



No. S128887 Vancouver Registry

Tercon Investments Ltd. et al.

FOURTH REPORT OF THE RECEIVER

February 26, 2013

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

**FOURTH REPORT TO THE COURT SUBMITTED BY
FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER**

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. On January 21, 2013, Mr. Justice Sewell granted the following Orders:
 - (i) An Order, *inter alia*, providing for the setting up of certain reserves by the Receiver from proceeds of realization and authorizing the distribution of funds in excess of the reserves to HSBC (the “**Distribution Order**”); and

- (ii) An Order, *inter alia*, authorizing and directing the Receiver, unless otherwise agreed with HSBC and DHI, to file assignments in bankruptcy for and on behalf of each of the Tercon companies and providing for the co-ordination of the Receivership Proceedings and the bankruptcy proceedings (the “**Bankruptcy Co-Ordination Order**”).

5. The purpose of this, the Receiver’s Fourth Report, is to provide information to the Court with respect to:

- (i) The release of equipment to Equipment Lessors in accordance with the Return Protocol; and
- (ii) Receipts and disbursements since the Date of Appointment;

and to request the granting by the Court of:

- (iii) Approving the Receiver’s purchase (buy-out) of certain equipment from Emkay Canada Leasing Corp. (“**Emkay**”) and North Central Rental and Leasing, a Division of Butler Machinery Co. (“**Butler**”);
- (iv) An Order approving the Asset Purchase and Sale Agreement dated as of February 26, 2013 between the Receiver as Vendor and Ritchie Bros. Auctioneers (Canada) Inc. and Ritchie Bros. Auctioneers (America) Inc. as Purchasers (the “**February 26 APA**”) with respect to the equipment that the Receiver has agreed to acquire from Emkay and Butler and authorizing the Receiver to complete the transactions contemplated thereby in accordance with the terms of the February 26 APA and the Approval and Vesting Order submitted by the Receiver to the Court, including making payments to Emkay and Butler from the net proceeds of the February 26 APA in accordance with the buy-out arrangements agreed with Emkay and Butler.

TERMS OF REFERENCE

6. 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 assumptions regarding future events; actual results may vary from forecast and such variations may be material.
7. 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.
8. 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 Receiver's previous Reports.

RELEASE OF EQUIPMENT TO EQUIPMENT LESSORS

9. The Receiver has completed its review of the claims of Equipment Lessors and, with the exception of the equipment subject to the Buy Out Provisions as defined and described later in this report, all of the equipment subject to Equipment Lessor Claims has now been recovered, or is in the process of being recovered, by the Equipment Lessors in accordance with the provisions of the Return Protocol.

RECEIPTS AND DISBURSEMENTS

10. Receipts and disbursements from the Date of Appointment to February 22, 2013 are summarized as follows:

	CAD\$	US\$
Receipts:		
Cash Transferred from Tercon	1,056,094	389,712
A/R Collections	651,513	370
Other Collections	164	1,647
HST/GST on Collections	295,506	0
HST/GST Refunds	122,418	0
Net Proceeds from Equipment Sale	11,208,200	0
Interest	6,908	0
Total Receipts	13,340,803	391,729
Disbursements:		
Independent Contractor Payments	285,964	0
Demobilization Costs	494,687	214,872
Office	96,937	414
Other Operating	15,581	0
Legal and Professional Fees	878,714	43,572
HST/GST on Disbursements	163,834	0
Total Disbursements	1,935,717	258,858
Excess/(Shortfall)	11,405,086	132,871

BUY-OUT OF LEASED EQUIPMENT AND SALE TO RITCHIE BROS

11. During its review of claims made by Equipment Lessors, the Receiver determined that there was value in excess of the amount owing under the relevant leases for ten pieces of equipment (the **“Buy-Out Equipment”**).
12. With the consent of HSBC, the Receiver has agreed to the buy-out of these pieces from the relevant Equipment Lessors pursuant to agreements with Emkay, a copy of which is attached as Appendix A hereto (the **“Emkay Agreement”**), and Butler, a copy of which is attached as Appendix B hereto (the **“Butler Agreement”**, and together with the Emkay Agreement, the **“Buy Out Provisions”**).
13. The Buy Out Provisions are subject to Court approval and the purchase price is payable only from the net proceeds of the February 26 APA.

14. The Receiver has, subject to Court approval, entered into the February 26 APA pursuant to which the Buy-Out Equipment will be sold to Ritchie Bros. The terms of the February 26 APA are substantially consistent with the terms of the APA previously approved by the Court. A copy of the February 26 APA is attached hereto as Appendix C.
15. Given the purchase by Ritchie Bros of all of the Tercon Equipment, the nature of the equipment, the small number of pieces subject to the Buy Out Provisions and the costs of marketing, the Receiver concluded that it would be unlikely that any other party would pay substantially more than Ritchie Bros for the Buy-out Equipment. The Receiver discussed this view with HSBC, the only stakeholder with any economic interest in any equity from the Buy-Out Equipment, which concurred with the Receiver's position. Accordingly, the Receiver did not actively market the Buy-Out Equipment.
16. The Receiver did receive one competing offer for the equipment subject to the Emkay Agreement, which offer was inferior to the offer received from Ritchie. The Receiver also compared the offers received from Ritchie Bros for the Buy-Out Equipment to opinions of value provided by Ritchie Bros to Tercon in October 2012 and was satisfied that the proposed purchase price was reasonable in the circumstances. HSBC concurred.
17. Completion of the transactions contemplated by the Buy Out Provisions and the February 26 APA would result in net realizations of approximately \$88,400.
18. Accordingly, the Receiver now seeks the Approval and Vesting Order contemplated by the February APA.

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

Dated this 26th day of February, 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

The Emkay Agreement

BILL OF SALE

THIS AGREEMENT made as of the 22nd day of February, 2013.

BETWEEN:

EMKAY CANADA LEASING CORP., a body corporate having an its head office at 3109 Bloor Street West, in the City of Toronto, in the Province of Ontario, M8X 1E2

(the "Vendor")

- and -

FTI CONSULTING CANADA INC., in its capacity 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, "Tercon") and not in its personal capacity

(the "Purchaser")

WHEREAS pursuant to an order ("Receivership Order") of Justice Sewell of the Supreme Court of British Columbia (the "Court") granted on December 14, 2012, the Purchaser was appointed Receiver of Tercon.

AND WHEREAS Tercon Equipment Ltd. entered into a Master Vehicle Lease Agreement with Jim Peplinski's Auto Leasing Ltd. ("Peplinski's") dated as of November 21, 2008 (the "Master Lease"), and Peplinski's interests under the Master Lease were subsequently assigned to the Vendor.

AND WHEREAS the Vendor has a security interest in the motor vehicles described in Schedule "A" hereto that have been leased to Tercon Equipment Ltd. pursuant to the Master Lease (the "Vehicles").

AND WHEREAS the Vendor has agreed to the sale of the Vehicles to the Purchaser and the Purchaser has agreed to purchase the Vehicles from the Vendor on the terms and conditions set forth herein.

NOW THEREFORE THIS BILL OF SALE WITNESSES that in consideration of the sum of \$142,507.51 (the "**Purchase Price**") of lawful money of Canada to be paid by the Purchaser pursuant to the terms hereof and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor, subject to the issuance by the Court of the Approval and Vesting Order, sells, conveys, transfers, assigns and sets over unto the Purchaser, its successors and assigns all of its right, title and interest in and to the Vehicles.

The Vendor hereby represents and warrants to the Purchaser that the Vendor has done no act to encumber the Vehicles or any part thereof, and has the authority to sell, assign and transfer to the Purchaser its right, title and interest in and to the Vehicles free and clear of all liens, claims and encumbrances.

The Purchaser acknowledges to and in favour of the Vendor that it has conducted its own investigations and inspections of the Vehicles, that it has relied upon its own investigations and inspections in entering into this Bill of Sale, that it will accept the Vehicles in their present state, condition and location, and that it is purchasing the Vehicles on an "as is, where is" basis.

The Vendor shall, at all times and from time to time, at the request of the Purchaser, execute all such additional documents as the Purchaser may reasonably require to sell, convey and transfer the Vehicles to the Purchaser according to the true intent and meaning of this Bill of Sale, including, without limitation, the transfer of ownership or registration for each of the Vehicles.

The Purchaser covenants and agrees to pay to the Vendor all applicable Sales Tax in connection with the sale and transfer of the Vehicles by the Vendor. For greater certainty, the Purchase Price is net of taxes and shall not be reduced on account of any taxes payable in connection herewith.

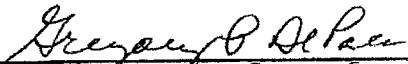
The Vendor and the Purchaser acknowledge and agree that the transfer of the title to the Vehicles to the Purchaser is conditional upon the Court issuing the Approval and Vesting Order substantially in the form attached hereto as Schedule "B" and that, as a result, payment of the Purchase Price will be from the Net Proceeds (as defined in the Approval and Vesting Order) of the sale of the Vehicles as authorized and directed in the Approval and Vesting Order. The Vendor will not be required to discharge any registrations against the serial number of any of the Vehicles until the Approval and Vesting Order is issued. The Vendor agrees to discharge all such registrations forthwith after the Approval and Vesting Order is issued.

This Bill of Sale may be executed by the parties hereto in separate counterparts (which counterparts may be delivered by telecopier with the original forwarded immediately thereafter) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.


This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of Ontario, and of the laws of Canada applicable therein, which shall be deemed to be the proper law hereof.

IN WITNESS WHEREOF the parties hereto have executed this Bill of Sale on the date first written above.

EMKAY CANADA LEASING CORP.

