proceedings. For greater certainty, the Receiver shall, notwithstanding the Bankruptcy Proceedings:
- (a) subject to further order of the Court, continue to hold all Sale Proceeds (as defined in the Approval and Vesting Order issued by Court on the date hereof in the Receivership Proceedings);
 - (b) continue to be authorized, empowered and directed to make disbursements from time to time from funds on hand or proceeds of the Receivership Property in accordance with the Receivership Order;
 - (c) continue to be authorized, directed and empowered to realize on any of the Receivership Property in accordance with the Receivership Order; and

- (d) continue to be empowered with the rights and powers granted, and continue to be authorized and directed to perform its functions and fulfill its obligations, under the Receivership Order, including, without limitation, to take such additional actions and execute such documents, in the name of and on behalf of any of the Debtors as the Receiver considers necessary or desirable in order to perform its functions and fulfill its obligations under the Receivership Order without interference from any other person, including any trustee in bankruptcy of any of the Debtors.
11. Notwithstanding this Order and the Bankruptcy Proceedings, all steps and actions taken by the Receiver in the Receivership Proceedings pursuant to any Orders granted therein (including without limitation sales of the Receivership Property and the determination of entitlement to proceeds thereof) be and are hereby deemed to be effective against the Trustee for each of the Estates and against the creditors of each of the Debtors.
12. The Receiver is authorized to pay to the Trustee a third party deposit in the amount of \$10,000.00, plus HST (the "Deposit"), and to execute a guarantee in writing, limited in liability to the amount of the Deposit, of the taxed costs of the administration of the Estates (the "Guarantee") such Deposit and Guarantee to be in accordance with Directive 16 issued by the Superintendent of Bankruptcy.
13. The Receiver's liability to the Trustee shall be limited to the terms of the Guarantee. The Receiver shall have no other liability in connection with the Bankruptcy Proceedings and the Trustee shall have no claim in the Receivership Proceedings in respect of its fees and expenses in relation to the Bankruptcy Proceedings.

Advice and Direction

14. Each of the Trustee and the Receiver shall be entitled to seek the advice and direction of this Court as to the implementation of this Order and, in the case of the Trustee, the discharge of the powers and duties of the Trustee under the BIA in connection with this Order, and/or each of them may apply for such further Order or Orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of

Party Lawyer for the Petitioners

<Print Name>

Signature of

Party Lawyer for <name of party(ies)>

<Print Name>

BY THE COURT

REGISTRAR

SCHEDULE A - List of Counsel

Action No. S128887

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

- and -

**TERCON INVESTMENTS LTD., TERCON A.C. LTD.,
TERECON EQUIPMENT LTD., TERCON
CONSTRUCTION LTD., TERCON MINING LTD.,
TERCON ENTERPRISES LTD., TERCON MRC
LIMITED, FNP VENTURES INC., TERCON MINING
PV LTD., TERCON EQUIPMENT ALASKA
PARTNERSHIP AND TERCON ALASKA LTD.**

Respondents

BANKRUPTCY TRANSITION ORDER

TOR01: 5080560: v1

JAN 15 2013
VANCOUVER
SUPREME COURT SCHEDULING

No. S128887 Vancouver Registry

Tercon Investments Ltd. et al.

SECOND REPORT OF THE RECEIVER

January 15, 2013

INTRODUCTION

1. On December 14, 2012 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively, “**Tercon**” or the “**Company**”) pursuant to the order of Mr. Justice Sewell (the “**Receivership Order**”) granted upon the petition of Dumas Holdings Inc. (“**DHI**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act R.S.C. 1985 c. B-3 as amended* (the “**BIA**”) and section 39 of the *Law and Equity Act, as amended*. A copy of the Receivership Order is attached as **Appendix A** to the First Report.
2. As described in the First Report, the Asset Purchase and Sale Agreement dated as of December 21, 2012, was entered into, subject to Court approval, between the Receiver as Vendor and Ritchies Bros. Auctioneers (Canada) Ltd. (“**RB Canada**”) and Ritchies Bros. Auctioneers (America) Inc. (“**RB America**”, RB Canada and RB America together being “**Ritchie Bros**”) as Purchasers (the “**APA**”) with respect to the Equipment and Miscellaneous Property of Tercon (as such terms are defined in the APA).
3. On January 15, 2013, Mr. Justice Sewell granted an Order (the “**Approval and Vesting Order**”) *inter alia* approving the APA and the Return Protocol, as defined in the First Report.
4. The purpose of this, the Receiver’s Second Report, is to provide information to the Court with respect to:
 - (i) The filing of petitions under Chapter 15 of the U.S. Bankruptcy Code to commence “recognition proceedings” in Alaska (the “**Chapter 15 Petitions**”);

