

No. S128887 Vancouver Registry

Tercon Investments Ltd. et al

SEVENTH REPORT OF THE RECEIVER

March 18, 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

**SEVENTH 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 hereto as Appendix A.
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**”), a copy of which is attached hereto as Appendix B; 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. On February 28, 2013, Mr. Justice Sewell granted an Order, *inter alia*, authorizing FTI Consulting Canada Inc., in its capacity as receiver of Tercon Construction Ltd. to issue and file an application for a Bankruptcy Order against Tercon Equipment Ltd. (the “**Tercon Bankruptcy Application Order**”).
6. On March 11, 2013, the Receiver filed a Notice of Application seeking approval of an order approving a procedure for the submission, evaluation and adjudication of claims against Tercon or against the bonds issued by Trisura Guarantee Insurance Company (“**Trisura**”) in relation to certain Tercon projects. The Receiver’s Fifth Report was filed in support of that motion and included the draft form of order being sought (the “**Draft Claims Procedure Order**”). The application was returnable on March 13, 2013.
7. All of the parties present at the hearing on March 13, 2013 (the “**March 13 Hearing**”) namely Trisura, the Ministry of Transport of British Columbia (the “**MoT**”), Fairbanks Gold Mining Inc. (“**FGMI**”), HSBC and DHI had been consulted on the form of the Draft Claims Procedure Order prior to service of the Order. The Receiver had made various changes to the Draft Claims Procedure Order during the consultation process to address comments made by various parties and all parties had either consented to or had no opposition to the granting of the Draft Claims Procedure Order (although immediately prior to the hearing the MoT requested that the Receiver note for the Court that Creditors that had already filed a Claim against the Trisura Bonds would also be required to file a Claim in the Claims Procedure).

8. At the outset of the hearing, Mr. Justice Sewell raised a number of questions and concerns with respect to the Draft Claims Procedure Order. Accordingly, the Receiver, with the concurrence of the other parties represented at the March 13 Hearing agreed to adjourn the hearing for approximately one week in order to provide time to address the questions and concerns raised by Mr. Justice Sewell.
9. To date, the Receiver has filed six reports on various aspects of the Receivership. Each of the reports, and the orders made in the Receivership proceedings are posted on the Receiver's website at <http://cfcanada.fticonsulting.com/tercon>.
10. The purpose of this, the Receiver's Seventh Report, is to provide additional information to the Court to address the questions and concerns raised by Mr. Justice Sewell at the March 13 Hearing, in particular with respect to the following:
 - (i) Changes to the form of Order being sought by the Receiver since the filing of the Fifth Report;
 - (ii) Current estimates of project accounts, Claims to date under the Trisura Bonds and registered Lien Claims;
 - (iii) Notice to parties not represented on the service list that have filed claims against the Trisura Bonds or that have registered Lien Claims;
 - (iv) The involvement of Trisura in the claims adjudication process;
 - (v) The benefits of the Claims Procedure to creditors and others;
 - (vi) The potential prejudice to creditors of the Claims Procedure, if any;
and
 - (vii) The proposed stay of proceedings in respect of Claims against the Trisura Bonds and in respect of Lien Claims.

TERMS OF REFERENCE

11. 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.
12. 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.
13. 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.

BACKGROUND

14. As previously reported, Tercon provided construction related services to a number of customers and, in some cases, to a number of distinct projects for a customer.
15. As a result of the commencement of the Receivership Proceedings, a number of Tercon suppliers, including those that provided goods or services related to the construction projects have unpaid claims against Tercon.

16. As described in the Receiver’s Fifth Report, the Trisura Bonds were issued in respect of certain projects. Trisura Bonds have been issued in respect of the Wall Project, the Water Line Project, the Creek Bridge Bearing Project and the Red Chris Project. Trisura issued Labour and Material Payment Bonds (“L&M Bonds”) and Performance Bonds in respect of each of the aforesaid projects. The other Trisura Bond is an environmental bond which provides funding recourse to the project owner in the event that costs are incurred as a result of a failure by Tercon to satisfy its clean-up obligations of a leased storage yard. Copies of the Trisura Bonds are collectively attached hereto as Appendix C.
17. The face value limit (the “**Penal Sum**”) of each Trisura Bond is as follows:

Project	Project Owner	Bond Type	Penal Sum
Teck Coal	Teck Coal	Environmental	\$50,000
Wall Project	Ministry of Transport (BC)	Labour & Materials	\$2,788,240
Wall Project	Ministry of Transport (BC)	Performance	\$2,788,240
Water Line Project	Ministry of Transport (BC)	Labour & Materials	\$723,716
Water Line Project	Ministry of Transport (BC)	Performance	\$723,716
Creek Bridge Bearing Project	Ministry of Transport (BC)	Labour & Materials	\$87,136
Creek Bridge Bearing Project	Ministry of Transport (BC)	Performance	\$87,136
Red Chris Project	Red Chris Development Company Ltd.	Labour & Materials	\$2,718,570
Red Chris Project	Red Chris Development Company Ltd.	Performance	\$2,718,570

18. Subject to the Penal Sum of the L&M Bond, each of the L&M Bonds relating to the MoT projects binds Trisura (as “**Surety**”) and Tercon Construction Ltd. (as “**Principal**”) to the MoT (as “**Obligee**”), for the use and benefit of “Claimants” and allows such Claimants to sue on the Trisura Bond and obtain judgment for any sum “justly due to such Claimant”. The Trisura Bonds provide:
- (i) No suit or action can be commenced on the L&M Bond unless a Claimant has given written notice to the Principal, the Surety and the Obligee, stating “with substantial accuracy” the amount claimed;
 - (ii) Such notice must be given within 120 days after such Claimants should have been paid in full from the Principal or when such Claimant last did work for the Principal; and
 - (iii) No suit may be commenced after the expiration of one year following the date on which the Principal ceased work on the contract.
19. In addition, the relevant statutes of British Columbia, Alberta and Alaska, the jurisdictions in which the Tercon Projects were located, provide certain suppliers with rights to register a lien on the property where the work was carried out (i.e. the property of the Project owner) in respect of amounts owing by the Project owner to Tercon. The Receiver has been informed by the Receiver’s Counsel that the any Lien Claims must be registered within the following statutory periods:
- (i) In British Columbia, section 20 of the *Builders Lien Act* S.B.C. 1997 c.45 (the “**BLA**”) provides the time to file liens on the Tercon projects (that can be liened under the BLA). It should be noted that section 20 is only applicable to the Red Chris Project and the Teck Project as the MoT projects cannot be liened under the BLA. Section 20 of the BLA states:

“20(1) If a certificate of completion has been issued with respect to a contract or subcontract, the claims of lien of

(a) the contractor or subcontractor, and

(b) any persons engaged by or under the contractor or subcontractor may be filed no later than 45 days after the date on which the certificate of completion was issued.

(2) A claim of lien that is not governed by subsection (1) may be filed no later than 45 days after

(a) the head contract has been completed, abandoned or terminated, if the owner engaged a head contractor, or

(b) the improvement has been completed or abandoned, if paragraph (a) does not apply.

(3) Subsection (1) does not operate to extend or renew the time for filing of a claim of lien if

(a) that time would otherwise be determined with reference to the time an earlier certificate of completion was issued, or

(b) time had started to run under subsection (2).”

- (ii) In Alaska, certain liens have been filed against a Tercon project under *Alaska Statute 34.35*. Section 68 of the Alaska statute provides the time periods for claiming liens:

“(a) If a notice of completion is not recorded by the owner as provided in AS [34.35.071](#) , a claim of lien shall be recorded not later than 90 days after the claimant

- (1) completes the construction contract; or
- (2) ceases to furnish labor, material, services, or equipment for the construction, alteration, or repair of the owner's property.

(b) If a notice of completion is recorded by the owner as provided in AS [34.35.071](#),

- (1) the following shall record a claim of lien or a notice of right to lien not later than 15 days after the notice of completion is recorded:
 - (A) a claimant who has received advance notification of the date that the notice of completion is recorded as provided in AS [34.35.071](#)(a)(2);
 - (B) a claimant who has not given a notice of right to lien as permitted in AS [34.35.064](#);
- (2) the following shall record a claim of lien not later than the time specified in (a) of this section:
 - (A) a claimant who records a notice of right to lien before or within the period specified in (1) of this subsection;
 - (B) a claimant who has given a notice of right to lien but who has not received advance notice of the date that the notice of completion is recorded by the owner as provided in AS [34.35.071](#) (a)(2).

(c) A claim of lien is enforceable only if recorded by a claimant within the time specified in (a) or (b) of this section.”

20. The Receiver has been informed by the Receiver's Counsel that the applicable time limit for the registration of Lien Claims on the Tercon projects has now expired in the applicable jurisdictions. The Receiver notes that any work done at the instruction of the Receiver following its appointment would be paid as an expense or cost of the Receiver.

21. In addition, section 10 of the BLA provides for certain funds to be impressed by a trust. Section 10 states, in part:

“10 (1) Money *received* by a contractor or subcontractor on account of the price of the contract or subcontract constitutes a trust fund for the benefit of persons engaged in connection with the improvement by that contractor or subcontractor and the contractor or subcontractor is the trustee of the fund.” *(emphasis added)*

22. The Distribution Order provides for certain reserves to be established by the Receiver including, pursuant to paragraph 3(e) of the Distribution Order:

“[3(e)] Out of any funds received by the Receiver in respect of any Tercon Project, the aggregate of the amounts of all claims for lien that have been preserved in accordance with applicable lien legislation or that may constitute trust funds pursuant to applicable lien legislation (the "**Lien and Trust Reserve**");”

23. Paragraph 3(g) of the Receivership Order states that:

“3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

...

(g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors, including, without limitation, any holdbacks or other reserves held by customers against monies and accounts now owed or hereafter owing to the Debtors, to settle any lien or trust claims relating to such monies, whether contractual, statutory or otherwise, and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;”

24. Paragraph 22 of the Distribution Order states:

“22. No disbursements from the Bonded Project Reserve or the Lien and Trust Reserve shall be made without further Order of the Court, on notice to all affected parties.”

25. Paragraph 30 of the Distribution Order states:

“30. Notwithstanding the terms of paragraphs 2, 28 and 29 hereof, the Receiver, Trisura, and any obligee or owner of a Bonded Project (which, for clarity, includes the Ministry of Transportation (B.C.)), are directed not to settle, admit or pay any Bond Claims or other claims relating to the Bonded Projects pending further direction of the Court, with such direction to be provided as part of the relief on the Bonded Projects Motion.”

26. It is germane to note that the claims against the L&M Bonds, Lien Claims and trust claims are all based on the sum due and owing by Tercon. In other words, the other remedies available to the creditors that have provided goods or services relating to the Tercon projects “secure” the obligation of Tercon to the creditor. The amount that would be payable in respect of a claim under a L&M Bond, a Lien Claim or a trust claim is only for the amount that is “justly owed” by Tercon to the claimant.