Per: 
Name: GREGORY P. DePace
Title: SENIOR Vice President

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of Tercon Investments, Inc., 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 capacity

Per: 
Name: Nigel D. Meuter
Title: Senior Managing Director

Schedule A

YEAR	MAKE	MODEL	MODEL DESC	S/N
2011	FORD	F250	CREW CAB 4X4	1FT7W2B64BEB67865
2011	FORD	F250	CREW CAB 4X4	1FT7W2B63BEB49857
2011	FORD	F250	CREW CAB 4X4	1FT7W2B61BEB49856
2011	FORD	F250	CREW CAB 4X4	1FT7W28T8BEB01552
2011	FORD	F250	CREW CAB 4X4	1FT7W2B63BEC22368
2011	CHEV	TAHOE	4X4	1GNSKBE05BR184249
2010	FORD	F150	CREW CAB 4X4	1FTFW1EV3AFC13574
2010	FORD	F150	CREW CAB 4X4	1FTFW1EV2AFC73796
2011	FORD	E350		1FBNE3BL9BDA43607

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

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
)
MR. JUSTICE SEWELL) •/FEB/2013

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 • day of February, 2013; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on

Schedule "A" hereto, AND UPON READING the material filed, including the Third Report of the Receiver dated [●], 2013 (the "Third Report")¹;

THIS COURT ORDERS AND DECLARES THAT:

1. The purchase by the Receiver of the Equipment by the exercise of the "Buy Out Provisions", as described in the Third Report, is hereby approved.
2. The sale transaction (the "Transaction") contemplated by the Asset Purchase and Sale Agreement dated February [●], 2013 (the "Sale Agreement") between the Receiver, as vendor, and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc., as purchasers (the "Purchasers"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved with such minor amendments as the Receiver may deem necessary, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction(s) and for the conveyance to the Purchasers of the Equipment described in the Sale Agreement (the "Purchased Equipment").
3. Upon delivery by the Receiver to the Purchasers of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Equipment shall vest absolutely in the Purchasers in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims" including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated December 14, 2012 in this proceeding; (ii) all charges, security interests or claims evidenced by registrations against the Debtors pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (collectively, "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Equipment are hereby expunged and discharged as against the Purchased Equipment. The Receiver is authorized to file a financing change statement to record a discharge of any registration against any serial numbered piece of Purchased Equipment.
4. For the purposes of determining the nature and priority of Claims, the Net Proceeds (as defined in the Third Report) from the sale of any Purchased Equipment shall stand in the place and stead of the Purchased Equipment, and from and after the delivery of the Receiver's Certificate all Claims shall, subject to the terms of paragraph 5 of the Receivership Order, attach to the Net Proceeds from the sale of the Purchased Equipment

¹ All capitalized terms not defined in this Order shall have the meaning ascribed to them in the Third Report.

with the same priority as they had with respect to any Purchased Equipment immediately prior to, and be determined as of the close of business on the date of the sale, as if the Purchased Equipment had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. Subject to the terms of the Sale Agreement, possession of the Purchased Equipment shall be delivered by the Receiver to the Purchasers as at the Closing (as defined in the Sale Agreement) of the Purchased Equipment.
7. The Receiver, with the consent of the Purchasers, shall be at liberty to extend any such Closing to such later date as those parties may agree without the necessity of a further Order of this Court.
8. In the event that the Receiver has entered into a buy-out arrangement for a piece (or pieces) of Equipment from a secured party with a Priority Claim (as defined in the Sale Agreement) pursuant to the Buy Out Provisions (as described in the Third Report), the Receiver is authorized to use the Net Proceeds to pay the applicable buy-out amount to the secured party with the Priority Claim as soon as practical following the delivery of the Receiver's Certificate.
9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Equipment in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. The Third Report, and the activities of the Receiver described therein are hereby approved.

11. 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.
12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE APPROVAL OF COUNSEL SET OUT IN SCHEDULE "A" OF THIS ORDER, OTHER THAN COUNSEL FOR FTI CONSULTING CANADA INC., IS HEREBY DISPENSED WITH

Signature of Magnus Verbrugge

Party Lawyer for
FTI Consulting Canada Inc.

BY THE COURT

REGISTRAR

Schedule A – List of Counsel

Schedule "B" – Asset Purchase Agreement

Schedule "C" – Receiver's Certificate

No. S128887
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF AN APPLICATION PURSUANT TO
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BETWEEN:

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LTD., TERCON MRC LIMITED, FNP VENTURES INC., TERCON MINING PV LTD.,
TERCON EQUIPMENT ALASKA PARTNERSHIP AND TERCON ALASKA LTD.**

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Sewell of the Supreme Court of British Columbia (the "Court") dated December 14, 2012, FTI Consulting Canada Inc. was appointed as the receiver (the "Receiver") of all the assets, undertakings, 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").

B. Pursuant to an Approval and Vesting Order of the Court dated February •, 2013, the Court approved the Asset Purchase and Sale Agreement made as of February •, 2012 (the "Sale Agreement") between the Receiver and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc. (the "Purchasers") and provided for the vesting in the Purchasers of the Debtors' right, title and interest, if any, in and to the Purchased Equipment, which vesting is to be effective with respect to the Purchased Equipment upon the delivery by the Receiver to the Purchasers of a Receiver's Certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Equipment; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers with respect to the Purchased Equipment; and (iii) the Transaction has been completed to the satisfaction of the Receiver with respect to the Purchased Equipment.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Equipment pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser with respect to the Purchased Equipment; and
3. The Transaction with respect to the Purchased Equipment has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver with respect to the Purchased Equipment at _____
[TIME] on _____ [DATE].

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

Per: _____

Name:

Title:

Appendix "1" – List of Purchased Equipment

[List of Purchased Equipment]

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AND SECTION 39 OF THE LAW AND EQUITY ACT,
R.S.B.C. 1996 C.253, AS AMENDED

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

APPROVAL AND VESTING ORDER

Appendix B

The Butler Agreement

BILL OF SALE

THIS AGREEMENT made as of the **22nd** day of February, 2013.

BETWEEN:

NORTH CERTAL RENTAL AND LEASING, A DIVISION OF BUTLER MACHINERY CO., a body corporate having an office Box 9559, Fargo, North Dakota, U.S.A. 58106-9559

(the "**Vendor**")

- and -

FTI CONSULTING CANADA INC., in its capacity 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, "**Tercon**") and not in its personal capacity

(the "**Purchaser**")

WHEREAS pursuant to an order ("**Receivership Order**") of Justice Sewell of the Supreme Court of British Columbia (the "**Court**") granted on December 14, 2012, the Purchaser was appointed Receiver of Tercon.

AND WHEREAS Tercon Equipment Ltd. entered into the Equipment Rental Agreement with the Vendor dated June 28, 2011 (the "**Rental Agreement**").

AND WHEREAS the Vendor has a security interest in a Caterpillar 385CL ME hydraulic excavator serial number EDA00206 that had been rented to Tercon Equipment Ltd. pursuant to the Rental Agreement (the "**Equipment**").

AND WHEREAS the Vendor has agreed to the sale of the Equipment to the Purchaser and the Purchaser has agreed to purchase the Equipment from the Vendor on the terms and conditions set forth herein.

NOW THEREFORE THIS BILL OF SALE WITNESSES that in consideration of the sum of SEVENTY SIX THOUSAND AND SIXTY THREE DOLLARS (US\$76,063.00) (the "**Purchase Price**") of lawful money of the United States of America to be paid by the Purchaser pursuant to the terms hereof and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor, subject to the issuance by the Court of the Approval and Vesting Order, sells, conveys, transfers, assigns and sets over unto the Purchaser, its successors and assigns all of its right, title and interest in and to the Equipment.

The Vendor hereby represents and warrants to the Purchaser that the Vendor has done no act to encumber the Equipment or any part thereof, and has the authority to sell, assign and transfer to the Purchaser its right, title and interest in and to the Equipment free and clear of all liens, claims and encumbrances.

The Purchaser acknowledges to and in favour of the Vendor that it has conducted its own investigations and inspections of the Equipment, that it has relied upon its own investigations and inspections in entering into this Bill of Sale, that it will accept the Equipment in its present state, condition and location, and that it is purchasing the Equipment on an "as is, where is" basis.

The Vendor shall, at all times and from time to time, at the request of the Purchaser, execute all such additional documents as the Purchaser may reasonably require to sell, convey and transfer the Equipment to the Purchaser according to the true intent and meaning of this Bill of Sale, including, without limitation, the transfer of ownership or registration for the Equipment.

The Purchaser covenants and agrees to pay to the Vendor all applicable Sales Tax in connection with the sale and transfer of the Equipment by the Vendor. For greater certainty, the Purchase Price is net of taxes and shall not be reduced on account of any taxes payable in connection herewith.

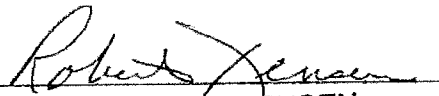
The Vendor and the Purchaser acknowledge and agree that the transfer of the title to the Equipment to the Purchaser is conditional upon the Court issuing the Approval and Vesting Order substantially in the form attached hereto as Schedule "A" and that, as a result, payment of the Purchase Price will be from the Net Proceeds (as defined in the Approval and Vesting Order) of the sale of the Equipment as authorized and directed in the Approval and Vesting Order. The Vendor will not be required to discharge any registrations against the serial number of any of the Equipment until the Approval and Vesting Order is issued. The Vendor agrees to discharge all such registrations forthwith after the Approval and Vesting Order is issued.

This Bill of Sale may be executed by the parties hereto in separate counterparts (which counterparts may be delivered by telecopier with the original forwarded immediately thereafter) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.

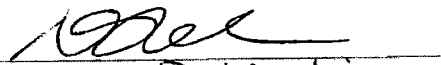
This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of Ontario, and of the laws of Canada applicable therein, which shall be deemed to be the proper law hereof.

IN WITNESS WHEREOF the parties hereto have executed this Bill of Sale on the date first written above.