- (ii) The Tercon Projects (as defined below) and bonding and holdback arrangements relating thereto; and
- (iii) The claims that have been registered under provincial or state legislation against the Equipment or the Miscellaneous Property;

and to request the granting by the Court of:

- (iv) An Order authorizing and directing the Receiver to file assignments in bankruptcy for Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc. and Tercon Mining PV Ltd. (such bankruptcy proceedings being referred to hereinafter as the “**Bankruptcy Proceedings**”) and an Order providing for co-ordination between the Receivership Proceedings and the Bankruptcy Proceedings (the “**Co-ordination Order**”);
- (v) An Order authorizing the Receiver to establish Reserves, review claims against certain of the Reserves and distribute, from time to time, certain proceeds of realization of the Property to HSBC or to claimants against the Reserves (the “**Distribution Order**”); and
- (vi) An Order approving the Second Report, and the activities of the Receiver described therein.

TERMS OF REFERENCE

5. In preparing this report, the Receiver has relied upon unaudited financial information of Tercon, Tercon’s books and records, certain financial information prepared by Tercon and discussions with Tercon personnel and others. Future oriented financial information reported or relied on in preparing this report is based on management’s assumptions regarding future events; actual results may vary from forecast and such variations may be material.

6. The information and advice described in this Report as being provided to the Receiver by its counsel, Borden Ladner Gervais LLP (the “**Receiver’s Canadian Counsel**”) and The Law Office of Cabot Christianson, P.C. (the “**Receiver’s US Counsel**”) and, together with Receiver’s Canadian Counsel, the “**Receiver’s Counsel**”) has been provided to the Receiver to assist it in considering its course of action and is not intended as legal or other advice to, and may not be relied upon by, any other stakeholder.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order or in the First Report.

THE CHAPTER 15 PROCEEDINGS

8. On January 11, 2013, the Receiver, acting as Foreign Representative in accordance with paragraph 32 of the Receivership Order, filed the Chapter 15 Petitions to commence recognition proceedings in Alaska.

THE TERCON PROJECTS

CUSTOMERS

9. The books and records of Tercon show accounts receivable are owed to Tercon from three customers in respect of six projects (the “**Tercon Projects**”). The Tercon Projects are summarized as follows:
 - (i) Three projects for the Ministry of Transportation of British Columbia for which Tercon Construction Ltd. is the Contractor, referred to by the Receiver as the “**Water Line Project**”, the “**Creek Bridge Bearing Project**” and the “**Wall Project**”, each of which is located in the area of Golden, British Columbia;

- (ii) Two contracts for Teck Coal Limited, for which Tercon Construction Ltd. is the Contractor, referred to by the Receiver as the “**Fording River Project**” and the “**Elkview Project**”, located in the areas of Elkford, British Columbia, and Sparwood, British Columbia respectively; and
- (iii) A project for Fairbanks Gold Mining Inc., for which Tercon Alaska Ltd. is the Contractor, referred to by the Receiver as the “**Fort Knox Project**”, located in the area of Fairbanks, Alaska.

BONDS AND HOLDBACKS

10. Labor and Material Payment Bonds (the “**Bonds**”) have been issued by Trisura Guarantee Insurance Company (“**Trisura**”) in respect of the following projects (collectively, the “**Bonded Projects**”):
 - (i) The Water Line Project - \$723,716 bond;
 - (ii) The Creek Bridge Bearing Project - \$87,136 bond;
 - (iii) The Wall Project - \$2,788,240 bond.
11. It is likely that there are parties that may have provided goods or services to the Bonded Projects (“**Bond Project Suppliers**”) that have not been fully paid such that they may have a claim against the Bonds. The Bonds provide for a period of 90 days after the last date that a claimant supplied goods or services to a Bonded Project to make a claim (the “**90 Day Period**”). Accordingly, as at the date of this report, the 90 Day Period will have expired only for Bond Project Suppliers that last made supply before October 16, 2012. The Monitor understands that work continued at each of the Bonded Projects after that date and it is therefore possible that claims may be made against the Bonds.