27. Therefore, in order to make payments to those creditors that have rights under a Trisura L&M Bond, a Lien Claim or a trust claim, it is necessary to establish the correct quantum of each claim. That adjudication and quantification will be necessary, regardless of whether the claim is paid from the reserves held by the Receiver, by Trisura under the L&M Bond or by a Tercon Project owner against whom a Lien Claim is prosecuted. If claims are paid by Trisura under the Trisura Bonds, Trisura will have a claim against the receivership estate pursuant to the indemnity agreement pursuant to which Tercon, amongst others, has indemnified Trisura (and as a “Transferee” under the Claims Procedure Order). If claims are paid by Project owners, those Project owners would have a claim against Tercon and set-off rights against amounts owing to Tercon. As a surety, Trisura can be subrogated into those set-off rights. Accordingly, the Receiver must be involved in the adjudication of claims as the estate and its stakeholders will be impacted regardless of whether the claim is made against Tercon, the Trisura Bonds or the Project owners.
28. There is no statutory procedure for the filing of claims in a receivership. Accordingly, the procedure must be established by Order of the Court.

CHANGES TO THE FORM OF CLAIMS PROCEDURE ORDER

29. Between the filing of the Fifth Report and the March 13 Hearing, the Receiver amended the Draft Claims Procedure Order to address various comments and concerns raised by various stakeholders, including Trisura, the MoT and FGMI. A “black-line” showing those changes was provided to Mr. Justice Sewell at the March 13 Hearing. The key changes that were made prior to the March 13 Hearing are summarized as follows:
- (i) Further clarity regarding the inclusion of Lien Claimants in the Claims Procedure;
 - (ii) An extension of the Claims Bar Date from April 19, 2013 to April 26, 2013;

- (iii) Confirmation that a Claims Officer's determination of a Disputed Claim could be appealed to the Court;
 - (iv) A provision that, notwithstanding the Claims Procedure Order, claims of Owners for warranty claims could be filed in accordance with the applicable Performance Bond; and
 - (v) A provision for expedited payments of Allowed Claims, with the consent of Trisura or Order of the Court, from Bonded Project Funds in the possession of the Receiver.
30. Since the March 13 Hearing, the Receiver, in consultation with other parties, has made additional changes to the proposed form of Order to address certain concerns raised by Mr. Justice Sewell. Those changes are summarized as follows:
- (i) An extension of the Claims Bar Date from April 26, 2013 to May 3, 2013;
 - (ii) Any Claim that has been filed with Trisura prior to the Claims Procedure Order will be deemed to be a Claim in the Claims Procedure; and
 - (iii) An extension of the time to file a dispute with respect to a revision or disallowance of its Claim with the Court from fourteen (14) days to twenty-one (21) days.
31. The proposed form of order now being sought by the Receiver (the “**Revised Claims Procedure Order**”) is attached hereto as Appendix D. Attached as Appendix E is a “black-line” showing the changes between the Draft Claims Procedure Order and the Revised Claims Procedure Order.

PROJECT ACCOUNTS, BOND CLAIMS AND LIEN CLAIMS TO DATE

THE FORT KNOX PROJECT

32. The Fort Knox Project is the project in Alaska that was undertaken for FGMI. The Fort Knox Project is complete and FGMI have confirmed that there are no outstanding deficiencies.
33. There is no dispute in respect of the gross amounts owing to Tercon by FGMI. The amounts of the receivables owing by FGMI are as follows, the payment of which is subject to ongoing discussions between the Receiver and FGMI:

	US\$
Final Billing	719,448.31
Demobilization	2,457,133.00
Holdback	1,000,000.00
Total	4,176,581.31

34. The following Lien Claims have been registered against the Fort Knox property:

Lien Claimant	Registration No.	Amount Claimed - US\$
North Central Rental & Leasing, LLC	2013-001804-0	317,087.00
Midstate Equipment Inc.	2012-026532-0	148,781.25
Stutzman Engineering	2012-026286-0	13,440.00
N.C. Machinery Co.	2013-003074-4	929,798.16
Total		1,409,106.41

35. The Receiver and the Receiver's Counsel are in the process of reviewing the quantum and validity of these Lien Claims.

THE WALL PROJECT

36. The MoT has informed the Receiver that it wishes to terminate the contract for the Wall Project (which termination is prohibited by paragraph 11 of the Receivership Order without written consent of the Receiver or leave of the Court) and that it will not make a claim on the Performance Bond issued in respect of the Wall Project for completion of the work, other than potentially in respect of the costs of retendering the balance of the contract (which the MoT has estimated at approximately \$50,000) and potential warranty issues with respect to the work completed. At the request of the MoT, the Receiver has provided a draft termination agreement to set out the terms of the consent of the Receiver to the termination of the contract for the Wall Project and the Receiver is awaiting comments from the MoT.

37. To date, payments totalling \$61,236.85 have been made by the MoT to the Receiver in respect of amounts owing on the Wall Project. The MoT has acknowledged a holdback owing of \$127,101.31. The Tercon books and records show an additional amount owing to Tercon in respect of the Wall Project of \$1,419,436.28 for contract extras which remains in dispute. The MoT and the Receiver, with the assistance of former Tercon personnel, have spent significant effort working together in an effort to identify, reconcile and agree the actual amount owing and those efforts continue.

38. Based on information provided by Trisura on March 13, 2013, 19 claims with an aggregate total of \$454,565.46 have been filed against the Wall Project Labour & Materials Bond. In addition, 3 further claims with an aggregate total of \$79,752.84 have been filed against multiple projects, including the Wall Project. These claims may or may not relate to the Wall Project, the determination of which the Receiver is in the process of making.

39. As noted earlier in this report, both the Receiver and Trisura are currently prohibited from settling, admitting or paying any Bond Claims pursuant to paragraph 30 of the Distribution Order. The Receiver has compared the claims referenced in the preceding paragraph to the amounts shown as owing to the claimants on the books and records of Tercon, the results of which comparison are summarized as follows:
- (i) The Receiver is prepared to accept the quantum of 17 of the 19 claims against the Wall Project Bond, totalling \$347,787.05;
 - (ii) 1 of the claims, in the amount of \$104,853.80, exceeds the amount shown on the Tercon books and records by \$47,336.75. The Receiver is investigating the difference;
 - (iii) 1 claim, in the amount of \$1,924.61, is for invoices that have been disputed; and
 - (iv) 3 claims filed against multiple projects, including the Wall Project, totalling \$79,752.84 are of amounts that the Receiver is prepared to accept but determination of which project they are properly claimable has to be made.
40. Based on the Receiver's current understanding of the amounts agreed as payable by the MoT in respect of the Wall Project and the information provided by Trisura with respect to claims already filed against the Wall Project Labour & Materials Bond, it appears that the amount to be collected by the Receiver should exceed the claims on the Wall Project Labour & Materials Bond.
41. As described earlier in this Report, the Wall Project cannot be liened under the BLA.

THE WATER LINE PROJECT

42. At the Date of Appointment, the Water Line Project was complete except for some training and documentation and remediation of certain deficiencies. The Receiver arranged for completion of the outstanding works and remediation of the deficiencies through sub-contractors. The MoT is in the process of reviewing documentation and final inspection is anticipated to be scheduled in the week commencing March 18, 2013.
43. The amounts owing by the MoT in respect of Water Line Project have been agreed at \$171,360 including holdbacks of \$64,035.83, although no amounts have yet been remitted to the Receiver by the MoT.
44. The MoT has informed the Receiver that it wants the Performance Bond on the Water Line Project to remain in place in accordance with its terms in case of warranty claims.
45. Based on information provided to the Receiver by Trisura on March 13, 2013, 7 claims with an aggregate total of \$119,626.21 have been filed against the L&M Bond issued in respect of the Water Line Project and 4 further claims with an aggregate total of \$92,426.76 have been filed against multiple projects, including the Water Line Project. In addition, 1 claim with an unquantified amount has been filed against the Water Line Project.
46. As noted earlier in this report, both the Receiver and Trisura are currently prohibited from settling, admitting or paying any Bond Claims pursuant to paragraph 30 of the Distribution Order. The Receiver has compared the claims referenced in the preceding paragraph to the amounts shown as owing to the claimants on the books and records of Tercon, and the Receiver is prepared to accept the amount of each of the quantified Bond Claims against the Water Line Project.

47. Based on the Receiver's current understanding of the amounts agreed as payable by the MoT in respect of the Water Line Project and the information provided by Trisura with respect to claims already filed against the L&M Bond issued in respect of the Water Line Project, it appears that the amount to be collected by the Receiver should exceed the claims on the L&M Bond unless the claims filed against multiple projects are in fact claims only against the Water Line Project.
48. As described earlier in this Report, the Wall Project cannot be liened under the BLA.

THE CREEK BRIDGE BEARING PROJECT

49. The MoT has informed the Receiver that it wishes to terminate the contract for the Creek Bridge Bearing Project (which termination is prohibited by paragraph 11 of the Receivership Order without written consent of the Receiver or leave of the Court) and that it will release Trisura in respect of the applicable Performance Bond. At the request of the MoT, the Receiver has provided a draft termination agreement confirming the foregoing and setting out the terms of the Receiver's consent and the Receiver is awaiting comments from the MoT.
50. To date, payments totalling \$7,347.20 have been made by the MoT to the Receiver in respect of amounts owing on the Creek Bridge Bearing Project. The Tercon books and records show additional amounts owing to Tercon in respect of the Creek Bridge Bearing Project of \$32,652.80 which remains in dispute.
51. Based on information provided to the Receiver by Trisura on March 13, 2013, 3 claims with an aggregate total of \$53,719.17 have been filed against the L&M Bond issued in respect of the Creek Bridge Bearing Project. In addition, 4 further claims with an aggregate total of \$92,426.76 have been filed against multiple projects, including the Creek Bridge Bearing Project. These claims may or may not relate to the Creek Bridge Bearing Project, the determination of which the Receiver is in the process of making.

52. As noted earlier in this report, both the Receiver and Trisura are currently prohibited from settling, admitting or paying any Bond Claims pursuant to paragraph 30 of the Distribution Order. The Receiver has compared the claims referenced in the preceding paragraph to the amounts shown as owing to the claimants on the books and records of Tercon, and the Receiver is prepared to accept the amount of each of the Bond Claims against the Creek Bridge Bearing Project.
53. Based on the Receiver's current understanding of the amounts agreed as payable by the MoT in respect of the Wall Project and the information provided by Trisura with respect to claims already filed against the Creek Bridge Bearing Project Labour & Materials Bond, it appears that the amount to be collected by the Receiver will be less than the claims on the Creek Bridge Bearing Project Labour & Materials Bond.
54. As described earlier in this Report, the Wall Project cannot be liened under the BLA.

THE RED CHRIS PROJECT

55. The Red Chris Project is complete, with a certificate of substantial completion having been issued on November 22, 2012. There are no known deficiencies.
56. As reported in the Fifth Report, work on the Red Chris Project was sub-contracted by TTLP to Tercon Construction Ltd., which in turn engaged and sub-contracted external suppliers. Accordingly, certain claims against Tercon Construction Ltd. may also be claims against the TTLP Bonds.
57. There is a significant dispute over amounts owing by Red Chris Development Company Ltd. ("**Red Chris**") in respect of the Red Chris Project. Based on discussions with Red Chris, the Receiver estimates that recoveries may be in the range approximately \$417,000 to \$2,976,000 before settlement of lien claims registered against the Red Chris property.

58. Based on the information provided to the Receiver by Trisura, no amounts have been claimed against the L&M Bond issued in respect of the Red Chris Project.
59. The Receiver understands that two third party Lien Claims have been registered against the Red Chris property totalling \$249,085.46 in the aggregate. In addition, the Receiver registered a lien in the amount of \$2,976,026.69 for the amounts owed to TTLP.
60. Accordingly, it appears that the amounts to be collected on the red Chris Project will exceed the amount of the third party Lien Claims of unpaid suppliers.