**NORTH CERTAL RENTAL AND
LEASING, A DIVISION OF BUTLER
MACHINERY CO.**

Per: 
Name: ROBERT JENSEN
Title: Treasurer

**FTI CONSULTING CANADA INC., in
its capacity as receiver of the assets,
undertakings and properties of Tercon
Investments, Inc., 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 capacity**

Per: 
Name: Nigel D. Meakin
Title: Senior Managing Director

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

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
)
MR. JUSTICE SEWELL) •/FEB/2013

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 • day of February, 2013; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on

Schedule "A" hereto, AND UPON READING the material filed, including the Third Report of the Receiver dated [●], 2013 (the "Third Report")¹;

THIS COURT ORDERS AND DECLARES THAT:

1. The purchase by the Receiver of the Equipment by the exercise of the "Buy Out Provisions", as described in the Third Report, is hereby approved.
2. The sale transaction (the "Transaction") contemplated by the Asset Purchase and Sale Agreement dated February [●], 2013 (the "Sale Agreement") between the Receiver, as vendor, and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc., as purchasers (the "Purchasers"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved with such minor amendments as the Receiver may deem necessary, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction(s) and for the conveyance to the Purchasers of the Equipment described in the Sale Agreement (the "Purchased Equipment").
3. Upon delivery by the Receiver to the Purchasers of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Equipment shall vest absolutely in the Purchasers in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims" including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated December 14, 2012 in this proceeding; (ii) all charges, security interests or claims evidenced by registrations against the Debtors pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (collectively, "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Equipment are hereby expunged and discharged as against the Purchased Equipment. The Receiver is authorized to file a financing change statement to record a discharge of any registration against any serial numbered piece of Purchased Equipment.
4. For the purposes of determining the nature and priority of Claims, the Net Proceeds (as defined in the Third Report) from the sale of any Purchased Equipment shall stand in the place and stead of the Purchased Equipment, and from and after the delivery of the Receiver's Certificate all Claims shall, subject to the terms of paragraph 5 of the Receivership Order, attach to the Net Proceeds from the sale of the Purchased Equipment

¹ All capitalized terms not defined in this Order shall have the meaning ascribed to them in the Third Report.

with the same priority as they had with respect to any Purchased Equipment immediately prior to, and be determined as of the close of business on the date of the sale, as if the Purchased Equipment had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. Subject to the terms of the Sale Agreement, possession of the Purchased Equipment shall be delivered by the Receiver to the Purchasers as at the Closing (as defined in the Sale Agreement) of the Purchased Equipment.
7. The Receiver, with the consent of the Purchasers, shall be at liberty to extend any such Closing to such later date as those parties may agree without the necessity of a further Order of this Court.
8. In the event that the Receiver has entered into a buy-out arrangement for a piece (or pieces) of Equipment from a secured party with a Priority Claim (as defined in the Sale Agreement) pursuant to the Buy Out Provisions (as described in the Third Report), the Receiver is authorized to use the Net Proceeds to pay the applicable buy-out amount to the secured party with the Priority Claim as soon as practical following the delivery of the Receiver's Certificate.
9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Equipment in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. The Third Report, and the activities of the Receiver described therein are hereby approved.

11. 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.
12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE APPROVAL OF COUNSEL SET OUT IN SCHEDULE "A" OF THIS ORDER, OTHER THAN COUNSEL FOR FTI CONSULTING CANADA INC., IS HEREBY DISPENSED WITH

Signature of Magnus Verbrugge

Party Lawyer for

FTI Consulting Canada Inc.

BY THE COURT

REGISTRAR

Schedule A – List of Counsel

Schedule "B" – Asset Purchase Agreement

Schedule "C" – Receiver's Certificate

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Sewell of the Supreme Court of British Columbia (the "Court") dated December 14, 2012, FTI Consulting Canada Inc. was appointed as the receiver (the "Receiver") of all the assets, undertakings, 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").

B. Pursuant to an Approval and Vesting Order of the Court dated February •, 2013, the Court approved the Asset Purchase and Sale Agreement made as of February •, 2012 (the "Sale Agreement") between the Receiver and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc. (the "Purchasers") and provided for the vesting in the Purchasers of the Debtors' right, title and interest, if any, in and to the Purchased Equipment, which vesting is to be effective with respect to the Purchased Equipment upon the delivery by the Receiver to the Purchasers of a Receiver's Certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Equipment; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers with respect to the Purchased Equipment; and (iii) the Transaction has been completed to the satisfaction of the Receiver with respect to the Purchased Equipment.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Equipment pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser with respect to the Purchased Equipment; and
3. The Transaction with respect to the Purchased Equipment has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver with respect to the Purchased Equipment at _____
[TIME] on _____ [DATE].

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

Per: _____
Name:
Title:

Appendix "1" – List of Purchased Equipment

[List of Purchased Equipment]

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

- 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^{PLC}**

Respondents

APPROVAL AND VESTING ORDER

Appendix C

The February 26 APA

EXECUTION COPY

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 26th day of February, 2013

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity 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. and not in its personal capacity (hereinafter called the "**Vendor**")

OF THE FIRST PART

- and -

RITCHIE BROS. AUCTIONEERS (CANADA) LTD., a body corporate having an its head office at 9500 Glenlyon Parkway, in the City of Burnaby, in the Province of British Columbia, V5J 0C6 (hereinafter called the "**Canadian Purchaser**")

OF THE SECOND PART

RITCHIE BROS. AUCTIONEERS (AMERICA) INC., a body corporate having an its head office at 4000 Pine Lake Road, in the City of Lincoln, in the State of Nebraska, 68516 (hereinafter called "**US Purchaser**")

OF THE THIRD PART

WHEREAS pursuant to an order ("**Receivership Order**") of Justice Sewell of the Supreme Court of British Columbia granted on December 14, 2012, the Vendor was appointed Receiver of Tercon;

AND WHEREAS the Vendor has, subject to the approval of the Court, agreed to the sale of the Equipment to the Purchasers and the Purchasers have agreed to purchase the Equipment from the Vendor on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants and agreement herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals the Schedules and this Article 1, the following terms shall have the respective meanings hereby assigned to them:

- (a) **"Affiliate"** has the meaning attributed thereto in the *Business Corporations Act* (British Columbia);
- (b) **"Agent"** means HSBC Bank Canada ("**HSBC**") as Lead Arranger, Bookrunner and Administrative Agent under the senior secured credit agreement dated as of February 28, 2012, as amended, between, *inter alia*, HSBC, certain lenders from time to time and Tercon;
- (c) **"Agreement"** means this document, together with the Schedules attached hereto and made a part hereof;
- (d) **"Allocated Value"** means the dollar value ascribed to each item of Equipment on Schedule "**A**" attached hereto;
- (e) **"Approval and Vesting Order"** means an order to be granted by the Court that authorizes Vendor to exercise the rights of the Debtors to buy-out the Equipment, execute and perform this Agreement and vest the Equipment in the Purchasers, substantially in the form of Order attached as Schedule "**B**" to this Agreement;
- (f) **"Business"** means the business carried out by Tercon prior to the appointment of the Receiver;
- (g) **"Business Day"** means any day, except Saturdays, Sundays and statutory holidays, on which banks are generally open for business in the Province of British Columbia;
- (h) **"Canadian Equipment"** means the equipment listed on Schedule "**A**" attached hereto and delivered to a Delivery Location in Canada;
- (i) **"Canadian Equipment Purchase Price"** means the portion of the Equipment Purchase Price determined from the total of all Allocated Values listed on Schedule "**A**" attached hereto in respect of Canadian Equipment;
- (j) **"Claims"** means any claim of any kind or nature, including any demand, cause of action, suit, default, assessment, litigation, third party action or proceeding asserted by a Third Party;
- (k) **"Closing"** means the successful completion of the purchase and sale of the Equipment as contemplated by this Agreement;



- (l) **"Closing Date"** means the day that is the later of two (2) Business Days after: (A) the date on which the Approval and Vesting Order is issued by the Court; and (B) the date on which all conditions in Clause 3.2 and Clause 3.3 hereof are satisfied;
- (m) **"Closing Time"** means 11:00 a.m. (Vancouver time) on the Closing Date, or such other time as agreed to in writing by the Vendor and the Purchasers;
- (n) **"Court"** means the Supreme Court of British Columbia;
- (o) **"Delivery Location"** shall have the meaning ascribed to it in Clause 6.1 hereof;
- (p) **"Dumas Secured Parties"** means Dumas Holdings Inc. (formerly known as 0833824 B.C. Ltd.);
- (q) **"Effective Date"** means 12:01 A.M. Vancouver time as of the date of this Agreement;
- (r) **"Equipment"** means the equipment listed on Schedule "A" attached hereto, which shall, subject to Clause 2.2 hereof, include all Canadian Equipment and all US Equipment;
- (s) **"Equipment Purchase Price"** has the meaning ascribed in Clause 2.2 hereof and, for greater certainty, means the aggregate of the Canadian Equipment Purchase Price and the US Equipment Purchase Price;
- (t) **"Final Delivery Date"** means February 28, 2013 or such other date as may be agreed to between the Parties;
- (u) **"Governmental Authority"** means any government or political subdivision thereof, any agency of government appointed pursuant to the Regulations and any other body or agency having, or purporting to have, authority over the Equipment or any operation or activity thereon or with respect thereto;
- (v) **"Maintenance History"** means all documentation and proof of work order history, component repair and maintenance history for the Equipment identified in the attached Schedule "E" and viewed by the Purchasers' representative on December 3, 2012 at Tercon's offices in Kamloops BC;
- (w) **"Party"** means any Person bound by this Agreement;
- (x) **"Person"** includes individuals, executors, administrators, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities;
- (y) **"Possession Date"** means, with respect to a Delivery Location, the Possession Date set out on the Notice of Possession Date executed by the Purchasers dated February 1, 2013;