12. In addition, the Fort Knox Project, the Wall Project and the Water Line Project have “holdback” arrangements whereby the customer is entitled to retain a portion of billings that may be used to pay sub-contractors in the event that liens are filed against the property by the sub-contractor in the event that they are not paid by the general contractor. Furthermore, unpaid suppliers in various jurisdictions may have certain trust rights against accounts receivable.
13. The provisions of the Receivership Order require that all amounts, including holdback amounts, be remitted to the Receiver. In order to protect the interests of the customers against whose property unpaid sub-contractors may register a lien, and to protect the interests of unpaid suppliers that may have trust rights, the Receiver proposes to hold all amounts collected in respect of the Tercon Projects pending further Order of the Court.

LIEN CLAIMS AGAINST EQUIPMENT

14. The Receiver’s Counsel has conducted searches of the PPSA registry systems in British Columbia, Alberta, and the UCC in Alaska to determine whether there are any liens registered against any of the equipment owned by or in the possession of Tercon, other than the security held by the Equipment Lessors as described above. In addition, certain parties have provided documents regarding registrations made in Alaska in relation to claims for lien against certain equipment. The search results, as of January 3, 2013 and the lien registrations provided to the Receiver prior to the date of this report are summarized in Appendix A hereto. In the aggregate, these liens total approximately \$1,069,017.91 (the “**Total Lien Amount**”).
15. The statutory deadlines within which liens must be registered vary by statute and by jurisdiction. In Alberta and British Columbia the period is 21 days after surrender of possession. The Receiver will update its searches as of the date of the Distribution Order, if granted.

THE BANKRUPTCY PROCEEDINGS AND CO-ORDINATION ORDER

16. Paragraph 3(v) of the Receivership Order provides that the Receiver is empowered and authorized, but not obligated:

“to file assignments in bankruptcy on behalf of any or all of the Debtors pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada), only upon the making of a further order (on notice to the affected stakeholders) of this Court addressing transitional matters between the proposed trustee in bankruptcy and the Receiver;”

17. Paragraph 3(v) of the Receivership Order does not appear in the model receivership order but was added at the request of HSBC which advised that it wanted assignments in bankruptcy filed in order to reverse the priority of deemed trust claims in respect of sales taxes. The Receivership Order was granted *ex parte*, other than notice provided to HSBC and Tercon. At the hearing of the petition for the Receivership Order, the Receiver, in response to questions from the Honourable Mr. Justice Sewell, informed the Court that:

- (i) No assignments would be filed without specific authorization of the Court; and
- (ii) FTI Consulting Canada Inc. would not be named as trustee in bankruptcy in any such assignments.

18. To address HSBC's request for assignments in bankruptcy to be filed, the Receiver now seeks authority to file assignments in bankruptcy for Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc. and Tercon Mining PV Ltd. (collectively, the "**Canadian Debtors**") and requests the granting of the Co-ordination Order to provide for co-ordination between the Receivership Proceedings and the Bankruptcy Proceedings.
19. If the Receiver is authorized to file assignments in bankruptcy for the Canadian Debtors, the Receiver intends to nominate The Bowra Group Inc. ("**Bowra**"), a licensed trustee in bankruptcy, as trustee. Bowra has consented to act as trustee in bankruptcy of the Canadian Debtors, subject to being satisfied with the form of the Co-ordination Order.
20. In order to streamline efficiencies for the estates of the Canadian Debtors, reduce the costs of administration and allow for the coordination of the Bankruptcy Proceedings and the Receivership Proceedings, the Receiver, representatives of The Bowra Group and the primary secured parties have agreed to the form of Co-ordination Order to propose to the Court. The draft Co-ordination Order is consistent with Orders granted in other cases involving the co-ordination of bankruptcies with receivership or *Companies' Creditors Arrangement Act* proceedings and is included with the Receiver's motion material in connection with this motion.