TECK COAL

61. Teck Coal is the beneficiary of an environmental bond in respect of certain clean-up obligations for a storage yard leased by Tercon (the “**Teck Bond**”). The Receiver has undertaken site clean-up activities as part of the demobilization and sale of equipment and does not anticipate that there should be any claim on the Teck Bond.
62. Teck Coal has paid the Receiver \$661,029.32 since the commencement of the Receivership Proceedings and no additional amounts remain owing.

ADDITIONAL NOTICE OF THE MOTION

63. Notice of the March 13 Hearing was served on the service list on March 8, 2013.
64. Following the adjournment of the March 13 Hearing, the Receiver’s Canadian Counsel served a copy of the Notice of Application and the Fifth Report, along with a cover letter from the Receiver’s Canadian Counsel advising of the hearing scheduled for March 21, 2013 (the “**Courier Package**”), on the following persons:
 - (i) All parties that the Receiver had been advised by Trisura had filed a claim against a Trisura Bond;

- (ii) All parties that had registered a lien against a Tercon Project; and
 - (iii) All Potential Property Interest Claimants (as defined in the Distribution Order) that had not otherwise been served.
65. In addition, on March 14, 2013, the Receiver sent by mail a letter to all known creditors advising of the hearing scheduled for March 21, 2013 and advising that creditors may access the relevant materials on the Receiver's Website, that they may contact the Receiver's Counsel if they had questions or concerns about the proposed motion and that they could attend the hearing if they wished to do so (the "**Receiver's Letter**").
66. In addition, the Receiver's Canadian Counsel served a copy of the Notice of Application and the Fifth Report, along with a cover letter from the Receiver's Canadian Counsel advising of the hearing scheduled for March 21, 2013 to Teck Coal on March 18, 2013 (the "**Teck Letter**").
67. Copies of the Courier Package (without enclosures), the Receiver's Letter and the Teck Letter (without enclosures) are attached hereto as Appendix F, Appendix G and Appendix H respectively.

INVOLVEMENT OF TRISURA IN THE CLAIMS ADJUDICATION PROCESS

68. At the March 13 Hearing Mr. Justice Sewell raised a query about the role of Trisura in the claim adjudication process and whether that role could present a potential conflict of interest.
69. In the Receiver's view, the involvement of Trisura, working in conjunction with the Receiver on the preliminary adjudication of Bond Claims in accordance with the Receiver-Trisura Protocol is appropriate and does not create a conflict of interest that could be prejudicial to creditors for the following reasons:

- (i) Absent the Receivership Proceedings, Trisura or its representatives would be the party that would be reviewing and approving or disapproving claims on the Trisura Bonds, subject to the right of a claimant to sue on the Trisura Bond in the event that the claimant is not satisfied with the response of Trisura to a claim on the Trisura Bond;
- (ii) Trisura has bound itself to be liable for any sum that is “justly due” to a claimant, which includes any Allowed Claim in the Claims Procedure;
- (iii) Each of the Receiver and Trisura have expressly acknowledged the independence, responsibilities and obligations of the other as a Court-appointed officer and a surety, respectively;
- (iv) If Trisura is not satisfied with the conclusion of the Receiver in connection with the review of a Claim, the Claim would be reviewed by a Claims Adjuster experienced in construction matters that was engaged by the Receiver and Trisura to report on the Claim;
- (v) A claimant whose claim is denied after the review of the Claim pursuant to the Receiver-Trisura Protocol and the Claims Procedure has the right to dispute the initial adjudication of its claim and if such dispute cannot be consensually resolved, the claimant has the right of appeal to a Claims Officer. If the claimant is not satisfied with the Claims Officer’s determination, the claimant can appeal the matter to the Court. As a result, neither the Receiver nor Trisura is the ultimate arbiter of claims.

70. The Receiver also notes that of the 33 quantified Bond Claims that Trisura notified the Receiver of, only two require further investigation in respect of the quantum of the claim.

BENEFITS OF THE CLAIMS PROCEDURE TO CREDITORS AND OTHERS

71. It is the Receiver's respectful view that the Revised Draft Claims Procedures Order affords the following benefits to creditors, the estate and its stakeholders:
- (i) A convenient, streamlined and cost-effective process for creditors to prove their claims against the estate in a manner that will address the claim and also deal with the various remedies available to a claimant;
 - (ii) A multiplicity of proceedings would be avoided as all claim issues would be dealt with in a single forum, resulting in savings in time and costs for creditors, Trisura, Project owners and the estate;
 - (iii) Claims will be adjudicated much more quickly in the Claims Procedure than if adjudication took place through a process that required civil litigation outside the Receivership Proceedings and without the additional costs that such a process would impose on creditors and the estate; and
 - (iv) Creditors with allowed Bond Claims or allowed Lien Claims can be paid more quickly than if the Revised Claims Procedure Order was not granted.

POTENTIAL PREJUDICE, IF ANY

72. The Receiver does not believe that there any material prejudice to any stakeholder would result from the granting of the Revised Claims Procedure Order.
73. While the failure to file a claim by the Claims Bar Date would extinguish a creditor's claim, the Revised Claims Procedure Order specifically provides that the Claims Bar Date may be extended by further order of the Court, enabling any creditor with a valid reason to seek an order enabling them to file a "late claim" (as did the Draft Claims Procedure Order).

PROPOSED STAY OF PROCEEDINGS AGAINST THIRD-PARTIES

74. The Revised Claims Procedure Order includes a provision staying, until further order of the Court, proceedings against Trisura in respect of any Bond Claim and in respect of any Lien Claim. As noted above, the Receivership Order provides that all rights and remedies affecting the property of Tercon (including accounts receivable) are stayed and suspended, except with the consent of the Receiver or leave of the Court.

75. As noted earlier in this report, lien claims registered against the third-party owned lands where the Tercon Projects were carried out and claims against the Trisura Bonds are claims that are based on the amounts actually owing by Tercon. Allowing claimants to prosecute Bond Claims or Lien Claims, except through the Claims Procedure, would result in an unnecessary duplication of proceedings with attendant additional cost, a waste of judicial resources and could lead to inconsistent results across the different proceedings. Given the limited number of claims that have not been reconciled as at the date of this report, the temporary stay would, in the Receiver's view, be inconsequential.

76. As described earlier in this report, all known creditors of Tercon have been made aware of the application for the Claims Procedure Order via the Receiver's Letter and have been provided access to the materials filed in connection with the Application. Furthermore, any creditor that has already filed a claim on a Trisura Bond and all Potential Property Interest Claimants have been served with the application by courier. The Receiver has not heard from any party that it is opposed to a stay on either Lien Claims or Bond Claims while the Claims Procedure is being conducted.

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

Dated this 18th day of March, 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



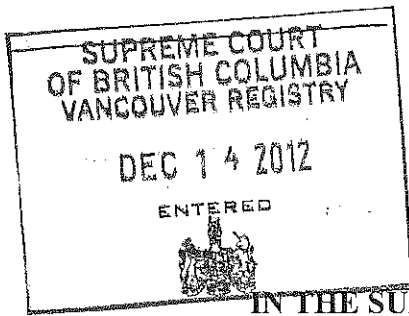
Nigel D. Meakin
Senior Managing Director



Jeff Rosenberg
Managing Director

Appendix A

The Receivership Order



No. S 128887
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., 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

BEFORE THE HONOURABLE) FRI DAY, THE 14th DAY
)
MR. JUSTICE SEWELL) OF DECEMBER, 2012.
)

ON THE PETITION of the Petitioner for an Order 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*, R.S.B.C. 1996 c. 253, as amended (the “**LEA**”) appointing FTI Consulting Canada Inc. as Receiver (in such capacity, the “**Receiver**”) without security, of all 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**”) acquired for, or used in relation to a business carried on by the Debtors, coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Petition dated December 13, 2012, the Affidavit #1 of Steven Chambers sworn December 13, 2012 and the consent of FTI Consulting Canada Inc. to act as the Receiver; AND ON HEARING David E. Gruber, Counsel for the Petitioner and other counsel as listed on Schedule "B" hereto, and no one appearing for the other parties on the Service List, although duly served.

THIS COURT ORDERS AND DECLARES that:

SERVICE

1. The time for service of the Petition and the hearing of the Petition is hereby abridged and validated so that this Petition is properly returnable today and the Court hereby dispenses with further service thereof.

APPOINTMENT

2. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA FTI Consulting Canada Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property provided that any such possession need not be physical possession;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to wind-down but not operate the business of the Debtors and realize on the Property of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of winding-down the business and realizing on the Property, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) subject to paragraph 3(c) of this Order, to undertake such activities as necessary or desirable to prepare for and effect the realization of the Property;

- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to facilitate the wind-down of the business of the Debtors and the realization of the Property;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors, including, without limitation, any holdbacks or other reserves held by customers against monies and accounts now owed or hereafter owing to the Debtors, to settle any lien or trust claims relating to such monies, whether contractual, statutory or otherwise, and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors provided that no indebtedness in excess of \$50,000 in respect of any one debt, or in excess of \$200,000 in the aggregate, shall be settled, extended or compromised without the prior written consent of HSBC Bank Canada (the "Agent") or further order of the Court;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (l) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court but with the prior written consent of the Agent in respect of any transaction not exceeding \$100,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

- (ii) with the approval of this Court and with the prior written consent of the Agent in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have, including in respect of the AC&T Limited Partnership and the Tahltan-Tercon Limited Partnership;
- (t) to make disbursements from time to time from funds on hand or proceeds of realization of the Property;
- (u) to cause the Debtors or any of them to continue to provide accounting and other services to AC&T Limited Partnership or Tahltan-Tercon Limited Partnership, or either of them, in accordance with past practice or as otherwise deemed advisable by the Receiver;
- (v) 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; and
- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. Each of (i) the Debtors, (ii) all of the Debtors' respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.
5. All Persons in the possession of Property ("Possessory Claimants") that assert a claim or lien against the Property that is dependent on possession of the Property (a "Possessory Claim") shall forthwith deliver up possession of the Property to the Receiver or permit the Receiver to take possession and control of the Property, and such delivery up of possession shall be without prejudice to the Possessory Claim asserted by such Person and the Possessory Claim shall be determined as if possession of the subject Property remained with the Possessory Claimant asserting the Possessory Claim. Forthwith following the delivery up of possession of the Property, the Possessory Claimant shall provide the Receiver with all documents and records that support the Possessory Claim of the Possessory Claimant.
6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the

purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtors and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

10. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall discontinue, fail to honour, alter, interfere with (including with respect to the Receiver's powers pursuant to paragraph 3(s) of this Order), repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services (including from demanding any deposits relating to the continued supply of such goods or services) as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All monies in any bank account(s), including any monies in bank accounts located in the State of Alaska, standing to the credit of any of the Debtors shall be remitted to the Receiver forthwith upon demand to be deposited into a Post-Receivership Account (as defined herein). All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. The employment of all of the Debtors' employees be and is hereby terminated without the necessity of any further act or formality. The Receiver shall be at liberty to engage, as consultants, former employees on a day-to-day contract basis to assist with the winding-down of the business of the Debtors and the realization of the Property. The Receiver shall not be liable for any employee-related liabilities of the Debtors, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA. The Receiver shall only be liable for amounts that the Receiver has specifically agreed in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any former employees that may be engaged by the Receiver after the date of this Order other than in accordance with the specific written terms and conditions of such engagement by the Receiver.

15. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

18. The Receiver shall not be obligated to make an inventory of the Property, including without limitation, the Debtors' inventory and equipment, and shall incur no liability if no inventory of the Property is made.

RECEIVER'S ACCOUNTS

19. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
20. At the request of the Petitioner, any other party in interest or this Court, the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
21. Prior to any passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements, if a passing of accounts is requested, when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable with the prior written consent of the Agent, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, *and the interest of equipment lessors, subject to liberty to apply by the Receiver for such priority.*
23. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

26. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the proceeds of realization of the various assets comprising the Property.

AGENT'S RIGHTS

27. Notwithstanding any other provision of this Order, upon the occurrence of a default under the Forbearance Agreement between the Petitioner, the Agent, the lenders party thereto (the "**Lenders**") and the Respondents party thereto dated December 13, 2012, upon three (3) business days' notice to the Debtors and the Receiver, the Agent may exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the Credit Agreement (as defined in the Forbearance Agreement) and ancillary credit and security documentation, including without limitation, to set off and/or consolidate any amounts owing by the Agent or any of the Lenders to the Debtors against the obligations of the Debtors to the Agent and the Lenders under the Credit Agreement and ancillary credit and security documentation, to make demand, accelerate payment and give other notices, or to apply to this Court for a bankruptcy order against the Debtors and for the appointment of a trustee in bankruptcy of the Debtors.
28. The Receiver shall provide updates to the Agent weekly, or at such other intervals as the Receiver and the Agent may agree, as to the status of the receivership proceedings and the Receiver's activities, receipts and disbursements relating thereto, subject to such terms as to confidentiality as the Receiver deems advisable.

GENERAL

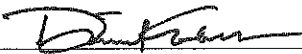
29. Notwithstanding any other provision of this Order, the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
31. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, 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 such courts, tribunals and 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.

32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
33. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
35. This Order and all of its provisions are effective as of 8:59 a.m. Pacific Time on the date of this Order.
36. Endorsement of this Order by counsel appearing on this Petition other than the Petitioner is hereby dispensed.

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

APPROVED BY:



Signature of David E. Gruber

lawyer for Petitioner

BY THE COURT



REGISTRAR

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that FTI Consulting Canada Inc., the Receiver (the "**Receiver**") of all 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**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the ____ day of _____, 2012 (the "**Order**") made in SCBC Action No. _____ and/or SCBC Action No. _____/Estate No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the ____ day of each month after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 201__.

FTI CONSULTING CANADA INC., solely
in its capacity as Receiver of the Property, and
not in its personal capacity

Per:
Name:
Title:

Schedule "B" - List of Counsel

MAGNUS VERBRUGGE]
EDWARD WANG] - FTI CONSULTING CANADA INC.

CHRIS RAMSAY]
JANE DETRECHT]
DENNIS WESE] - HSBC BANK CANADA

MARC WASSERMAN]
JEREMY DACKS] - DUMAS HOLDINGS INC.

Action No. _____

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 -

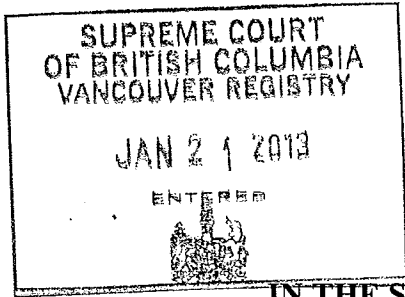
**TERCON INVESTMENTS LTD., TERCON A.C.
LTD., TERCON EQUIPMENT LTD., TERCON
CONSTRUCTION LTD., TERCON MINING LTD.,
TERCON ENTERPRISES LTD., TERCON MRC
LIMITED, FNP VENTURES INC., TERCON
MINING PV LTD., TERCON EQUIPMENT
ALASKA PARTNERSHIP AND TERCON
ALASKA LTD.**

Respondents

RECEIVERSHIP ORDER

Appendix B

The Distribution Order



No. S128887
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

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

Respondents

ORDER MADE AFTER APPLICATION

DISTRIBUTION ORDER

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

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

for hearing at Vancouver, British Columbia, on the 21st day of January, 2013; AND ON HEARING Geoffrey Thompson, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, AND UPON READING the material filed, including the Second Report of the Receiver dated January 15, 2013 (the "**Second Report**")¹;

THIS COURT ORDERS AND DECLARES THAT:

Payment of Accounts Receivable

1. All amounts owing to any of the Debtors, including any holdback amounts, by any person having notice of this order shall forthwith be paid to the Receiver and no such funds shall be paid to any other person unless such payment is approved in advance by the Court, on notice to the Receiver.
2. The terms of paragraph 1 hereof shall not apply to any of the Bonded Projects, pending further order of the Court on a motion by Trisura Guarantee Insurance Company ("**Trisura**") or the Receiver to determine, *inter alia*, the application of this Order to the Bonded Projects (the "**Bonded Projects Motion**").

Establishment of Reserves

3. The Receiver is authorized and directed to establish reserves in respect of the following proceeds of Property in the Receiver's possession ("**Proceeds**"), which Proceeds, notwithstanding the creation of such reserves, shall continue to be "Property" pursuant to the Receivership Order:
 - (a) The amount of \$1,069,017.91, in respect of the Total Lien Amount referred to in paragraph 14 of the Second Report or such other amount as may be, in the discretion of the Receiver, necessary to pay any claims for lien registered (the "**Registered Liens**") against the Equipment (as such term is defined in the Asset Purchase and Sale Agreement dated as of December 21, 2012 (the "**APA**")) as at the date of this Order (the "**Equipment Lien Reserve**"), such Equipment Lien Reserve to be established solely from the net proceeds of the Equipment received by the Receiver pursuant to the APA;
 - (b) The aggregate of all amounts claimed in accordance with the provisions of this Order prior to the Reserve Bar Date (defined below) in connection with any security interests or charges evidenced by registrations against the Debtors pursuant to the *Personal Property Security Act* ("**PPSA**") of British Columbia or Alberta, or pursuant to the Uniform Commercial Code ("**Secured Claims**") or other state law relating to the registration of Secured Claims in Alaska where such Secured Claims may, by virtue of priority of registration, or pursuant to the claim of a person asserting a Secured Claim, have priority to the security interests of

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

HSBC or DHI to the Assets (the “**Priority Claims Reserve**”), such Priority Claims Reserve to be established solely from the net proceeds of the Assets (as defined in the APA) received by the Receiver pursuant to the APA;

- (c) All amounts that might be payable to the Purchasers pursuant to the provisions of the APA (the “**APA Reserve**”);
- (d) From any funds received by the Receiver in respect of any Bonded Project, the lesser of (i) the face amount of the Bond issued on the Bonded Project; (ii) the amount of accounts receivable collected on account of the Bonded Project; and (iii) the aggregate of the amounts of all claims of Claimants (as defined in the Bonds) (the “**Bond Claims**”), if any, made against Trisura Guarantee Insurance Company (“**Trisura**”) in accordance with the terms of the applicable Bond within the period provided for such claims pursuant to the terms of the Bond (the “**Bond Claim Period**”) issued in respect of the Bonded Project (the “**Bonded Project Reserve**”), For greater clarity, there shall be a separate Bonded Project Reserve for each Bonded Project;
- (e) Out of any funds received by the Receiver in respect of any Tercon Project, the aggregate of the amounts of all claims for lien that have been preserved in accordance with applicable lien legislation or that may constitute trust funds pursuant to applicable lien legislation (the “**Lien and Trust Reserve**”);
- (f) From the proceeds of sale of any Property (as defined in the Receivership Order dated December 14, 2012) delivered to the Receiver by a Possessory Claimant (as defined in the Receivership Order) pursuant to paragraph 5 of the Receivership Order, an amount which is the lesser of:
 - (a) the alleged Possessory Claim (as defined in the Receivership Order);
and
 - (b) the proceeds of sale of the Property against which the Possessory Claim is made (the “**Possessory Claim Reserve**”);
- (g) An amount determined by the Receiver, in its sole discretion, to be sufficient to pay all of the Receiver’s fees, costs, expenses and disbursements during the Receivership Proceedings (the “**Receiver’s Costs**”), to the date of its discharge (the “**Receivership Reserve**”); and
- (h) An amount equal to: (i) the proceeds received by the Receiver, determined pursuant to the terms of the APA, from the sale of any Property (as defined in the Receivership Order dated Dec 14 ,2012) that was transferred from Tercon Equipment Ltd. to Tercon Equipment Alaska Partnership (the “**Alaska Property**”) pursuant to the Purchase and Sale Agreement dated December 6, 2012 that is referred to in paragraph 31 of the Affidavit of Steven Chambers, sworn December 13, 2012 and filed in support of the application for the Receivership Order, less (ii) the amount of the Equipment Lien Reserve held in respect of

Registered Liens that have been registered against Alaska Property (the “ **TEAP Reserve**”);

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

4. For greater certainty, to the extent that the Receiver holds proceeds in respect of any item of Alaska Property in the Equipment Lien Reserve, it shall not be required to hold an amount in the TEAP Reserve in respect of a Registered Lien filed against the same item of the Alaska Property.

Payment to HSBC

5. Subject to the Receiver establishing the Reserves and subject to paragraph 6 hereof, the Receiver shall be authorized and directed, without further Order of the Court, to distribute to HSBC Bank Canada (“**HSBC**”) as Lead Arranger, Bookrunner and Administrative Agent under the senior secured credit agreement dated as of February 28, 2012 between, *inter alia*, HSBC, certain lenders from time to time (the “**Secured Lenders**”) and the Debtors, such Proceeds of the Assets in its hands, free and clear of all Encumbrances other than those in favour of the Secured Lenders (the “**HSBC Distributions**”).
6. The Receiver is authorized to make HSBC Distributions from time to time as soon as practical once it has, in its possession, at least \$500,000 in excess of the Reserves to distribute to HSBC.
7. Notwithstanding anything set out in paragraph 5 and 6 above, no money from the TEAP Reserve shall be paid to HSBC without further order of the Court.

Claims against Reserves

8. The Receiver shall as soon as practicable after the date of this Order, send a copy of this Order, together with a copy of a notice substantially in the form attached as Schedule “B” hereto (the “**Property Claim Notice**”) to every individual, firm, corporation, governmental body or agency (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) with a Registered Lien or a Secured Claim (a “**Potential Property Interest Claimant**”) by regular prepaid mail, facsimile, courier or electronic mail to the address of such Potential Property Interest Claimant as set out in the registrations made in respect of the Registered Liens or the Secured Claims.
9. The Receiver shall cause the Property Claim Notice and this Order to be posted on the Receiver’s Website as soon as practicable after the date of this Order and cause it to remain posted thereon until its discharge as Receiver.
10. All Potential Property Interest Claimants and other entities having notice of this Order, excluding HSBC and DHI, that intend to assert a claim against the Assets, the Equipment Lien Reserve or the Priority Claims Reserve shall provide the Receiver with an affidavit or declaration, or other notice in writing in a form acceptable to the Receiver setting out all of particulars of the Potential Property Interest Claim and attaching all documents and

records that support the Potential Property Interest Claim of the Person (the "**Claim Support Documents**") on or before February 15, 2013 (the "**Reserve Bar Date**").