- (z) **"Priority Claim"** means a properly perfected security interest that has, at law, priority to the security interests of the Agent and the Dumas Secured Parties;
- (aa) **"Purchase Price"** means the aggregate of the Canadian Equipment Purchase Price and the US Equipment Purchase Price as determined pursuant to Clause 2.2 hereof;
- (bb) **"Purchasers"** means, collectively, the Canadian Purchaser and the US Purchaser;
- (cc) **"Receiver"** means FTI Consulting Canada Inc. in its capacity as receiver of the assets, undertakings and properties of Tercon appointed pursuant to the Receivership Order and not in its personal or corporate capacity;
- (dd) **"Receivership Order"** means the Order of the Court under Action Number S128887 on December 14, 2012 appointing the Receiver;
- (ee) **"Regulations"** means all statutes, laws, rules, orders and regulations in effect from time to time and made by any Governmental Authority;
- (ff) **"Sales Tax"** means all taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada), and other sales and transaction taxes or transaction fees imposed by provincial, federal or state governments in Canada or the US in respect of the Transaction, depending on the location of the Equipment;
- (gg) **"Specific Conveyances"** means the bills of sale for the Equipment substantially in the form attached hereto as Schedule "C" and, in the case of any item of Equipment that is a motor vehicle or subject to registration under motor vehicle legislation, the ownership or registration document with respect to such vehicle;
- (hh) **"Tercon"** means 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.;
- (ii) **"Third Party"** means a Person other than the Vendor and Purchasers;
- (jj) **"Title Documents"** means, in respect of the Equipment, all documents of title (including any permits, purchase and sale agreements, trust agreements and declarations, agreements for the ownership and operation of Equipment, and gathering, transportation and processing agreements) or other agreements that relate to the Equipment, and the ownership and location thereof in the possession of the Vendor;
- (kk) **"Transaction"** means the purchase and sale of the Equipment contemplated by a Closing, pursuant to this Agreement;
- (ll) **"US"** means the United States of America;

- (mm) **"US Equipment"** means the equipment listed on Schedule "A" attached hereto which is delivered to a Delivery Location in the US; and
- (nn) **"US Equipment Purchase Price"** means the portion of the Equipment Purchase Price determined from the total of all Allocated Values listed on Schedule "A" attached hereto for US Equipment;

1.2 Schedules

The following Schedules are attached hereto and made part of this Agreement:

- (a) Schedule "A" – Equipment
- (b) Schedule "B" – Approval and Vesting Order;
- (c) Schedule "C" – Bills of Sale
 - Schedule "C.1" – Bill of Sale for Canadian Equipment;
 - Schedule "C.2" – Bill of Sale for US Equipment;
- (d) Schedule "D" – Certificates
 - Schedule "D.1" – Purchaser's Certificate;
 - Schedule "D.2" – Vendor's Certificate;
- (e) Schedule "E" – Maintenance History

1.3 References

The references "hereunder", "herein" and "hereof" refer to the provisions of this Agreement, and references to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs herein refer to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs of this Agreement. Any reference to time shall refer to Eastern Standard Time or Eastern Daylight Savings Time during the respective intervals in which each is in force.

1.4 Headings

The headings of the Articles, Clauses, Subclauses, Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provisions hereof.

1.5 Singular/Plural

Whenever the singular or masculine or neuter is used in this Agreement or in the schedules, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires.

1.6 Use of Canadian Funds

All references to "dollars" or "\$" herein shall refer to lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such terms shall have a corresponding meaning unless the context otherwise requires.

1.8 Interpretation If Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchasers have acquired the Equipment hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail.

**ARTICLE 2
PURCHASE AND SALE**

2.1 Agreement of Purchase and Sale

Subject to the granting of the Approval and Vesting Order, Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchasers, and Purchasers hereby agree to purchase from the Vendor, all of the right, title, estate and interest (whether absolute or contingent, legal or beneficial), if any, of Tercon in and to the Equipment, subject to and in accordance with the terms of this Agreement. Effective as and from the Closing Date, the Purchasers shall assume and bear all obligations associated with the Equipment.

2.2 Purchase Price

- (a) The aggregate consideration to be paid by the Purchasers to the Vendor for the Equipment shall be THREE HUNDRED AND SEVEN THOUSAND DOLLARS (\$307,000.00) ("Equipment Purchase Price").
- (b) The Equipment Purchase Price shall be deemed to be allocated to, and paid by, the US Purchaser based upon any Equipment located at a Delivery Location in the US as set forth on Schedule "A" attached hereto and the Canadian Purchaser based upon any Equipment located at a Delivery Location in Canada as set forth on Schedule "A" attached hereto.
- (c) Subject to Clause 5.1, to the extent any item of Equipment originally set forth on Schedule "A" attached hereto is not delivered to a Delivery Location in Canada



by the Final Delivery Date or the Vendor is of the opinion, acting reasonably, that such Equipment cannot be transferred to the Purchasers pursuant to the Approval and Vesting Order, then the applicable item of Canadian Equipment shall be removed from Schedule "A" and the Equipment Purchase Price shall be decreased by an amount equal to the "Allocated Value" set forth on Schedule "A" attached hereto for such item of Canadian Equipment.

- (d) Subject to Clause 5.1, to the extent any item of Equipment originally set forth on Schedule "A" attached hereto is not delivered to a Delivery Location in the US by the Final Delivery Date or the Vendor is of the opinion, acting reasonably, that such Equipment cannot be transferred to the Purchasers, then the applicable item of US Equipment shall be removed from Schedule "A" and the Equipment Purchase Price shall be decreased by an amount equal to the "Allocated Value" set forth on Schedule "A" attached hereto for such item of US Equipment.
- (e) Subject to Clause 5.1, to the extent any item of Equipment originally set forth on Schedule "A" attached hereto is not delivered to a Delivery Location in accordance with Clause 7.1(f) hereof prior to the Final Delivery Date and the Purchasers have confirmed such failure to the Vendor by delivering a notice in respect of such Equipment in writing at least two (2) Business Days prior to the Final Delivery Date, then the Purchasers and the Vendor may agree to a mutually acceptable adjustment to the Purchase Price (only as it relates to the "Allocated Value" set forth on Schedule "A" attached hereto for such item of Equipment), failing which the applicable item of Equipment shall be removed from Schedule "A" and the Equipment Purchase Price shall be decreased by an amount equal to the "Allocated Value" set forth on Schedule "A" attached hereto for such item of Equipment.
- (f) At Closing, the applicable Purchaser shall pay to Vendor: (i) the Equipment Purchase Price, with such adjustments, if any, permitted pursuant to Clause 2.2 hereof; and (ii) all applicable Sales Tax (or comparable taxes) payable in respect of the Equipment Purchase Price, which Vendor shall remit according to law. The Sales Tax registration number of Tercon is 86848 7505 and the Sales Tax registration number of the Canadian Purchaser is 877 559 278.

ARTICLE 3 CONDITIONS OF CLOSING

3.1 Court Order

Except as provided in Clause 3.2, it is a condition precedent to Closing for the benefit of both of the Parties that the Court has granted the Approval and Vesting Order on or prior to the Final Delivery Date. Each of the Parties shall fully cooperate in all reasonable efforts to obtain the Approval and Vesting Order.

If the foregoing condition precedent has or have not been satisfied, complied with, or waived by Vendor and Purchasers, at or before the Final Delivery Date, either Party may

terminate this Agreement by two (2) Business Days written notice to the other Parties. If this Agreement is terminated in accordance with this Clause 3.1 each of the Vendor and the Purchasers shall be released and discharged from all obligations hereunder except as provided in Article 10 and the Deposit shall be paid to the Purchasers within three (3) business days of such termination.

Further, it is a condition precedent to Closing with respect to the US Equipment for the benefit of both of the Parties that the Receiver has received the executed DMV transfer document for the US Equipment in a form reasonably satisfactory to Purchasers (the "DMV Transfer"). Each of the Parties shall fully cooperate in all reasonable efforts to obtain the DMV Transfer.

If the condition precedent in the preceding paragraph has not been satisfied, complied with, or waived by Vendor and Purchasers, at or before the Final Delivery Date, this Agreement shall not be terminated and (i) all US Equipment shall be removed from Schedule "A" and the Equipment Purchase Price shall be decreased by an amount equal to the "Allocated Value" set forth on Schedule "A" attached hereto for such item of US Equipment.

3.2 Purchasers' Conditions.

The obligation of Purchasers to purchase the Equipment is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchasers and may be waived by Purchasers:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been duly and timely performed in all material respects; and
- (c) Vendor shall have performed or complied in all material respects with each of the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor at or prior to the Closing Date.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchasers, at or before the Closing Date, the Purchasers may terminate this Agreement by two (2) Business Days written notice to Vendor. If Purchasers terminate this Agreement in accordance with this Clause 3.2 each of Purchasers and Vendor shall be released and discharged from all obligations hereunder except as provided in Article 10.

Notwithstanding the preceding terms of this Clause 3.2, any termination of this Agreement shall not affect any Closing with respect to a Delivery Location that has occurred prior to such termination.



3.3 Vendor's Conditions

The obligation of Vendor to sell the Equipment is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchasers herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchasers contained in this Agreement to be performed prior to or at Closing shall have been duly and timely performed in all material respects;
- (c) any Person with a Priority Claim to the Equipment has consented to the purchase, by the Receiver, of the applicable item of Equipment; and
- (d) Purchasers shall have performed or complied in all material respects with each of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchasers at or prior to the Closing Date.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, the Vendor may terminate this Agreement with two (2) Business Days written notice to Purchasers. If Vendor terminates this Agreement in accordance with this Clause 3.3 each of Vendor and Purchasers shall be released and discharged from all obligations hereunder except as provided in Article 10.

3.4 Efforts to Fulfil Conditions of Closing

The Parties shall proceed diligently and in good faith and use diligent commercial efforts to satisfy and comply with, or assist the other Party in, the satisfaction and compliance with the conditions precedent specified in Clause 3.1, Clause 3.2 and Clause 3.3. If there is a condition precedent that is to be satisfied or complied with prior to the Closing Date, and if, by the time the condition precedent is to be satisfied or complied with by Vendor, the Purchasers have failed to advise Vendor that the condition precedent has not been satisfied or complied with, the condition precedent shall be conclusively deemed to have been waived by the Purchasers.

3.5 Waiver of Conditions

The conditions in Clause 3.2 are for the sole benefit of the Purchasers and the conditions in Clause 3.3 are for the sole benefit of the Vendor. The Party for the benefit of which the condition has been included may waive any of them, in whole or in part, by written notice to the other Party, without prejudice to any of the rights of the other Party including, without limitation, reliance on or enforcement of the representations, warranties or covenants which are preserved and pertain to conditions similar to the condition so waived.