THE INTERIM DISTRIBUTION ORDER

21. HSBC and DHI have requested that the Receiver seek authority to make distributions from time to time from proceeds of realization by the Receiver to HSBC. Accordingly, the Receiver now requests that the Court grant the Distribution Order.

22. Capitalized terms not otherwise defined in this section of the report are as defined in the proposed Distribution Order included in the Receiver's motion materials.
23. The Interim Distribution Order provides, *inter alia*, for a process calling for the submission of particulars of Potential Property Interest Claims, the establishment of various reserves from proceeds of realization, the payment from certain of those reserves on account of valid claims to the Equipment or Miscellaneous Property (as defined in the APA) and distributions to HSBC. HSBC is the priority secured creditor with respect to the proceeds of the Assets (as defined in the APA) pursuant to a combination of factors including its PPSA registration date and its subordination and postponement agreements (along with estoppel letters) with other secured creditors under the PPSA.

PROCESS CALLING FOR POTENTIAL PROPERTY INTEREST CLAIMS

24. The proposed Distribution Order provides that all Potential Property Interest Claimants and other entities, excluding HSBC and DHI, that intend to assert a claim against the Assets, the Equipment Lien Reserve or the Priority Claims Reserve shall provide the Receiver with an affidavit, declaration or other notice in writing in a form acceptable to the Receiver setting out all of particulars of the Potential Property Interest Claim and attaching all documents and records that support the Potential Property Interest Claim of the Person (the "**Claim Support Documents**") on or before February 15, 2013 (the "**Reserve Bar Date**"). This is necessary in order for the Receiver to be able to quantify the Priority Claims Reserve and to assess the validity of claims against the Equipment Lien Reserve or the Priority Claims Reserve. In order to participate in the distribution of the Equipment Lien Reserve or the Priority Claims Reserve, the claim support documents must be received by the Receiver before the Reserve Bar Date.

THE RESERVES

25. The Receiver proposes to establish the following reserves (collectively, the “Reserves”) to protect the interests of parties that may have claims ranking in priority to HSBC and DHI or to streamline and formalize the process for dealing with claims that may be secured by the Bonds:

- (i) From the net proceeds from the sale of the Equipment, the Equipment Lien Reserve the Total Lien Amount, or such greater amount as may be necessary to pay any liens registered against the Equipment prior to the date of the Distribution Order;
- (ii) From the net proceeds from the sale of Assets pursuant to the APA, the Priority Claims Reserve, being the aggregate of all amounts claimed in accordance with the provisions of the Distribution Order prior to the Reserve Bar Date in connection with any security interests or charges evidenced by registrations against the Debtors pursuant to the Personal Property Security Act (“PPSA”) of British Columbia or Alberta, or pursuant to the Uniform Commercial Code (“Secured Claims”) or other state law relating to the registration of Secured Claims in Alaska where such Secured Claims may, by virtue of priority of registration, or pursuant to the claim of a person asserting a Secured Claim, have priority to the security interests of HSBC or DHI to the Assets;
- (iii) The APA Reserve in the amount of all amounts that might be payable to the Purchasers pursuant to the provisions of the APA;
- (iv) From funds received in respect of each of the Bonded Projects, a Bonded Project Reserve in the amount that is the lesser of:
 - (a) the face amount of the Bond issued on the Bonded Project;

- (b) the amount of accounts receivable collected on account of the Bonded Project; and
 - (c) the aggregate of the amounts of all claims, if any, made against the Bond within the 90 Day Period;
- (v) Out of any funds received by the Receiver in respect of any Tercon Project the aggregate of the amounts of all claims for lien that have been preserved in accordance with applicable lien legislation or that may constitute trust funds pursuant to applicable lien legislation (the **“Lien and Trust Reserve”**);
- (vi) From the proceeds of sale of any Property delivered to the Receiver by a Possessory Claimant (as defined in the Receivership Order) pursuant to paragraph 5 of the Receivership Order, an amount which is the lesser of:
- (a) the alleged Possessory Claim; and
 - (b) the proceeds of sale of the Property against which the Possessory Claim is made (the **“Possessory Claim Reserve”**);
- (vii) The Receivership Reserve, being an amount determined by the Receiver, in its sole discretion, to be sufficient to pay all of the Receiver’s fees, costs, expenses and disbursements during the Receivership Proceedings (the **“Receiver’s Costs”**), to the date of its discharge.