11. No Potential Property Interest Claimant shall be entitled to any payment from the Equipment Lien Reserve or the Priority Claims Reserve unless it has delivered to the Receiver the Claim Support Documents prior to the Reserve Bar Date.
12. Any Person that has registered a lien against real property owned by a third party relating to a Tercon Project (as defined in the Second Report) shall deliver copies of all lien claim and registration documents to the Receiver forthwith after making such registration or receiving notice of this order.
13. The Receiver shall provide Trisura with copies of all documentation relating to the Bonded Projects required to be provided under the indemnity agreement(s) between the Debtors and Trisura that are in the possession of the Receiver as soon as reasonably practicable.
14. Trisura shall, within five (5) business days following receipt of any Bond Claim (as defined hereafter), provide the Receiver with copies of all and documents received in support thereof, any and all claims which it receives against the Bonds within the Bond Claim Period provided pursuant to the Bonds ("**Bond Claims**").
15. Any paper copy of any notice, notification or communication required to be provided or delivered to the Receiver under this Order will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West, Suite 2010
P. O. Box 104
Toronto, ON M5K 1G8
Attn: Nigel Meakin
Fax: (416) 649-8181
Email: tercon@fticonsulting.com

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

Payment from Reserves

17. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Equipment Lien Reserve to or for the benefit of any of the

Equipment Lien Claimants (as described in the Second Report) that have Registered Liens that are valid and enforceable against the Equipment and that have priority to the interests of HSBC and DHI, in an amount agreed upon between HSBC, DHI and the Receiver or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.

18. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Priority Claims Reserve to or for the benefit of any of person asserting a Secured Claim to the Assets in priority to the interest of DHI or HSBC in an amount agreed upon between HSBC, DHI and the Receiver or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.
19. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the APA Reserve to or for the benefit of any of the Purchasers (as described in the Second Report) in accordance with the terms of the APA, free and clear of all Encumbrances.
20. The Receiver is hereby authorized and empowered, without further Order of the Court, to make disbursements from the Possessory Claim Reserve to or for the benefit of any Person who delivered Assets to the Receiver pursuant to paragraph 5 of the Receivership Order in an amount agreed upon between HSBC, DHI and the Receiver, or otherwise as determined by further Order of the Court, free and clear of all Encumbrances.
21. The Receiver is authorized to disburse funds from the Receivership Reserve in accordance with Receivership Order.
22. No disbursements from the Bonded Project Reserve or the Lien and Trust Reserve shall be made without further Order of the Court, on notice to all affected parties.
23. Once all claims to the Equipment Lien Reserve, the Priority Claims Reserve, the APA Reserve and the Possessory Claim Reserve (collectively, the “**Disbursable Reserves**”) have been finally determined and all applicable payments have been made, the Receiver is hereby authorized, without further Order of the Court, to distribute all amounts remaining in such Disbursable Reserve to HSBC, free and clear of all Encumbrances.
24. For greater certainty: (i) no amounts shall be payable from any Disbursable Reserve on account of a claim to any other Disbursable Reserve; and (ii) the Receiver’s Costs may be applied to any of the Disbursable Reserves and the TEAP Reserve if the Receivership Reserve is not sufficient to pay all of the Receiver’s Costs up to and including its discharge.
25. In the event that: (i) any legislation applicable in the Provinces of British Columbia or Alberta, or the State of Alaska, requires the seizure of property subject to a lien in order to enforce, or prevent the expiry of, lien rights against the Equipment and (ii) any Person with a Registered Lien would be required to seize or direct the seizure of the Equipment to preserve or perfect the Registered Lien (“Seizure”), then:

(a) all such requirements are hereby suspended and extended, *nunc pro tunc*, from the date of the Approval and Vesting Order made in this proceeding (the “**Suspension Date**”), pending further order of the Court; and

(b) all periods of limitation providing the time within such Seizure must be enforced or effected are hereby suspended and extended, *nunc pro tunc*, from the Suspension Date, pending further order of the Court;

26. The terms of paragraph 25 are without prejudice to the rights of the Parties with Registered Liens, the Receiver, HSBC and DHI, each as against the other, and in particular, are made without prejudice to any positions or legal defences arising from the passage of time that may have accrued with respect to the Registered Liens as at the Suspension Date to the benefit of the Persons with the Registered Liens, the Receiver, HSBC and DHI under any statute, at common law, or in equity.

The Bonded Projects Motion

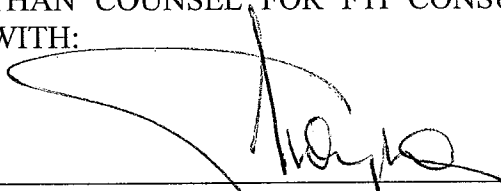
27. The Bonded Projects Motion shall be heard by this Court on not less than seven (7) days’ notice, on a date to be scheduled by counsel but, in any event, the moving party’s motion material shall not be served prior to January 28, 2013.
28. Nothing in this Order shall affect Trisura’s ability to attend on or investigate any Bonded Project, including discussing such Bonded Projects with any obligee or Claimant, as those terms are defined in any performance bonds or labour and material payment bonds issued on the Bonded Projects.
29. Any obligee or Claimant under any Bond is entitled to provide notice to Trisura of any claim that it is advancing and Trisura shall be entitled to make such investigations as it deems appropriate in the ordinary course under the relevant bond
30. Notwithstanding the terms of paragraphs 2, 28 and 29 hereof, the Receiver, Trisura, and any obligee or owner of a Bonded Project (which, for clarity, includes the Ministry of Transportation (B.C.)), are directed not to settle, admit or pay any Bond Claims or other claims relating to the Bonded Projects pending further direction of the Court, with such direction to be provided as part of the relief on the Bonded Projects Motion.

Directions

31. Each of the Receiver, HSBC, DHI, the Purchasers or any Person asserting a claim to a Reserve may apply to the Court for directions in respect of any aspect of this Order.
32. The Receiver shall have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.


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

THE 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 Geoffrey Thompson
 Party Lawyer for
FTI Consulting Canada Inc.

BY THE COURT



REGISTRAR

SCHEDULE A - List of Counsel

H. FERRIS, NC MACHINERY

D GRUBER, PENTONER

M. WASSERMAN, "

J. MOSTOWAS, TRISURTA

C RAMSAY, HSBC

D WIERBE "

J DIETRICH "

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.
(collectively, the "Tercon Debtors")**

Respondents

PROPERTY CLAIM NOTICE:

On December 14, 2012, FTI Consulting Canada Inc. was appointed as receiver (the "**Receiver**") of all of the assets, undertakings and properties (the "**Property**") of the Tercon Debtors noted above. By Order of the British Columbia Supreme Court (the "**Court**") dated January 21, 2013 (the "**Distribution Order**")², a process was established for creditors to prove claims against the Tercon Debtors that have Registered Liens or Secured Claims against certain assets of the Tercon Debtors. A copy of the Distribution Order is enclosed with this Property Claim Notice and can also be found on the Receiver's website at <http://cfcanada.fticonsulting.com/tercon..>

All Potential Property Interest Claimants and other entities having notice of this Order, excluding HSBC and DHI, that intend to assert a claim against the Assets, the Equipment Lien Reserve or the Priority Claims Reserve established under the Distribution Order shall provide the Receiver with an affidavit or declaration, or other notice in writing in a form acceptable to the Receiver setting out all of particulars of the Potential Property Interest Claim and attaching all documents and records that support the Potential

² All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Distribution Order.

Property Interest Claim of the Person (the “**Claim Support Documents**”) on or before February 15, 2013 (the “**Reserve Bar Date**”).

No Potential Property Interest Claimant shall be entitled to any payment from the Equipment Lien Reserve or the Priority Claims Reserve unless it has delivered the Claim Support Documents to the Receiver prior to the Reserve Bar Date.

In accordance with the Distribution Order, all Claim Support Documents shall be delivered to the Receiver by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West, Suite 2010
P. O. Box 104
Toronto, ON M5K 1G8
Attn: Nigel Meakin
Fax: (416) 649-8181
Email: tercon@fticonsulting.com

IF YOUR CLAIM SUPPORT DOCUMENTS ARE NOT RECEIVED BY THE RECEIVER BY THE RESERVE BAR DATE, YOU SHALL NOT BE ENTITLED TO ANY PAYMENT FROM THE EQUIPMENT LIEN RESERVE OF THE PRIORITY CLAIMS RESERVE.

Dated at _____ this _____ day of _____, 2013.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DUMAS HOLDINGS INC.

Petitioner

- and -

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

Respondents

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

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

INTERIM DISTRIBUTION ORDER

Appendix C

The Trisura Bonds



TRISURA®

COPY
70 York Street, Suite 1100
Toronto, ON M5J 1S9
Phone: (416) 214-2555
Fax: (416) 214-9597

**PERFORMANCE BOND
(British Columbia Government Form)**

NO. VCS1089004

\$2,788,240.00

KNOW ALL PERSONS BY THESE PRESENTS, **Tercon Construction Ltd.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9**, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety, are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Oblige, hereinafter called the Oblige, in the amount of **Two Million Seven Hundred and Eighty Eight Thousand Two Hundred and Forty/00 Dollars (\$2,788,240.00)**, lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a contract with the Oblige, dated the **28th** day of **September, 2011** for **Project No. 22592-0008, Kicking Horse Canyon Project: Phase 3 West – 4 Kilometre Wall and Approaches, Grading, Retaining Wall, Paving and Drainage Construction** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall well and faithfully observe and perform all the obligations on the part of the Principal to be observed and performed in connection with the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- (1) Whenever the Principal shall be, and declared by the Oblige to be, in default under the Contract, the Surety shall
 - (a) if the work is not taken out of the Principal's hands, remedy the default of the Principal,
 - (b) if the work is taken out of the Principal's hands, and the Oblige directs the Surety to undertake the completion of the work, complete the work in accordance with the Contract provided that a contract is entered into for the completion of the work
 - (i) it shall be between the Surety and the completing contractor, and
 - (ii) the selection of such completing contractor shall be subject to the approval of the Oblige,
 - (c) if the work is taken out of the Principal's hands and the Oblige, after reasonable notice to the Surety, does not direct the Surety to undertake the completion of the work, assume the financial responsibility for the cost of completion in excess of the moneys available to the Oblige under the Contract,
 - (d) be liable for and pay all the excess costs of completion of the Contract, and
 - (e) not be entitled to any Contract moneys earned by the Principal, up to the date of Principal's default on the Contract and any holdbacks relating to such earned Contract moneys held by the Oblige, and the liability of the Surety under this Bond shall remain unchanged provided, however, and without restricting the generality of the foregoing, upon the completion of the Contract to the satisfaction of the Oblige, any Contract moneys earned by the Principal or holdbacks related thereto held by the Oblige may be paid to the Surety by the Oblige.
- (2) The Surety shall not be liable for a greater sum than the amount specified in this Bond.
- (3) No suit or action shall be instituted by the Oblige herein against the Surety pursuant to these presents after the expiration of two (2) years from the date on which final payment under the Contract is payable.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this bond this **28th** day of **September, 2011**.

SIGNED and SEALED
In the presence of:

TERCON CONSTRUCTION LTD.