3.6 Failure to Satisfy Conditions

In the event any of the conditions in Clause 3.2 or Clause 3.3 has not been satisfied at or before the Closing Date and such condition has not been waived by the Party for the benefit of which such condition has been included, such Party may terminate this Agreement by written notice to the other Party. However a Party may not terminate this Agreement in such manner after Closing and its remedies thereafter, if any, with respect to the failure to satisfy such condition shall be limited to damages.

ARTICLE 4 CLOSING

4.1 Closing Date

Subject to the conditions set out in this Agreement, the completion of a Transaction shall take place at the Closing Time at the offices of Borden Ladner Gervais LLP, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y4, or as otherwise determined by mutual agreement of the Parties in writing.

4.2 At Closing

- (a) Vendor shall deliver to the Purchasers:
- (i) the Specific Conveyances relating to the Equipment duly executed by the Vendor;
 - (ii) all Title Documents relating to the Equipment in the possession of the Vendor;
 - (iii) the Maintenance History relating to the Equipment;
 - (iv) an executed copy of a certificate, substantially in the form annexed as Schedule "D.2", with respect to Vendor's representations and warranties under this Agreement;
 - (v) a copy of the Approval and Vesting Order, issued and entered by the Court;
 - (vi) a copy of the DMV Transfer;
 - (vii) the Receiver's Certificate (as defined in the Approval and Vesting Order) in respect of the Closing, duly executed by the Vendor pursuant to the Approval and Vesting Order; and
 - (viii) such other documents, instruments or certificates as the Purchasers may reasonably request.
- (b) Purchasers shall deliver to the Vendor:

- (i) payment of the Purchase Price pursuant to Clause 2.2 hereof by way of wire transfer of immediately available funds to the account designated by the Vendor,;
- (ii) a certificate of status evidencing the due registration and good standing of the Purchasers;
- (iii) the Specific Conveyances relating to the Equipment duly executed by the Purchasers; and
- (iv) an executed copy of a certificate, substantially in the form annexed as Schedule "D.1", with respect to Purchasers' representations and warranties under this Agreement.

4.3 Post Closing

Vendor shall deliver to the Purchasers a copy of the Receiver's Certificate filed with the Court with respect to the Closing pursuant to the Approval and Vesting Order, as soon as practicable following the filing of the Receiver's Certificate with the Court.

ARTICLE 5 PROTECTION OF EQUIPMENT

5.1 Equipment to be Protected

The Vendor may use the Equipment for purposes ancillary to this Agreement and as necessary to fulfill its duties as Receiver, including its obligations hereunder, which, for greater certainty, includes any action related to the delivery of the Equipment to the applicable Delivery Location during the period between the Effective Date and the Closing Date. The Vendor shall not use any of the Equipment in relation to any commercial operations or continuation of the Business.

The Equipment shall be and remain at the risk of Vendor until Closing. The Purchasers shall ensure the safety and security of all Equipment delivered to a Delivery Location, including providing adequate security and/or alarm systems to protect the Equipment against any loss, theft or damage commencing on the relevant Possession Date for the applicable Delivery Location until Closing.

All costs of storing and protecting the Equipment at the Delivery Locations shall be the sole responsibility of the Purchasers.

During the period between the Effective Date and the Closing Date, the Vendor shall use its best efforts to maintain in force all the policies of property damage insurance under which any of the Equipment are insured or obtain comparable insurance. If, before the Closing Date, any of the Equipment is lost, damaged or destroyed and cannot be delivered to the applicable Delivery Location, then the Purchasers at their sole discretion may either:



(a) Delete the applicable item of Equipment from Schedule "A" and the Purchase Price shall be decreased by an amount equal to the Allocated Value set forth on Schedule "A" for such item of Equipment; or

(b) Leave the Equipment on Schedule "A", in which case the Purchasers shall be entitled to any proceeds of insurance payable as a result of the occurrence, which proceeds of insurance are to be directed by the Vendor to be paid to the Purchasers.

5.2 Vendor shall not surrender, etc. any of the Equipment

Until Closing, the Vendor shall not (except as otherwise contemplated in this Agreement), without the prior written consent of the Purchasers:

- (i) surrender or abandon any of the Equipment, except in the event that the Vendor determines that any particular item of Equipment is subject to a Priority Claim and the Person with the Priority Claim withdraws its consent to the sale of the Equipment;
- (ii) sell, transfer or otherwise dispose of any item of Equipment; or
- (iii) grant a security interest or any encumbrance with respect to any of the items of Equipment other than as permitted by the Receivership Order to secure Receiver's borrowings.

However, the Vendor may take such action or exercise any such right without the prior consent of the Purchasers, if the Vendor reasonably determines that such actions are necessary for the protection of life or property, in which case the Vendor shall promptly notify the Purchasers of such intention or actions and the Vendor's estimate of the costs and expenses associated therewith.

**ARTICLE 6
DELIVERY**

6.1 Delivery of the Equipment.

Vendor shall deliver, at its sole cost and expense, each item of Equipment to the delivery location for such item of Equipment as set out in Schedule "A" (the "Delivery Location") no later than the Final Delivery Date.

**ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF PARTIES**

7.1 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchasers that:



- (a) **Standing:** The Vendor is the duly appointed Receiver of the assets, undertakings and properties of Tercon;
- (b) **Requisite Authority:** The Vendor has, subject to the granting of the Approval and Vesting Order, the requisite capacity, power and authority to execute this Agreement and to perform the obligations to which it thereby becomes subject, provided that Vendor shall have no liability for the discharge by it of any obligation hereunder unless and until the Approval and Vesting Order is granted;
- (c) **Execution and Enforceability:** This Agreement has, subject to the issuance by the Court of the Approval and Vesting Order, been validly executed and delivered by the Vendor, and this Agreement and all other documents executed and delivered on behalf of the Vendor hereunder shall (including, but not limited to, the Specific Conveyances), subject to the jurisdiction of the Court in respect of insolvency, bankruptcy, reorganization and other laws of general application limiting the enforcement of creditor's rights generally, and to the fact that specific performance is an equitable remedy available only in the discretion of the court, constitute valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions;
- (d) **Residency for Tax Purposes:** Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (e) **No Finders' Fees:** The Purchasers shall not have any responsibility for any obligation or liability, contingent or otherwise, for brokers' or finders' fees, if any, incurred by the Vendor with respect to the transactions herein;
- (f) **Condition:** The Equipment when delivered to the Purchasers at a Delivery Location shall be in:
 - (i) a condition that is not, in the opinion of the Vendor and the Purchasers, acting reasonably, materially worse than that which existed when such Equipment was viewed by Purchasers' representative on or about October 29, 2012; and
 - (ii) working condition and free of material defects, except as may have existed when such Equipment was viewed by Purchasers' representative on or about October 29, 2012.

7.2 Purchasers' Representations and Warranties

The Purchasers represent and warrant to the Vendor that:

- (a) **Standing:** Each Purchaser is a corporation, duly organized, valid and substituting under the laws of its jurisdiction of incorporation, and duly registered and authorized to carry on business in the jurisdiction in which the Equipment is located;

- (b) **Requisite Authority:** The Purchasers have the requisite capacity, power and authority to execute this Agreement and the Specific Conveyances and to perform the obligations to which each of the Purchasers thereby becomes subject;
- (c) **No Conflict:** The execution and delivery of this Agreement and the completion of the purchase of the Equipment in accordance with the terms of this Agreement are not and will not be in violation or breach of, or be in conflict with:
 - (i) any term or provision of the charter, by-laws or other governing documents of the Purchasers; or
 - (ii) the Regulations or any judicial order, award, judgment or decree applicable to the Purchasers;
- (d) **Execution and Enforceability:** The Purchasers have taken all actions necessary to authorize the execution and delivery of this Agreement and, as of the Closing Date, the Purchasers shall have taken all actions necessary to authorize and complete the purchase of the Equipment in accordance with the provisions of this Agreement. This Agreement has been validly executed and delivered by the Purchasers, and this Agreement and all other documents executed and delivered on behalf of the Purchasers hereunder shall constitute valid and binding obligations of the Purchasers enforceable in accordance with their respective terms and conditions, subject to the jurisdiction of the court in respect of insolvency, bankruptcy, reorganization and other laws of general application limiting the enforcement of creditor's rights generally, and to the fact that specific performance is an equitable remedy available only in the discretion of the court;
- (e) **Residency for Tax Purposes:** The Canadian Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (f) **No Sales Commissions:** The Purchasers have not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees with respect to the transactions herein for which the Vendor shall have any responsibility.

7.3 Survival of Representations and Warranties

Each Party acknowledges that the other may rely on the representations and warranties made by such Party pursuant to Clause 7.1 or 7.2, as the case may be. The representations and warranties in Clauses 7.1 and 7.2 shall be true on the Effective Date and on the Closing Date, and such representations and warranties shall continue in full force and effect and shall survive the Closing Date until March 31, 2013, for the benefit of the Party to which such representations and warranties were made. In the absence of fraud, however, no claim or action shall be commenced with respect to a breach of any such representation or warranty, unless, within such period, written notice specifying such breach in reasonable detail has been provided to the Party which made such representation or warranty.



7.4 No Additional Representations or Warranties by Vendor

- (a) The Vendor expressly negates any representations or warranties, whether written or verbal, made by the Vendor, its agents, servants or employees except as expressly stated in Clause 7.1 and in particular, without limiting the generality of the foregoing, the Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated (orally or in writing) to the Purchasers or any of their employees, agents, consultants or representatives. The Equipment shall be purchased on a strictly "as is, where is", "without recourse", basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise with respect to the Equipment and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise with respect to:
- (i) Tercon's right, title and interest in and to the Equipment or any of them;
 - (ii) the value of the Equipment;
 - (iii) the quality, condition, fitness, merchantability or serviceability of the Equipment;
 - (iv) the suitability of the Equipment use for any purpose; or
 - (v) compliance with Regulations.
- (b) Without restricting the generality of the foregoing, the Purchasers acknowledge that each has made its own independent investigation, analysis, evaluation and inspection of the Vendor's interests in the Equipment and the state and condition thereof in connection with submitting this Auction Proposal and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Equipment.
- (c) Except with respect to the representations and warranties in Clause 7.1 or in the event of fraud, the Purchasers forever release and discharge the Vendor and its directors, officers, servants, agents and employees from any claims and all liability to the Purchasers or the Purchasers' assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Equipment which was delivered or made available to the Purchasers by the Vendor or its directors, officers, servants, agents or employees prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for the Vendor, or otherwise in the Vendor's possession.

