

JAN 15 2013
**VANCOUVER
SUPREME COURT SCHEDULING**

No. S128887 Vancouver Registry

Tercon Investments Ltd. et al.

SECOND REPORT OF THE RECEIVER

January 15, 2013

INTRODUCTION

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

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

and to request the granting by the Court of:

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

TERMS OF REFERENCE

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

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

THE CHAPTER 15 PROCEEDINGS

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

THE TERCON PROJECTS

CUSTOMERS

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

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

BONDS AND HOLDBACKS

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

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

LIEN CLAIMS AGAINST EQUIPMENT

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

THE BANKRUPTCY PROCEEDINGS AND CO-ORDINATION ORDER

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

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

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

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

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

THE INTERIM DISTRIBUTION ORDER

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

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

PROCESS CALLING FOR POTENTIAL PROPERTY INTEREST CLAIMS

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

THE RESERVES

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

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

PAYMENTS FROM RESERVES AND DISTRIBUTIONS TO HSBC

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

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

Dated this 15th day of January, 2013.

FTI Consulting Canada Inc.

in its capacity as receiver of

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

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

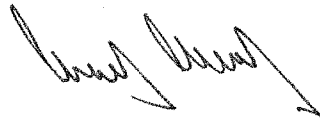
Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd.,

Tercon Equipment Alaska Partnership and Tercon Alaska Ltd.

and not in its personal or corporate capacity



Nigel D. Meakin
Senior Managing Director



Jeff Rosenberg
Managing Director

Appendix A

Lien Summary

Summary of Registered Liens as of January 3, 2013¹

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
Kal Tire	June 21, 2012	<i>Repairer's Lien Act (BC)</i>	\$2,266.60	2005 Sterling, Serial No. 2FZHACVX6V32545	Tercon Equipment
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$118,278.17	Caterpillar 777F Serial No. CAT0777FAJRP00781	Tercon Equipment
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$60,649.01	Caterpillar 385C Serial No. CAT0385CJEDA00206	North Central
Finning International	July 4, 2012	<i>Repairer's Lien Act (BC)</i>	\$63,497.46	Caterpillar 777D Serial No. CAT0777DCAGC01988	Tercon Equipment
Kal Tire	August 15, 2012	<i>Repairer's Lien Act (BC)</i>	\$1,461.02	Ford F250 Serial No. 1FTSX21565EB94358	Tercon Equipment
Brandt Tractor	August 28, 2012	<i>Repairer's Lien Act (BC)</i>	\$76,474.08	JD 300D Serial No. DW300DT615411	Tercon Equipment
Integrated Distribution Systems LP o/a Wajax Industries	August 12, 2012	<i>Repairer's Lien Act (BC)</i>	\$77,455.00	2010 Hitachi EX1900 Serial No. 105	Tercon Equipment Alaska Partnership
Kal Tire	November 14, 2012	<i>Repairer's Lien Act (BC)</i>	\$1,636.77	2010 GMC Yukon Pickup Serial No. 1GKUKKEEF4AR267228	Tercon Equipment
Kal Tire	September 26, 2012	<i>Repairer's Lien Act (BC)</i> <i>Garage Keepers' Lien Act (Alberta)</i>	\$28,825.55	Caterpillar 735 Serial No. CAT00735HAWR00663	AC&T and Tercon Construction
Kal Tire	June 21, 2012	<i>Garage Keepers' Lien Act (Alberta)</i>	\$2,266.60	Sterling Boom Truck Serial No. 2FZHACVX6V32545	Tercon Equipment
Brandt Tractor	November 8, 2012	<i>Garage Keepers' Lien Act (Alberta)</i>	\$6,892.19	Serial No. 1DW544KOLBD637119	AC&T
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$3,313.18	2007 Caterpillar Model 777F, serial no. JRP00597	Tercon Equipment Alaska Partnership/ Tercon Alaska Ltd.

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

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

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

Registering Party	Date of Registration	Registration Type	Amount of Claim	Equipment noted on registration	Tercon Debtor shown on lien registration
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$19,287.85	2007 Caterpillar Model 777F, serial no. JRP00498	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$55,446.38	1995 Caterpillar Model D10R, serial no. 3KR01034	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012	<i>Alaska Stat. §34.35.130</i>	\$2,705.96	2012 Volvo loader, serial no. L110GH00008185	Tercon Equipment Alaska Partnership
N.C. Machinery Co.	December 30, 2012, amended on January 12, 2013	<i>Alaska Stat. §34.35.130</i>	\$3,620.82, amended to \$4,238.82	2006 Caterpillar Model 777D, serial no. AGC01988	Tercon Equipment Alaska Partnership
Rainer Equipment Inc.	January 9, 2013	<i>Alaska Stat. §34.35.130</i>	\$72,907.40	2007 Caterpillar 777F SN# CAT0777FAJRP00781 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FJRP00730 ROCK TRUCK 2008 Caterpillar 777F SN# CAT0777FEJRP01126 2007 Caterpillar 777F SN# CAT0777FJRP00498 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FIJRP00460 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FEJRP00462 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FAJRP00957 ROCK TRUCK 2007 Caterpillar 777F SN# CAT0777FCJRP00356 ROCK TRUCK	Tercon Equipment Alaska Partnership

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

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