SEAL

TRISURA GUARANTEE INSURANCE COMPANY

Wanda Medos, Attorney-in-fact

SEAL



TRISURA®

70 York Street, Suite 1100
Toronto, ON M5J 1S9
Phone: (416) 214-2555
Fax: (416) 214-9597

COPY

LABOUR AND MATERIAL PAYMENT BOND
(British Columbia Government Form)

No. VCS1089004

\$2,788,240.00

Note: This Bond is issued simultaneously with another Bond in favour of the Obligee conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS THAT **Tercon Construction Ltd.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Obligee, hereinafter called the Obligee, for the use and benefit of the Claimants, their and each of their heirs, executors, administrators, successors and assigns, in the amount of **Two Million Seven Hundred Eighty Eight Thousand Two Hundred and Forty/00 Dollars (\$ 2,788,240.00)** of lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the 28th day of **September, 2011** for **Project No. 22592-0008, Kicking Horse Canyon Project: Phase 3 West - 4 Kilometre Wall and Approaches, Grading, Retaining Wall, Paving and Drainage Construction** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment shall be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published prior to the period during which the equipment was used in the performance of the Contract.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligee, that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon. Provided that the Obligee is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligee by

reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them, may use the name of the Obligee to sue on and enforce the provisions of this Bond.

3. No suit or action shall be commenced hereunder by any Claimant:

(a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety and the Obligee, stating with substantial accuracy the amount claimed. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligee, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the Contract is located. Such notice shall be given

(1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the Mechanic's Liens Legislation applicable to the Claimant's contract with the Principal whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal:

(2) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;

(b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract.

(c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the Contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.
5. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of mechanics' liens which may be filed of record against the subject matter of the Contract, whether or not claim for the amount of such lien be presented under and against this Bond.
6. The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this 28th day of September, 2011.

SIGNED and SEALED
In the presence of:

Tercon Construction Ltd.

SEAL

Trisura Guarantee Insurance Company

SEAL

Wanda Medos, Attorney-in-fact



TRISURA®

666 Burrard Street, Suite 1530
Vancouver, BC V6C 2X8
Phone: (604) 688-5641
Fax: (604) 688-5826

**PERFORMANCE BOND
(British Columbia Government Form)**

COPY

NO. VCS 0700004

\$723,716.00

KNOW ALL PERSONS BY THESE PRESENTS, **TERCON CONSTRUCTION LTD.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9**, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety, are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Oblige, hereinafter called the Oblige, in the amount of **SEVEN HUNDRED TWENTY-THREE THOUSAND SEVEN HUNDRED AND SIXTEEN/00 Dollars (\$723,716.00)**, lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a contract with the Oblige, dated the **12th** day of **December, 2011** for **PROJECT #21754-0002: HIGHWAY 1 – JOINT USE VEHICLE INSPECTION STATION PUBLIC WATER SYSTEM** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall well and faithfully observe and perform all the obligations on the part of the Principal to be observed and performed in connection with the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- (1) Whenever the Principal shall be, and declared by the Oblige to be, in default under the Contract, the Surety shall
 - (a) if the work is not taken out of the Principal's hands, remedy the default of the Principal,
 - (b) if the work is taken out of the Principal's hands, and the Oblige directs the Surety to undertake the completion of the work, complete the work in accordance with the Contract provided that a contract is entered into for the completion of the work
 - (i) it shall be between the Surety and the completing contractor, and
 - (ii) the selection of such completing contractor shall be subject to the approval of the Oblige,
 - (c) if the work is taken out of the Principal's hands and the Oblige, after reasonable notice to the Surety, does not direct the Surety to undertake the completion of the work, assume the financial responsibility for the cost of completion in excess of the moneys available to the Oblige under the Contract,
 - (d) be liable for and pay all the excess costs of completion of the Contract, and
 - (e) not be entitled to any Contract moneys earned by the Principal, up to the date of Principal's default on the Contract and any holdbacks relating to such earned Contract moneys held by the Oblige, and the liability of the Surety under this Bond shall remain unchanged provided, however, and without restricting the generality of the foregoing, upon the completion of the Contract to the satisfaction of the Oblige, any Contract moneys earned by the Principal or holdbacks related thereto held by the Oblige may be paid to the Surety by the Oblige.
- (2) The Surety shall not be liable for a greater sum than the amount specified in this Bond.
- (3) No suit or action shall be instituted by the Oblige herein against the Surety pursuant to these presents after the expiration of two (2) years from the date on which final payment under the Contract is payable.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this bond this **13th** day of **December, 2011**.

SIGNED and SEALED
In the presence of:

TERCON CONSTRUCTION LTD.

SEAL

TRISURA GUARANTEE INSURANCE COMPANY

Fumi Murakami Attorney-in-fact

SEAL



TRISURA®

666 Burrard Street, Suite 1530
Vancouver, BC V6C 2X8
Phone: (604) 688-5641
Fax: (604) 688-5826

LABOUR AND MATERIAL PAYMENT BOND
(British Columbia Government Form)

COPY

No. VCS 0700004

\$723,716.00

Note: This Bond is issued simultaneously with another Bond in favour of the Obligeo conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS THAT **TERCON CONSTRUCTION LTD.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Obligeo, hereinafter called the Obligeo, for the use and benefit of the Claimants, their and each of their heirs, executors, administrators, successors and assigns, in the amount of **SEVEN HUNDRED TWENTY-THREE THOUSAND SEVEN HUNDRED AND SIXTEEN/00** Dollars (\$**723,716.00**) of lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligeo, dated the **12th** day of **December, 2011** for **PROJECT #21754-0002: HIGHWAY 1 – JOINT USE VEHICLE INSPECTION STATION PUBLIC WATER SYSTEM** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment shall be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published prior to the period during which the equipment was used in the performance of the Contract.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligeo, that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon. Provided that the Obligeo is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligeo or by joining the Obligeo as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligeo against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligeo by

reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them, may use the name of the Obligeo to sue on and enforce the provisions of this Bond.

3. No suit or action shall be commenced hereunder by any Claimant:

(a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety and the Obligeo, stating with substantial accuracy the amount claimed. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligeo, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the Contract is located. Such notice shall be given

(1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the Mechanic's Liens Legislation applicable to the Claimant's contract with the Principal whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal.

(2) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;

(b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract.

(c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the Contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.
5. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of mechanics' liens which may be filed of record against the subject matter of the Contract, whether or not claim for the amount of such lien be presented under and against this Bond.
6. The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this 13th day of December, 2011.

SIGNED and SEALED
In the presence of:

TERCON CONSTRUCTION LTD.

_____ SEAL

TRISURA GUARANTEE INSURANCE COMPANY

_____ SEAL

Fumi Murakami Attorney-in-fact



TRISURA®

COPY

666 Burrard Street, Suite 1530
Vancouver, BC V6C 2X8
Phone: (604) 688-5641
Fax: (604) 688-5826

**PERFORMANCE BOND
(British Columbia Government Form)**

NO. VCS 0700006

\$87,136.00

KNOW ALL PERSONS BY THESE PRESENTS, **TERCON CONSTRUCTION LTD.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9**, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety, are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Oblige, hereinafter called the Oblige, in the amount of **EIGHTY-SEVEN THOUSAND ONE HUNDRED AND THIRTY-SIX/00 Dollars (\$87,136.00)**, lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a contract with the Oblige, dated the **24th** day of **August, 2012** for **PROJECT NO.: 22594-0002, KICKING HORSE CANYON PROJECT: MOUNT HUNTER CREEK BRIDGE, BEARING REPLACEMENT AND ROOF SLAB EPOXY INJECTION** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall well and faithfully observe and perform all the obligations on the part of the Principal to be observed and performed in connection with the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- (1) Whenever the Principal shall be, and declared by the Oblige to be, in default under the Contract, the Surety shall
 - (a) if the work is not taken out of the Principal's hands, remedy the default of the Principal,
 - (b) if the work is taken out of the Principal's hands, and the Oblige directs the Surety to undertake the completion of the work, complete the work in accordance with the Contract provided that a contract is entered into for the completion of the work
 - (i) it shall be between the Surety and the completing contractor, and
 - (ii) the selection of such completing contractor shall be subject to the approval of the Oblige,
 - (c) if the work is taken out of the Principal's hands and the Oblige, after reasonable notice to the Surety, does not direct the Surety to undertake the completion of the work, assume the financial responsibility for the cost of completion in excess of the moneys available to the Oblige under the Contract,
 - (d) be liable for and pay all the excess costs of completion of the Contract, and
 - (e) not be entitled to any Contract moneys earned by the Principal, up to the date of Principal's default on the Contract and any holdbacks relating to such earned Contract moneys held by the Oblige, and the liability of the Surety under this Bond shall remain unchanged provided, however, and without restricting the generality of the foregoing, upon the completion of the Contract to the satisfaction of the Oblige, any Contract moneys earned by the Principal or holdbacks related thereto held by the Oblige may be paid to the Surety by the Oblige.
- (2) The Surety shall not be liable for a greater sum than the amount specified in this Bond.
- (3) No suit or action shall be instituted by the Oblige herein against the Surety pursuant to these presents after the expiration of two (2) years from the date on which final payment under the Contract is payable.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this bond this **28th** day of **August, 2012**.

SIGNED and SEALED
In the presence of:

TERCON CONSTRUCTION LTD.

SEAL

TRISURA GUARANTEE INSURANCE COMPANY

SEAL

Fumi Murakami Attorney-in-fact



**LABOUR AND MATERIAL PAYMENT BOND
(British Columbia Government Form)**

No. VCS 0700006

\$87,136.00

Note: This Bond is issued simultaneously with another Bond in favour of the Obligee conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS THAT **TERCON CONSTRUCTION LTD.** as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY, 70 YORK STREET, SUITE 1100, TORONTO, ONTARIO, M5J 1S9** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada, as Surety, hereinafter called the Surety are, subject to the conditions hereinafter contained, held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE**, as Obligee, hereinafter called the Obligee, for the use and benefit of the Claimants, their and each of their heirs, executors, administrators, successors and assigns, in the amount of **EIGHTY-SEVEN THOUSAND ONE HUNDRED AND THIRTY-SIX/00 Dollars (\$87,136.00)** of lawful money of Canada, for the payment of which sum, well and truly to be made, the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the 24th day of **August, 2012** for **PROJECT NO.: 22594-0002, KICKING HORSE CANYON PROJECT: MOUNT HUNTER CREEK BRIDGE, BEARING REPLACEMENT AND ROOF SLAB EPOXY INJECTION** which contract documents are by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment shall be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published prior to the period during which the equipment was used in the performance of the Contract.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligee, that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon. Provided that the Obligee is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligee by

reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them, may use the name of the Oblige to sue on and enforce the provisions of this Bond.

3. No suit or action shall be commenced hereunder by any Claimant:

(a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety and the Oblige, stating with substantial accuracy the amount claimed. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Oblige, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the Contract is located. Such notice shall be given

(1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the Mechanic's Liens Legislation applicable to the Claimant's contract with the Principal whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal.

(2) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;

(b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract.

(c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the Contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.
5. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of mechanics' liens which may be filed of record against the subject matter of the Contract, whether or not claim for the amount of such lien be presented under and against this Bond.
6. The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this 28th day of August, 2012.

SIGNED and SEALED
In the presence of:

TERCON CONSTRUCTION LTD.