**ARTICLE 8
LIABILITY AND INDEMNIFICATION**

8.1 Responsibility of Purchasers

Provided that Closing has occurred, the Purchasers shall:

- (a) be liable to the Vendor for all losses, costs, damages and expenses whatsoever which the Vendor may suffer, sustain, pay or incur; and
- (b) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain, pay or incur;

as a result of any matter or thing arising out of, resulting from, attributable to or connection with the Equipment and occurring or accruing subsequent to the Closing Date or arising from the breach of any representation, warranty or covenant of the Purchasers contained in this Agreement, except any losses, costs, damages, expense, claims, liabilities, actions, proceedings and demands to the extent that the same either are reimbursable by insurance maintained by the Vendor or are caused by the gross negligence or wilful misconduct of the Vendor, its directors, officers, servants, agents, employees or assigns. The responsibility prescribed by this Clause, however, does not provide an additional remedy for the Purchasers' breach of such a representation or warranty.

The Purchasers shall indemnify the Vendor and its directors, officers, servants, agents or employees against all liabilities, losses, costs (including legal costs on a solicitor client basis), claims or damages which the Vendor or its directors, officers, servants, agents or employees may suffer or incur as a result of a Claim against any of them arising in connection with any use or possession of the Equipment by the Purchasers at any Delivery Location, other than loss or damage to the Equipment, between the Effective Date and the Closing Date, insofar as such liabilities, losses, costs, claims or damages are not a direct result of the gross negligence or wilful misconduct of the Vendor or its directors, officers, servants, agents or employees. An action or omission of the Vendor or its directors, officers, servants, agents or employees shall not be regarded as gross negligence or wilful misconduct if it was done or omitted to be done in accordance with the instructions of or with the concurrence of the Purchasers.

8.2 Joint Liability

All of the obligations and liabilities of the Purchasers under this Agreement and under any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, including the representations and warranties and indemnities contained in this Agreement and in any such other contract, agreement, instrument, certificate or other document, are and are deemed to be joint and several obligations and liabilities of the Purchasers. For greater certainty, notwithstanding Clause 2.2 of this Agreement

regarding the allocation of Purchase Price, all obligations to pay the Purchase Price are joint and several obligations of the Purchasers.

8.3 Equipment Acquired On "As Is" Basis

The Purchasers acknowledge that each is acquiring the Equipment on an "as is, where is" and "without recourse" basis, as of the Closing Date. The Purchasers each acknowledge that it is familiar with the condition of the Equipment, that the Vendor has provided the Purchasers with a reasonable opportunity to inspect the Equipment at the sole cost, risk and expense of the Purchasers (insofar as the Vendor could reasonably provide such access) and that the Purchasers are not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Equipment, except as set out in Clause 7.1. Provided that Closing has occurred, the Purchasers further agree that, as of the Closing Date, each shall:

- (a) be solely liable and responsible for any and all losses, costs, damages and expenses which the Vendor may suffer, sustain, pay or incur; and
- (b) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain pay or incur;

as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with acts or omissions pertaining to environmental damage or contamination or other environmental problems pertaining to the Equipment that occur subsequent to the Possession Date, including any matters relating to:

- (i) surface, underground, air, groundwater or surface contamination; or
- (ii) the breach of any Regulations, as the same relate to the environment, in effect on or after the Possession Date; and
- (c) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or incur as a result of the removal of or failure to remove any Equipment from any land owned or leased by Tercon before the Termination Date.

8.4 No Merger Of Legal Responsibilities

The liabilities and indemnities created in this Article shall be deemed to apply to, and shall not merge in, all and any Specific Conveyances conveying any of the Equipment from Tercon to the Purchasers, notwithstanding the terms of such Specific Conveyances,



the Regulations or any rule of law or equity to the contrary, and all such rules are hereby waived.

8.5 Substitution and Subrogation

Insofar as is possible, each Party shall have full rights of substitution and subrogation in and to all covenants, representations and warranties by others previously given or made in respect of the Equipment or any of them.

8.6 Responsibility Extends to Legal Costs

Notwithstanding any provision to the contrary contained in this Article, references to costs in the liability and indemnification obligations prescribed by Clauses 8.1 and 8.2 shall be deemed to include reasonable legal costs on a solicitor and his own client, full indemnity basis.

**ARTICLE 9
PURCHASERS' REVIEW**

9.1 Vendor to Provide Access

The Vendor shall, subject to the contractual and fiduciary obligations and limits:

- (a) provide the Purchasers and their nominees with reasonable access to Tercon's records, files and documents directly relating to the Equipment between the Effective Date and the Closing Date, for the purpose of the Purchasers' review of the Equipment and Tercon's title thereto; and
- (b) provide the Purchasers and their nominees with a reasonable opportunity to inspect the Equipment at the Purchasers' sole cost, risk and expense, insofar as the Vendor can reasonably provide such access to the Equipment between the Effective Date and the Closing Date.

**ARTICLE 10
CONFIDENTIALITY**

10.1 Purchasers' Obligation to Maintain Information as Confidential

Information respecting the Equipment shall be retained in confidence and used only for the purposes of this Agreement and shall not be disclosed, used, dealt with or exploited by Purchasers for any other purpose, provided that upon Closing, the Purchasers' rights to use or disclose such information shall be subject only to any operating, unit or other agreements that may apply thereto. Any additional information obtained as a result of such access which does not relate to the Equipment shall continue to be treated as confidential and shall not be disclosed, used, dealt with or exploited by the Purchasers without the prior written consent of the Vendor. However, the restrictions on disclosure and use of information in this Agreement shall not apply to information to the extent it:

- (a) is or becomes publicly available through no act or omission of the Purchasers or their consultants or advisors;
- (b) is subsequently obtained lawfully from a Third Party, which, after reasonable inquiry, the Purchasers do not know to be bound to the Vendor to restrict the use or disclosure of such information; or
- (c) is already in the Purchasers' possession at the time of disclosure, without restriction on disclosure.

However, specific items of information shall not be considered to be in the public domain merely because more general information respecting the Equipment is in the public domain. Notwithstanding the foregoing, Purchasers shall be entitled to commence advertising the Equipment after the issuance of the Approval and Vesting Order.

10.2 Consultants and Advisors Bound

If the Purchasers employ consultants, advisors or agents to assist in its review of the Equipment, the Purchasers shall be responsible to the Vendor for ensuring that such consultants, advisors and agents comply with the restrictions on the use and disclosure of information set forth in this Article 10.

ARTICLE 11 WAIVER

11.1 Waiver Must be in Writing

No waiver by any Party of any breach (whether actual or anticipated) or any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other future breach.

ARTICLE 12 ASSIGNMENT

12.1 Assignments Before Closing

Prior to Closing, neither Party may assign its interest in or under this Agreement or to the Equipment without the prior written consent of the other Party, with the exception of the US Purchaser, which may assign its interest in or under this Agreement or to the Equipment to the Canadian Purchaser.

12.2 Assignments by Purchasers After Closing

No assignment, transfer or other disposition of this Agreement or all or any portion of the Equipment by the Purchasers after Closing shall relieve the Purchasers from their

obligations to the Vendor herein. The Vendor shall have the option to claim payment or performance of such obligations from the Purchasers or their respective assignees or transferees, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate payment or performance of the same obligation.

ARTICLE 13 NOTICE

13.1 Service of Notice

Notwithstanding anything to the contrary contained herein, all notices required or permitted hereunder shall be in writing. Any notice to be given hereunder shall be deemed to be served properly if served in any of the following modes:

- (a) personally, by delivering the notice to the Party on which it is to be served at that Party's address for service. Personally served notices shall be deemed to be received by the addressee when actually delivered as aforesaid, provided that such delivery shall be during normal business hours on any Business Day. If a notice is not delivered on such a Business Day or is delivered after the addressee's normal business hours, such notice shall be deemed to have been received by such Party at the commencement of the addressee's first Business Day next following the time of the delivery;
- (b) by telecopier or facsimile (or by any other like method by which a written message may be sent) directed to the Party on which it is to be served at that Party's address for service. A notice so served shall be deemed to be received by the addressee when actually received by it, if received within normal business hours on any Business Day or at the commencement of the next ensuing Business Day following transmission if such notice is not received during such normal business hours;
- (c) by mailing its first class (air mail if to or from a location outside of Canada) registered post, postage prepaid, directed to the Party on which it is to be served at that Party's address for service. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt of the fourth (4th) Business Day following the mailing thereof. However, if postal service is (or is reasonably anticipated to be) interrupted or operating with unusual delay, notice shall not be served by such means during such interruption or period of delay; or
- (d) by email directed to the Party on which it is to be served at that Party's email address set out below. A notice so served shall be deemed to be received by the addressee when actually received by it, if received within normal business hours on any Business Day or at the commencement of the next ensuing Business Day following transmission if such notice is not received during such normal business hours.

13.2 Addresses for Notices

The address for service of notices hereunder of each of the Parties shall be as follows:

Vendor: 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: 416-679-8101
Email: Nigel.Meakin@fticonsulting.com

with a copy to: Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

Attn: Craig J. Hill
Fax: (416) 361-7301
Email: chill@blg.com

Purchasers: Ritchie Bros. Auctioneers (Canada) Ltd.
Ritchie Bros. Auctioneers (America) Inc.
3 Manchester Court
Bolton, ON
L7E 2Y1

Attn: Jake Lawson
Fax: (905) 857-5195
Email: jlawson@rbauktion.com

with a copy to: Ritchie Bros. Auctioneers
9500 Glenlyon Parkway
Burnaby, British Columbia
V5J 0C6

Attn: Ranj Sangra
Fax: (778) 331-4629
Email: rsangra@rbauktion.com



13.3 Right to Change Address

A Party may change its address for service by notice to the other Parties, and such changed address for service thereafter shall be effective for all purposes of this Agreement.