PAYMENTS FROM RESERVES AND DISTRIBUTIONS TO HSBC

26. The proposed Distribution Order provides authority, with the agreement of HSBC and DHI in certain cases, to make payments from the Disbursable Reserves (being the Equipment Lien Reserve, the Priority Claims Reserve, the APA Reserve and the Possessory Claim Reserve) in circumstances where a third party has adequately proven its entitlement. No distributions will be made from the Bonded Project Reserve or the Lien and Trust Reserve without further order of the Court.
27. The proposed Distribution Order authorizes and directs the Receiver to make distributions to HSBC from time to time once it has funds in excess of \$500,000, net of the Reserves, available to distribute.
28. As reported in the Receiver's First Report, and subject to the caveats contained therein:
- (i) the Receiver's Canadian Counsel has rendered an opinion for the provinces of British Columbia and Alberta that the security granted by Tercon to each of HSBC and DHI is valid, perfected and enforceable and
 - (ii) the Receiver's US Counsel has reviewed the security granted by Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. ("**Tercon Alaska**") to HSBC and has confirmed to the Receiver that the said security is properly registered under the Uniform Commercial Code ("**UCC**") in the State of Alaska.

The Receiver respectfully submits to the Court this, its Second Report.

Dated this 15th day of January, 2013.

FTI Consulting Canada Inc.

in its capacity as receiver of

Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd.,

Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd.,

Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd.,

Tercon Equipment Alaska Partnership and Tercon Alaska Ltd.

and not in its personal or corporate capacity



Nigel D. Meakin
Senior Managing Director



Jeff Rosenberg
Managing Director

Appendix A

Lien Summary

Summary of Registered Liens as of January 3, 2013¹

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
Kal Tire	June 21, 2012	<i>Repairer's Lien Act (BC)</i>	\$2,266.60	2005 Sterling, Serial No. 2FZH AZCVX6V32545	Tercon Equipment
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$118,278.17	Caterpillar 777F Serial No. CAT0777FAJRP00781	Tercon Equipment
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$60,649.01	Caterpillar 385C Serial No. CAT0385CJEDA00206	North Central
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$63,497.46	Caterpillar 777D Serial No. CAT0777DCAGC01988	Tercon Equipment
Kal Tire	August 15, 2012	<i>Repairer's Lien Act (BC)</i>	\$1,461.02	Ford F250 Serial No. 1FTSX21565EB94358	Tercon Equipment
Brandt Tractor	August 28, 2012	<i>Repairer's Lien Act (BC)</i>	\$76,474.08	JD 300D Serial No. DW300DT615411	Tercon Equipment
Integrated Distribution Systems LP o/a Wajax Industries	August 12, 2012	<i>Repairer's Lien Act (BC)</i>	\$77,455.00	2010 Hitachi EX1900 Serial No. 105	Tercon Equipment Alaska Partnership
Kal Tire	November 14, 2012	<i>Repairer's Lien Act (BC)</i>	\$1,636.77	2010 GMC Yukon Pickup Serial No. 1GKUKKEEF4AR267228	Tercon Equipment
Kal Tire	September 26, 2012	<i>Repairer's Lien Act (BC)</i> <i>Garage Keepers' Lien Act (Alberta)</i>	\$28,825.55	Caterpillar 735 Serial No. CAT00735HAWR00663	AC&T and Tercon Construction
Kal Tire	June 21, 2012	<i>Garage Keepers' Lien Act (Alberta)</i>	\$2,266.60	Sterling Boom Truck Serial No. 2FZH AZCVX6V32545	Tercon Equipment
Brandt Tractor	November 8, 2012	<i>Garage Keepers' Lien Act (Alberta)</i>	\$6,892.19	Serial No. 1DW544KOLBD637119	AC&T
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$3,313.18	2007 Caterpillar Model 777F, serial no. JRP00597	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.