SEAL

TRISURA GUARANTEE INSURANCE COMPANY

Fumi Murakami Attorney-in-fact

SEAL



PERFORMANCE BOND

COPY

No: VMS0700001

Bond Amount: \$2,718,570.40

TAHLTAN-TERCON LIMITED PARTNERSHIP as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto RED CHRIS DEVELOPMENT COMPANY LTD. as Oblige, hereinafter called the Oblige, in the amount of TWO MILLION SEVEN HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED AND SEVENTY 40/100 Dollars (\$2,718,570.40) lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Oblige, dated the 07th day of May, 2012 for CONTRACT NO.: RC101, EXCAVATION & EARTHWORKS

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Oblige to be, in default under the Contract, the Oblige having performed the Oblige's obligations hereunder, the Surety shall promptly:

- (1) remedy the default, or;
- (2) complete the Contract in accordance with its terms and conditions or;
- (3) obtain a bid or bids for submission to the Oblige for completing the Contract in accordance with its terms and conditions and upon determination by the Oblige and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Oblige and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Oblige as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Oblige to the Principal under the Contract, less the amount properly paid by the Oblige to the Principal, or;
- (4) pay the Oblige the lesser of (1) the Bond Amount or (2) the Oblige's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Oblige.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Oblige named herein, or the heirs, executors, administrators or successors of the Oblige.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the 05th day of June, in the year of 2012

SIGNED and SEALED
in the presence of

TAHLTAN-TERCON LIMITED PARTNERSHIP

Witness as to Principal

Principal

Trisura Guarantee Insurance Company

Fumi Murakami, Attorney-in-fact,



TRISURA®

666 Burrard Street, Suite 1530
Vancouver, British Columbia, V6C 2X8
Telephone: (604) 688-5641
Fax: (604) 688-5826

LABOUR & MATERIAL PAYMENT BOND

(Trustee Form)

No. VMS0700001

Bond Amount \$ 2,718,570.40

TAHLTAN-TERCON LIMITED PARTNERSHIP as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto RED CHRIS DEVELOPMENT COMPANY LTD. as Obligee, hereinafter called the Obligee, in the amount of TWO MILLION SEVEN HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED AND SEVENTY/40 dollars (\$2,718,570.40) lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the 07th day of May, in the year 2012 for CONTRACT NO.: RC101, EXCAVATION & EARTHWORKS

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligee, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligee is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligee or by joining the Obligee as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligee against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligee by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligee to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligee, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below, Accordingly, no suit or action shall be commenced hereunder by any Claimant
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligee, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given.
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the lien Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
 - b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;

- c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.
4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
 5. Any material change in the contract between the Principal and the Oblige shall not prejudice the rights or interest of any Claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
 6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
 7. The Surety shall not be liable for a greater sum than the Bond Amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the 05th day of June, in the year 2012.

SIGNED and SEALED

TAHLTAN-TERCON LIMITED PARTNERSHIP

in the presence of

Signature (Seal)

TRISURA GUARANTEE INSURANCE COMPANY

Fumi Murakami, Attorney-in-Fact (Seal)



TRISURA
GUARANTEE INSURANCE COMPANY

Bay Adelaide Centre, 333 Bay Street,
Suite 1610, Box 22, Toronto, ON M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

Continuation Certificate

COPY

Bond Number: **VMS1089004**

Issued in favour of : **TECK COAL**

Issued on behalf of: **Tercon Construction Ltd.**

Dated: **May 21, 2012**

IT IS HEREBY UNDERSTOOD AND AGREED THAT Bond # VMS1089004 is valid for the additional period from May 21, 2012 to May 21, 2013.

All other terms and conditions of the said bond remain unchanged.

Executed the 14th day of May, 2012

Tercon Construction Ltd.

Witness to Principal

Trisura Guarantee Insurance Company

Attorney-In-Fact

Fumi Murakami, Attorney-In-Fact



TRISURA

666 Burrard Street, Suite 1530
Vancouver, BC V6C 2X8
Phone: (604) 688-5641
Fax: (604) 688-5826

Rider #1

COPY

Bond No: **VCS1089004**
Principal: **TERCON CONSTRUCTION LTD.**
Obligee: **TECK COAL**
Effective Date: **May 21, 2011**

It is hereby understood and agreed the Bond No. is amended to read as VOS109004.

Except as otherwise provided in this rider, all terms, provisions and conditions of this policy shall have full force and effect.

Signed and sealed this **26th** day of **September, 2011**.

TRISURA GUARANTEE INSURANCE COMPANY

Wanda Medos, Attorney-in-fact



TRISURA®

666 Burrard Street, Suite 1530
Vancouver, British Columbia, V6C 2X8
Telephone: (604) 688-5641
Fax: (604) 688-5826

COPY

Bond No. **VCS1089004**

Environmental Bond

KNOWN ALL BY THESE PRESENTS that we, **Tercon Construction Ltd.** in the Province of **British Columbia**, hereinafter called the Principal, and **Trisura Guarantee Insurance Company**, hereinafter called the Surety, are jointly and severally bound unto Teck Coal, their heirs and successors, hereinafter called the Obligee, in the penal sum of **Fifty Thousand (\$50,000.00)** dollars lawful money of Canada, to the payment of which well and truly to be made we hereby bind ourselves and our heirs, administrators, successors, and assigns, firmly by these presents.

WHEREAS the Principal has leased approximately **two and 7/10 (2.7)** acres from the Obligee. A condition of said lease is to furnish and maintain security in the sum of **Fifty Thousand (\$50,000.00)** dollars lawful money of Canada, for the purpose of restoring the leased property at the conclusion of the lease to a condition similar to the commencement of the lease.

NOW, THEREFORE, the condition of this obligation are such that if the Principal shall perform the said site restoration, then this obligation shall be void and of no effect.

This bond shall be effective **May 21, 2011** for a period of one year and may be renewed for further one year periods at the option of the Surety. Provided that the Surety shall at any time give sixty (60) days prior notice of its intention to terminate the obligation hereby undertaken, by mailing a registered letter addressed to the Obligee. Then this obligation and all liability of the Surety hereunder shall cease and terminate. Non renewal or notice of termination of this bond will not constitute default under this bond.

ITS IS HEREBY UNDERSTOOD AND AGREED that the liability of the Surety hereunder shall be limited to the amount stated herein and shall not be cumulative from year to year during the existence of this bond. Furthermore, the liability of the Surety does not extend to the payment of fines imposed against the Principal. Any suit under this bond must be instituted within six (6) months of the expiration of the bond or from the effective date of any written notice of the Surety's intention to terminate this obligation.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto st their hands and seals this **25th** day of **August, 2011**.

SIGNED, SEALED AND DELIVERED
IN THE PRSENCE OF

Tercon Construction Ltd.

Witness

Principal

Trisura Guarantee Insurance Company

Witness

Wanda Medos,(Attorney in Fact)

Appendix D

The Revised Claims Procedure Order

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

CLAIMS PROCEDURE ORDER

BEFORE THE HONOURABLE) 21/03/2013
)
MR. JUSTICE SEWELL)

THE APPLICATION of FTI CONSULTING CANADA INC., in its capacity as Court-appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively, the "**Debtors**") coming on for hearing at Vancouver, British Columbia, on the 21st day of March, 2013; AND ON HEARING Craig J Hill, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, no one appearing for the creditors listed on Schedule "A-1" hereto, although served

with notice of this Application, AND UPON READING the material filed, including the Fifth Report of the Receiver dated March 6, 2013 (the "**Fifth Report**")¹ and the Seventh Report of the Receiver dated March •, 2013;

THIS COURT ORDERS AND DECLARES THAT:

A. *Definitions and Interpretation*

1. The following terms in this Order shall have the following meanings ascribed thereto:

- (a) "**Allowed Claim**" means the amount, status, categorization and/or validity of the Claim of a Claimant finally determined in accordance with the Claims Procedure;
- (b) "**Allowed Creditor**" means a Creditor with an Allowed Claim;
- (c) "**Bonded Project Funds**" has the meaning ascribed to it in paragraph 41 hereof;
- (d) "**Business Day**" means any day other than a Saturday, Sunday or a day on which banks in Vancouver, British Columbia are authorized or obligated by applicable law to close or otherwise are generally closed;
- (e) "**Claim**" means any right or claim of any Person that may be asserted or made:
 - (i) in whole or in part against the Debtors (or any of them), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the Receivership Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Debtors or any of their property or assets, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety, warranty or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable in

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

bankruptcy had the Debtors (or anyone of them) become bankrupt on the Receivership Date, but for further certainty shall not include an Excluded Claim;

- (ii) in whole or in part against the Trisura Bonds; and
- (iii) in respect of a Lien Claim;
- (f) "**Claim Support Documents**" shall have the meaning ascribed to it in the Distribution Order;
- (g) "**Claimant**" means a Person asserting a Claim pursuant to the Claims Procedure;
- (h) "**Claims Bar Date**" means May 3, 2013 at 5:00 p.m. (Vancouver time), or such other date as may be ordered by the Court;
- (i) "**Claims Officer**" means any individual appointed in accordance with paragraph 25 hereof to determine the amount, status, categorization and/or validity of a Disputed Claim for purposes of the Claims Procedure;
- (j) "**Claims Package**" means the document package that includes a copy of: (i) this Order; (ii) the Notice to Creditors; and (iii) such other materials as the Receiver considers necessary or appropriate;
- (k) "**Claims Procedure**" means the procedures outlined in this Order regarding the call for Claims, review of Claims and adjudication of Claims to be administered by the Receiver, pursuant to the terms of this Order;
- (l) "**Court**" means the Supreme Court of British Columbia;
- (m) "**Creditor**" means any Person with a Claim and includes, without limitation, the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with paragraph 33 hereof, or a trustee, liquidator, receiver, manager, or other Person acting on behalf of such Person;
- (n) "**DHI**" means Dumas Holdings Inc.;
- (o) "**Disputed Claim**" means any Claim in respect of which a Claimant disputes the Receiver's adjudication of the Claim;
- (p) "**Disputed Claim Package**" means, in respect of a Disputed Claim, a copy of all information submitted via the FTI Claims Site or otherwise provided to the Receiver, or delivered by the Receiver to the Claimant, relating to the Disputed Claim;
- (q) "**Distribution Order**" means the Distribution Order made by Justice Sewell in the Receivership Proceedings, dated January 21, 2013;

- (r) **"Electronic Submission Process"** has the meaning ascribed in paragraph 14 hereof;
- (s) **"Excluded Claim"** means:
 - (i) any right or claim of any Person that might be made in whole or in part against the Debtors for charges incurred by the Receiver on behalf of the Debtors, or any of them, for the supply of goods, services or utilities from and after the Receivership Date;
 - (ii) any Claim of a Debtor against another Debtor;
 - (iii) any Claim of HSBC or the Lenders against the Debtors;
 - (iv) any Claim of DHI against the Debtors; and
 - (v) any Claim secured by the Receiver's Charge or the Receiver's Borrowing Charge (as each term is defined in the Receivership Order) or any subsequent charges ordered or approved by this Court.
- (t) **"FTI Claims Site"** means the website established by the Receiver in connection with the Claims Procedure at <https://cmsi.ftitools.com/tercon>;
- (u) **"HSBC"** means HSBC Bank Canada, as Lead Arranger, Bookrunner and Administrative Agent under the Senior Secured Credit Agreement dated February 28, 2012, as amended;
- (v) **"Information Submission Form"** means the form substantially in accordance with the form attached hereto as Schedule "C";
- (w) **"Improvement"** has the meaning give to it, as applicable, by the *Builders Lien Act*, R.S.B.C 1997 c.45 or the *Builders' Lien Act*, R.S.A. 2000 c.B-7;
- (x) **"Known Creditor"** means a Person: (i) who the Receiver has received actual notice may have a Claim against any of the Debtors; or (ii) that the books and records of the Debtors show as owed an amount arising on or before the Receivership Date;
- (y) **"Lenders"** means the lenders under the Senior Secured Credit Agreement dated February 28, 2012, amended
- (z) **"Lien Claim"** means a right given to any Person to assert a lien upon the interest of an owner of land that is party to a contract with a Debtor for an Improvement or for the contract price for any labor or materials, etc. referred to in *Alaska Statute* § 34.35.050;
- (aa) **"MOT"** means Her Majesty the Queen in Right of British Columbia as represented by the Ministry of Transportation and Infrastructure;