ARTICLE 14 PUBLIC ANNOUNCEMENTS

14.1 Approval Required for Press Releases

- (a) The Parties shall cooperate with each other in relaying to Third Parties information concerning this Agreement and shall receive written approval from the other Party of all press releases and other releases of information prior to publication which approval may not be unreasonably withheld. However, nothing in this Clause shall prevent a Party from furnishing any information to any Governmental Authority or to the public, insofar only as is required by the Regulations or securities laws applicable to such Party, provided that a Party which proposes to make such a public disclosure shall, to the extent reasonably possible, provide an officer of the other Party with a draft of such statement a sufficient time prior to its release to enable such other Party to review such draft and advise that Party of any comments it may have with respect thereto.
- (b) Notwithstanding Subclause 14.1(a), the Vendor shall be permitted to disclose information pertaining to this Agreement and the identity of the Purchasers, to the extent required to enable the Vendor to fulfill its duties and obligations as Receiver and such disclosure as Vendor believes is necessary or advisable to obtain the Approval and Vesting Order or the Recognition Order.

14.2 Signs and Notification to Governmental Authorities

Following Closing, the Purchasers may remove any signs which indicate Tercon's ownership or operation of the Equipment.

ARTICLE 15 MISCELLANEOUS PROVISIONS

15.1 Further Assurances

At the Closing Date and thereafter as may be necessary, the Parties shall execute, acknowledge and deliver such instruments and take such other actions as may be reasonably necessary to fulfil their respective obligations under this Agreement.

15.2 Governing Law

This Agreement shall be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of British Columbia (excluding any



conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction). Each Party accepts the exclusive jurisdiction of the courts of the Province of British Columbia and all courts of appeal therefrom.

15.3 Time

Time shall be of the essence in this Agreement.

15.4 No Amendment Except in Writing

This Agreement may be amended only by written instrument executed by the Vendor and the Purchasers.

15.5 Consequences of Termination

If this Agreement is terminated in accordance with its terms prior to Closing, then except for the provisions of Article 10 and the covenants, warranties, representations or other obligations breached prior to the time at which such termination occurs, the Parties shall be released from all of their obligations under this Agreement. If this Agreement is so terminated, the Purchasers shall promptly return to the Vendor all materials delivered to the Purchasers by the Vendor hereunder, together with all copies of them that may have been made by or for the Purchasers, with respect to the Equipment.

15.6 Supersedes Earlier Agreements

This Agreement supersedes all other agreements between the Parties with respect to the Equipment and expresses the entire agreement of the Parties with respect to the transactions contained herein.

15.7 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.


[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

2/10

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the date first above written.


FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.

Per: 
Name: _____
Title: *Jake Lawson*
VP Canada East.

Per: _____
Name: _____
Title: _____

RITCHIE BROS. AUCTIONEERS (AMERICA) INC.


Per: 
Name: _____
Title: *Jake Lawson*
VP Canada East.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the date first above written.

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

RITCHIE BROS. AUCTIONEERS (CANADA) LTD.

Per: _____
Name:
Title:

Per: 
Name: *Nigel D. Meakin*
Title: *Senior Managing Director*

RITCHIE BROS. AUCTIONEERS (AMERICA) INC.

Per: _____
Name:
Title:

Schedule A

YEAR	MAKE	MODEL	MODEL DESC	S/N	Allocated Value	Delivery Location
2011	FORD	F250	CREW CAB 4X4	1FT7W2B64BEB67865	\$ 17,000.00	Nearest
2011	FORD	F250	CREW CAB 4X4	1FT7W2B63BEB49857	\$ 17,000.00	Nearest
2011	FORD	F250	CREW CAB 4X4	1FT7W2B61BEB49856	\$ 17,000.00	Nearest
2011	FORD	F250	CREW CAB 4X4	1FT7W28T8BEB01552	\$ 19,000.00	Nearest
2011	FORD	F250	CREW CAB 4X4	1FT7W2B63BEC22368	\$ 24,500.00	Nearest
2011	CHEV	TAHOE	4X4	1GNSKB05BR184249	\$ 21,000.00	Nearest
2010	FORD	F150	CREW CAB 4X4	1FTFW1EV3AFC13574	\$ 12,000.00	Nearest
2010	FORD	F150	CREW CAB 4X4	1FTFW1EV2AFC73796	\$ 12,000.00	Nearest
2011	FORD	E350		1FBNE3BL9BDA43607	\$ 15,000.00	Nearest
2005	CATERPILLAR	385CL	EXCAVATORS - EX850	CAT0385CJEDA00206	\$ 152,500.00	Edmonton

Total \$ 307,000.00

Delivery Locations

Edmonton, AB	Richie Brothers yard located at 1500 Sparrow Drive, Nisku, AB T9E 8H6.
Fairbanks, AK	Tercon leased yard located at 13.5 mile, Steese Highway, Fox, AK 99712.
Prince George, BC	Richie Brothers yard located in Prince George, BC. 1434 Old Cariboo Highway, Prince George, BC V2N 6C6 .
Sparwood, BC	Ritchie Brothers leased yard in Sparwood BC
Chilliwack BC	42275 Industrial Way, Chilliwack BC. V2R 0P4

RM

SCHEDULE "B"

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

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
)
MR. JUSTICE SEWELL) •/MARCH/2013

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 • day of February, 2013; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, AND UPON READING the material filed, including the Fourth Report of the Receiver dated [•], 2013 (the "Fourth Report")¹;

THIS COURT ORDERS AND DECLARES THAT:

1. The purchase by the Receiver of the Equipment by the exercise of the "Buy Out Provisions", as described in the Third Report, is hereby approved.
2. The sale transaction (the "Transaction") contemplated by the Asset Purchase and Sale Agreement dated February 22, 2013 (the "Sale Agreement") between the Receiver, as vendor, and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc., as purchasers (the "Purchasers"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved with such minor amendments as the Receiver may deem necessary, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction(s) and for the conveyance to the Purchasers of the Equipment described in the Sale Agreement (the "Purchased Equipment").
3. Upon delivery by the Receiver to the Purchasers of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Equipment shall vest absolutely in the Purchasers in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims" including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated December 14, 2012 in this proceeding; (ii) all charges, security interests or claims evidenced by registrations against the Debtors pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (collectively, "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Equipment are hereby expunged and discharged as against the Purchased Equipment. The Receiver is authorized to file a financing change statement to record a discharge of any registration against any serial numbered piece of Purchased Equipment.
4. For the purposes of determining the nature and priority of Claims, the Net Proceeds (as defined in the Third Report) from the sale of any Purchased Equipment shall stand in the

¹ All capitalized terms not defined in this Order shall have the meaning ascribed to them in the Fourth Report.



place and stead of the Purchased Equipment, and from and after the delivery of the Receiver's Certificate all Claims shall, subject to the terms of paragraph 5 of the Receivership Order, attach to the Net Proceeds from the sale of the Purchased Equipment with the same priority as they had with respect to any Purchased Equipment immediately prior to, and be determined as of the close of business on the date of the sale, as if the Purchased Equipment had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. Subject to the terms of the Sale Agreement, possession of the Purchased Equipment shall be delivered by the Receiver to the Purchasers as at the Closing (as defined in the Sale Agreement) of the Purchased Equipment.
7. The Receiver, with the consent of the Purchasers, shall be at liberty to extend any such Closing to such later date as those parties may agree without the necessity of a further Order of this Court.
8. In the event that the Receiver has entered into a buy-out arrangement for a piece (or pieces) of Equipment from a secured party with a Priority Claim (as defined in the Sale Agreement) pursuant to the Buy Out Provisions (as described in the Third Report), the Receiver is authorized to use the Net Proceeds to pay the applicable buy-out amount to the secured party with the Priority Claim as soon as practical following the delivery of the Receiver's Certificate.
9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Equipment in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.



10. The Third Report, and the activities of the Receiver described therein are hereby approved.
11. 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.
12. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE APPROVAL OF COUNSEL SET OUT IN SCHEDULE "A" OF THIS ORDER, OTHER THAN COUNSEL FOR FTI CONSULTING CANADA INC., IS HEREBY DISPENSED WITH

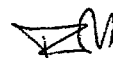
Signature of Magnus Verbrugge

Party Lawyer for

FTI Consulting Canada Inc.

BY THE COURT

REGISTRAR



Schedule A – List of Counsel

EM

Schedule "B" – Asset Purchase Agreement



Schedule "C" – Receiver's Certificate

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Sewell of the Supreme Court of British Columbia (the "Court") dated December 14, 2012, FTI Consulting Canada Inc. was appointed as the receiver (the "Receiver") of all the assets, undertakings, 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").

B. Pursuant to an Approval and Vesting Order of the Court dated February 1, 2013, the Court approved the Asset Purchase and Sale Agreement made as of February 1, 2012 (the "Sale Agreement") between the Receiver and Ritchie Bros. Auctioneers (Canada) Ltd. and Ritchie Bros. Auctioneers (America) Inc. (the "Purchasers") and provided for the vesting in the Purchasers of the Debtors' right, title and interest, if any, in and to the Purchased Equipment, which vesting is to be effective with respect to the Purchased Equipment upon the delivery by the Receiver to the Purchasers of a Receiver's Certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Equipment; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers with respect to the Purchased Equipment; and (iii) the Transaction has been completed to the satisfaction of the Receiver with respect to the Purchased Equipment.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Equipment pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser with respect to the Purchased Equipment; and
3. The Transaction with respect to the Purchased Equipment has been completed to the satisfaction of the Receiver.



4. This Certificate was delivered by the Receiver with respect to the Purchased Equipment at _____
[TIME] on _____ [DATE].

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

Per: _____

Name:

Title:

FN

Appendix "1" – List of Purchased Equipment

[List of Purchased Equipment]



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

- 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

APPROVAL AND VESTING ORDER

210

SCHEDULE "C.1"

BILL OF SALE

THIS AGREEMENT made as of the [●] day of March, 2013.