¹ Alaska registrations filed as amendments under *Alaska Stat. §34.35.130* on January 12, 2013 included

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$2,871.87	2000 Caterpillar Model 777F, serial no. JRP00461	Tercon Equipment Alaska / Tercon Alaska Ltd.Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$2,902.24	2007 Caterpillar Model 777F, serial no. JRP00356	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$6,867.41	2008 Caterpillar Model 777F, serial no. JRP01126	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$12,857.94	2007 Caterpillar Model 777F, serial no. JRP00781	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$3,378.18	2006 Caterpillar Model 777D, serial no. AGC02325	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$5,354.67	2007 Caterpillar Model 777D, serial no. AGC01984	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$8,439.16	2000 Caterpillar Model 16M, serial no. B9H00766	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$31,685.94, amended to \$33,230.94	2008 Caterpillar Model D10T, serial no. RJG01532	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$63,927.08, amended to \$64,545.08	2005 Caterpillar Model D10T, serial no. RJG00226	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$37,875.92	2007 Caterpillar Model 777F, serial no. JRP00462	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$129,093.70	2007 Caterpillar Model 777F, serial no. JRP00460	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$16,195.51, amended to \$38,211.76	2007 Caterpillar Model 777F, serial no. JRP00957	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$8,731.54	2007 Caterpillar Model 777F, serial no. JRP00730	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$464.05	2006 Caterpillar Model 777D, serial no. AGC02330	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$11,226.07, amended to \$19,569.07	2006 Caterpillar Model 777D, serial no. AGC02329	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$1,062.45	2006 Caterpillar Model 777D, serial no. AGC02312	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$85,813.39, amended to \$86,122.39	2004 Caterpillar Model 992G, serial no. AZX00298	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$9,837.50	2002 Hitachi Excavator, serial no. 18C00A00000105	Tercon Equipment Alaska Partnership

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$19,287.85	2007 Caterpillar Model 777F, serial no. JRP00498	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$55,446.38	1995 Caterpillar Model D10R, serial no. 3KR01034	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$2,705.96	2012 Volvo loader, serial no. L110GH00008185	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$3,620.82, amended to \$4,238.82	2006 Caterpillar Model 777D, serial no. AGC01988	Tercon Equipment Alaska Partnership
Rainer Equipment Inc.	January 9, 2013	<i>Alaska Stat. §34.35.130</i>	\$72,907.40	2007 Caterpillar 777F SN# CAT0777FAJRP00781 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FJJRP00730 ROCK TRUCK 2008 Caterpillar 777F SN# CAT0777FEJRP01126 2007 Caterpillar 777F SN# CAT0777FJJRP00498 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FIJRP00460 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FEJRP00462 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FAJRP00957 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FCJRP00356 ROCK TRUCK	Tercon Equipment Alaska Partnership

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
				2007 Caterpillar 777F SN# CAT0777FHJRP00461 ROCK TRUCK	
				2007 Caterpillar 777F SN# CAT0777FHJRP00461 ROCK TRUCK	
				2006 Hitachi EX1900-5 SN# HCM18C00A00000105 HYDRAULIC EXCAVATOR	
				1998 Caterpillar D10R SN# 3KR01034 CRAWLER TRACTOR	
				2005 Caterpillar D10T SN# RJG00226 CRAWLER TRACTOR	
				2008 Caterpillar D10T SN# RJG01532 CRAWLER TRACTOR	
				2005 Caterpillar 777D SN# CAT0777DTAGC01984 ROCK TRUCK	
				2005 Caterpillar 777D SN# CAT0777DCAGC01988 ROCK TRUCK	
				2006 Caterpillar 777D SN# CAT0777DCAGC02325 ROCK TRUCK	
				2006 Caterpillar 777D SN# CAT0777DPAGC02330 ROCK TRUCK	
				2006 Calendar 777D SN# CAT0777DJAGC02329 ROCK TRUCK	
				2006 Caterpillar 777D SN# CAT0777DTAGC02312 ROCK TRUCK	

Note: the validity, enforceability and priority of liens registered has yet to be determined