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity 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, "Tercon") and not in its personal capacity

(the "Vendor")

- and -

RITCHIE BROS. AUCTIONEERS (CANADA) LTD., a body corporate having an its head office at 9500 Glenlyon Parkway, in the City of Burnaby, in the Province of British Columbia, V5J 0C6

(the "Canadian Purchaser")

WHEREAS pursuant to an order ("Receivership Order") of Justice Sewell of the Supreme Court of British Columbia (the "Court") granted on December 14, 2012, the Vendor was appointed Receiver of Tercon;

AND WHEREAS the Vendor has agreed to the sale of the Assets to the Purchasers and the Purchasers have agreed to purchase the Assets from the Vendor on the terms and conditions set forth in the Asset Purchase and Sale Agreement made as of February 22, 2013 (the "Purchase Agreement");

All capitalized terms not defined herein shall have the meaning ascribed in the Purchase Agreement.

NOW THEREFORE THIS BILL OF SALE WITNESSES that in consideration of the sum of ● Dollars (\$) (the "Purchase Price") of lawful money of Canada, and applicable Sales Tax, now paid by the Canadian Purchaser upon or before the delivery of this Bill of Sale and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Vendor hereby sells, conveys, transfers, assigns and sets over unto the



Canadian Purchaser, its successors and assigns all of its right, title and interest in and to the Canadian Equipment.

The Vendor hereby represents and warrants to the Canadian Purchaser that the Vendor has done no act to encumber the Canadian Equipment or any part thereof, and has the authority to sell, assign and transfer to the Canadian Purchaser its right, title and interest in and to the Canadian Equipment free and clear of and from all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, encumbrances or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, pursuant to the Approval and Vesting Order issued by the Court on February 9, 2013.

The Canadian Purchaser acknowledges to and in favour of the Vendor that it has conducted its own investigations and inspections of the Canadian Equipment, that it has relied upon its own investigations and inspections in entering into this Bill of Sale, that it will accept the Canadian Equipment in its present state, condition and location, and that it is purchasing the Canadian Equipment on an "as is, where is" basis, except as expressly stated in Clause 7.1(h) of the Purchase Agreement, without any representation, warranty or condition, whether statutory, express or implied, oral or written as to title, merchantability, description, fitness for any particular purpose, suitability, durability, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever, and any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (British Columbia) do not apply to the sale of the Canadian Equipment and are hereby waived by the Canadian Purchaser.

The Vendor shall, at all times and from time to time, at the request and sole expense of the Canadian Purchaser, execute all such additional documents as the Canadian Purchaser may reasonably require to sell, convey and transfer the Canadian Equipment to the Canadian Purchaser according to the true intent and meaning of this Bill of Sale and the Purchase Agreement.

The Canadian Purchaser covenants and agrees to pay to the Vendor all applicable Sales Tax in connection with the sale and transfer of the Canadian Equipment by the Vendor. For greater certainty, the Purchase Price is net of taxes and shall not be reduced on account of any taxes payable in connection herewith.

This Bill of Sale may be executed by the parties hereto in separate counterparts (which counterparts may be delivered by telecopier with the original forwarded immediately thereafter) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.

This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of British Columbia, and of the laws of Canada applicable therein, which shall be deemed to be the proper law hereof.



IN WITNESS WHEREOF the parties hereto have executed this Bill of Sale on the date first written above.

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

Per: _____
Name:
Title:

**RITCHIE BROS. AUCTIONEERS
(CANADA) LTD.**

Per: _____
Name:
Title:

TOR01: 5082952: v2



SCHEDULE "C.2"

BILL OF SALE

THIS AGREEMENT made as of the [●] day of March, 2013.

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity 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, "Tercon") and not in its personal capacity

(the "Vendor")

- and -

RITCHIE BROS. AUCTIONEERS (AMERICA) INC., a body corporate having an its head office at 4000 Pine Lake Road, in the City of Lincoln, in the State of Nebraska, 68516

(the "US Purchaser")

WHEREAS pursuant to an order ("Receivership Order") of Justice Sewell of the Supreme Court of British Columbia (the "Court") granted on December 14, 2012, the Vendor was appointed Receiver of Tercon;

AND WHEREAS the Vendor has agreed to the sale of the Assets to the Purchasers and the Purchasers have agreed to purchase the Assets from the Vendor on the terms and conditions set forth in the Asset Purchase and Sale Agreement made as of February 22, 2013 (the "Purchase Agreement");

All capitalized terms not defined herein shall have the meaning ascribed in the Purchase Agreement.

NOW THEREFORE THIS BILL OF SALE WITNESSES that in consideration of the sum of ● Dollars (\$) (the "Purchase Price") of lawful money of Canada, and applicable Sales Tax, now paid by the US Purchaser upon or before the delivery of this Bill of Sale and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Vendor hereby sells, conveys, transfers, assigns and sets over unto the US Purchaser, its successors and assigns all of its right, title and interest in and to the US Equipment.



The Vendor hereby represents and warrants to the US Purchaser that the Vendor has done no act to encumber the US Equipment or any part thereof, and has the authority to sell, assign and transfer to the US Purchaser its right, title and interest in and to the US Equipment free and clear of and from all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, encumbrances or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, pursuant to the Approval and Vesting Order issued by the Court on March 6, 2013 and the Recognition Order.

The US Purchaser acknowledges to and in favour of the Vendor that it has conducted its own investigations and inspections of the US Equipment, that it has relied upon its own investigations and inspections in entering into this Bill of Sale, that it will accept the US Equipment in its present state, condition and location, and that it is purchasing the US Equipment on an "as is, where is" basis, except as expressly stated in Clause 7.1(h) of the Purchase Agreement, without any representation, warranty or condition, whether statutory, express or implied, oral or written as to title, merchantability, description, fitness for any particular purpose, suitability, durability, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever, and any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (British Columbia) do not apply to the sale of the US Equipment and are hereby waived by the US Purchaser.

The Vendor shall, at all times and from time to time, at the request and sole expense of the US Purchaser, execute all such additional documents as the US Purchaser may reasonably require to sell, convey and transfer the US Equipment to the US Purchaser according to the true intent and meaning of this Bill of Sale and the Purchase Agreement.

The US Purchaser covenants and agrees to pay to the Vendor all applicable Sales Tax in connection with the sale and transfer of the US Equipment by the Vendor. For greater certainty, the Purchase Price is net of taxes and shall not be reduced on account of any taxes payable in connection herewith.

This Bill of Sale may be executed by the parties hereto in separate counterparts (which counterparts may be delivered by telecopier with the original forwarded immediately thereafter) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.

This Bill of Sale shall be governed by and construed in accordance with the laws of the Province of British Columbia, and of the laws of Canada applicable therein, which shall be deemed to be the proper law hereof.

IN WITNESS WHEREOF the parties hereto have executed this Bill of Sale on the date first written above.

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of **Tercon Investments, Inc., 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 capacity

Per: _____
Name:
Title:

**RITCHIE BROS. AUCTIONEERS
(AMERICA) INC.**

Per: _____
Name:
Title:

TOR01: 5083035: v2



SCHEDULE "D.1"

OFFICER'S CERTIFICATE

- TO:** FTI CONSULTING CANADA INC., in its capacity 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, "Tercon") and not in its personal capacity (hereinafter called the "Receiver")
- RE:** Acquisition of Assets by Richie Bros. Auctioneers (Canada) Ltd. And Ritchie Bros. Auctioneers (America) Inc. (collectively, the "Purchaser"), pursuant to the provisions of an Asset Purchase and Sale Agreement dated as of February 22, 2013 (the "Purchase Agreement") among the Receiver and the Purchasers

Capitalized terms used but not otherwise herein defined shall have the meanings ascribed thereto in the Purchase Agreement.

The undersigned [•],[•] of the Purchasers hereby certifies on behalf of the Purchasers, and not in his personal capacity, intending that the same may be relied upon by you without further enquiry, that as of the Closing Time, each of the conditions precedent contained in Clause 3.1 and Clause 3.2 of the Purchase Agreement and each of the deliverables contained in Clause 4.2 and Clause 4.3 of the Purchase Agreement have been fulfilled, performed, delivered or waived in all material respects by the Purchaser.

DATED this [•] day of [•], 2013.



**RITCHIE BROS. AUCTIONEERS
(CANADA) LTD.**

Per: _____
Name:
Title:

**RITCHIE BROS. AUCTIONEERS
(AMERICA) INC.**

Per: _____
Name:
Title:

TOR01: 5082407: v2



SCHEDULE "D.2"

OFFICER'S CERTIFICATE

TO: RITCHIE BROS. AUCTIONEERS (CANADA) LTD., a body corporate having an its head office at 9500 Glenlyon Parkway, in the City of Burnaby, in the Province of British Columbia, V5J 0C6

-and-

RITCHIE BROS. AUCTIONEERS (AMERICA) INC., a body corporate having an its head office at 4000 Pine Lake Road, in the City of Lincoln, in the State of Nebraska, 68516

(collectively, the "**Purchasers**")

RE: Acquisition of Assets by Richie Bros. Auctioneers (Canada) Ltd. (the "Purchaser"), pursuant to the provisions of an Asset Purchase and Sale Agreement dated as of February 22, 2013 (the "**Purchase Agreement**") among the Receiver and the Purchasers

Capitalized terms used but not otherwise herein defined shall have the meanings ascribed thereto in the Purchase Agreement.

The undersigned [•],[•] of the Vendor hereby certifies on behalf of the Vendor, and not in his personal capacity, intending that the same may be relied upon by you without further enquiry, that as of the Closing Time, each of the conditions precedent contained in Clause 3.1 and Clause 3.3 of the Purchase Agreement and each of the deliverables contained in Clause 4.2 and Clause 4.3 of the Purchase Agreement have been fulfilled, performed, delivered or waived in all material respects by the Vendor.



DATED this [•] day of [•], 2013.

FTI CONSULTING CANADA INC., in its capacity as receiver of the assets, undertakings and properties of Tercon Investments, Inc., 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 capacity

Per: _____
Name:
Title:

TOR01: 5082454: v2



SCHEDULE "E"

MAINTENANCE HISTORY

TO BE DELIVERED

RD