- (bb) **"Notice to Creditors"** means the notice to creditors of the Claims Procedure and the Claims Bar Date, substantially in the form attached hereto as Schedule "B";
- (cc) **"Other Insolvency Proceedings"** means any bankruptcy or insolvency proceedings commenced against any of the Debtors, but for greater certainty does not include the Receivership Proceedings;
- (dd) **"Owner"** has the meaning ascribed in paragraph 36 hereof;
- (ee) **"Performance Bonds"** means, collectively:
 - (i) Performance Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Wall Project;
 - (ii) Performance Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Water Line Project;
 - (iii) Performance Bond No. VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Creek Bridge Bearing Project; and
 - (iv) Performance Bond No. VCS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project.
- (ff) **"Person"** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status;
- (gg) **"Potential Property Interest Claimant"** shall have the meaning ascribed to it in the Distribution Order;
- (hh) **"Receiver's Website"** means the website for the Receivership Proceedings located at <http://cfcanada.fticonsulting.com/tercon>;
- (ii) **"Receivership Date"** means December 14, 2012;
- (jj) **"Receivership Proceedings"** means these receivership proceedings commenced by DHI against the Debtors in the Court, being Vancouver Registry No. S128887, on the Receivership Date pursuant to the Receivership Order;

- (kk) **"Receiver-Trisura Protocol"** means the protocol for the coordinated review of Claims on Trisura Bonded Projects summarized as Appendix C to the Fifth Report;
- (ll) **"Released Claims"** shall have the meaning ascribed in paragraph 16(a) of this Order;
- (mm) **"Released Lien Claims"** shall have the meaning ascribed in paragraph 16(b) of this Order;
- (nn) **"Reserve Bar Date"** shall have the meaning ascribed to it in the Distribution Order;
- (oo) **"Service List"** means the service list in the Receivership Proceedings updated from time to time and posted on the Receiver's Website;
- (pp) **"Service Requirements"** has the meaning ascribed in paragraph 12 hereof;
- (qq) **"Supporting Documentation Submission Form"** means the form substantially in accordance with the form attached hereto as Schedule **"D"**;
- (rr) **"Trisura"** means Trisura Guarantee Insurance Company;
- (ss) **"Trisura Bonded Projects"** means the following projects, as more particularly described in the Fifth Report:

Tercon Company	Tercon Construction Ltd.	Tercon Construction Ltd.	Tercon Construction Ltd.	Tahltan-Tercon Limited Partnership	Tercon Construction Ltd.
Project	Project # 21754 - 0002: Joint Use Vehicle Inspection Station Public Water System (the "Water Line Project")	Project # 22594 - 0002: Mount Hunter Creek Bridge, Bearing Replacement and Roof Slab Epoxy Injection (the "Creek Bridge Bearing Project")	Project # 22592 - 0008: 4 Kilometre Wall and Approaches, Grading, Retaining Wall, Paving and Drainage Construction (the "Wall Project")	Contract # RC101: Excavation and Earthworks (the "Red Chris Project")	Leased storage yard clean-up (the "Clean-up Project")

- (tt) **"Trisura Bonds"** means:
- (i) Environmental Bond No. VOS109004 (formerly Bond No. VMS 1089004) issued in favour of Teck Coal on behalf of Tercon Construction Ltd., by Trisura in respect of the Clean-up Project;

- (ii) Performance Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Wall Project;
- (iii) Labour and Material Payment Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Wall Project;
- (iv) Performance Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Water Line Project;
- (v) Labour and Material Payment Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Water Line Project;
- (vi) Performance Bond No. VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Creek Bridge Bearing Project;
- (vii) Labour and Material Payment Bond No. VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Creek Bridge Bearing Project;
- (viii) Performance Bond No. VCS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project; and
- (ix) Labour and Material Payment Bond No. VMS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project.

2. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

3. All references in this Order to the word “including” will mean “including without limitation”.

4. All references in this Order to the singular include the plural, to the plural include the singular, and to any gender include the other gender.

5. Any Claims denominated in a currency other than Canadian Dollars shall be converted to Canadian Dollars at the Bank of Canada noon spot rate in effect on the Receivership Date.

B. *Approval of Claims Procedure*

6. The Claims Procedure, including the Claims Bar Date, is hereby approved. The Receiver is hereby authorized and directed to conduct the Claims Procedure. The Claims Procedure shall be conducted through the FTI Claims Site, except as provided for in this Order. All Persons who intend to assert a Lien Claim, Claims against any of the Debtors, Claims against any of the Trisura Bonds or Claims against any funds held by the Receiver are directed to comply with the terms of the Claims Procedure.

C. *Notice to Creditors*

7. Not later than seven (7) Business Days following the date of this Order, the Receiver shall cause a Claims Package to be sent to each Known Creditor in accordance with paragraph 37 hereof to the address of such Known Creditor set out in the applicable Debtor's records.

8. Not later than seven (7) Business Days following the date of this Order, the Receiver shall cause the Notice to Creditors to be published for one (1) Business Day in the Globe and Mail National Edition, the Kamloops Daily News, the Journal of Commerce and the Anchorage Daily News.

9. Not later than two (2) Business Days following the date of this Order the Receiver shall post on the Receiver's Website a copy of this Order and the Notice to Creditors.

10. To the extent that any Creditor requests documents relating to the Claims Procedure prior to the Claims Bar Date, the Receiver shall direct the Creditor to the documents posted on the Receiver's Website and, if requested by the Creditor, cause a Claims Package to be sent to the Creditor in accordance with paragraph 37 hereof and otherwise respond to the request relating to the Claims Procedure as may be appropriate in the circumstances.

11. The forms of Notice to Creditors, Information Submission Form and Supporting Documentation Submission Form substantially in the forms attached to this Order as Schedules "B", "C" and "D", respectively, are hereby approved. The Receiver may, from time to time, make minor changes to such forms as the Receiver considers necessary or desirable.

12. Publication of the Notice to Creditors, the sending to the Creditors of a Claims Package in accordance with this Order, and completion of the other requirements of this Order, shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim (the "**Service Requirements**"), and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

D. *Submission of Claims*

13. Except as provided for in paragraph 15 of this Order, all Claims of Creditors must be asserted in, and are subject to, the Claims Procedure, including, without limitation,

- (a) Claims against the Debtors;

- (b) Lien Claims;
- (c) Claims in respect of any of the Trisura Bonds; and
- (d) Claims in respect of the Trisura Bonded Projects, including Claims that involve lien rights, trust rights or other claims to proceeds that would otherwise be payable to the Debtors or from an Owner to any Person in respect of any of the Trisura Bonded Projects.

14. Any Person other than a Potential Property Interest Claimant that intends to assert a Claim must submit proof of such Claim, together with all supporting documents in respect of such Claim, by electronically submitting all required information, and uploading all relevant documents in support of the Claim, to the FTI Claims Site or as otherwise permitted by this Order, by no later than the Claims Bar Date (the “**Electronic Submission Process**”).

15. Any Potential Property Interest Claimant that has provided the Receiver with its Claim Support Documents prior to the Reserve Bar Date is not required to resubmit proof of such Claim and shall be deemed to have asserted its Claim in accordance with this Claims Procedure. Subject only to the foregoing, the Claims Bar Date and the provisions of this Claims Procedure Order apply to Potential Property Interest Claimants. Any Claim that has been received by or filed with Trisura prior to the date of this Order will be deemed to have been filed in accordance with this Order, any such Claim shall be deemed to have been received by the Receiver and shall be subject to the Claims Procedure.

16. Subject to paragraph 36, any Creditor that does not file proof of its Claim in accordance with this Order such that the Claim is received, or deemed to be received, by the Receiver on or before the Claims Bar Date or such later date as the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from making, asserting or enforcing any such Claim against any of the Debtors, the Receiver, the Trisura Bonds or Trisura and all such Claims shall be forever extinguished as against all such parties (“**Released Claims**”);
- (b) be and is hereby forever barred, estopped and enjoined from making, asserting or enforcing a Lien Claim and all such Lien Claims shall be forever extinguished as against all Persons (“**Released Lien Claims**”);
- (c) not be permitted to participate in any distribution from the proceeds of any of the Debtors’ assets, funds held by the Receiver, from the Trisura Bonds or otherwise on account of such Claim(s);
- (d) not be entitled to participate as a Creditor in the Receivership Proceedings; and
- (e) not be entitled to receive further notice in respect of the Claims Procedure.

17. The Claims Bar Date shall apply in respect of any Claims against the Trisura Bonds. No Claims may be made against the Trisura Bonds after the Claims Bar Date and all further or other

Claims against the Trisura Bonds or against Trisura in respect of the Trisura Bonded Projects shall be forever barred and extinguished.

18. The Receiver shall review all Claims submitted in accordance with this Order that are received on or before the Claims Bar Date. In the event that a Claim is received by the Receiver in respect of a Claim on a Trisura Bond, the Receiver and Trisura shall deal with the Claim pursuant to the Receiver-Trisura Protocol. The Receiver-Trisura Protocol is hereby approved.

19. The Receiver is authorized and directed to use reasonable discretion as to adequacy of compliance with respect to the manner in which the fields of the FTI Claims Site or any paper form, as the case may be, are completed and executed and may, where it is satisfied that a Claim has been adequately filed or proven, waive strict compliance with the requirements of this Order (provided, for greater certainty, that the Receiver may not amend the Claims Bar Date). The Receiver may request further documentation from a Claimant that the Receiver may require in order to enable the Receiver to adjudicate a Claim and any Claimant that asserts a Claim that is subject to the Claims Procedure shall provide the Receiver with all such documentation forthwith upon request.

E. Adjudication of Claims

20. The Receiver may allow or disallow any Claim asserted in the Claims Procedure, in whole or in part.

21. If the Receiver agrees with a Claim that has been filed in accordance with the Claims Procedure, it shall so notify the Allowed Creditor via the FTI Claims Site or otherwise as provided by this Order.

22. If the Receiver revises or disallows the Claim of a Claimant, in whole or in part, the Receiver shall notify the Claimant via the FTI Claims Site or otherwise as provided by this Order.

23. Any Claimant that wishes to dispute a revision or disallowance of its Claim shall provide notice of such dispute via the FTI Claims Site, or as otherwise provided by this Order, by 5:00 p.m. (Vancouver time) on the date that is twenty-one (21) days after the date of notification of such revision or disallowance, or such later date as may be approved by the Court by an order made pursuant to a motion by the Claimant served within such twenty-one (21) day period. Any Claimant that fails to dispute a revision or disallowance in accordance with the terms of this paragraph:

- (a) shall be deemed to have accepted the amount and categorization of its Claim as set out in the revision or disallowance, which shall thereafter be such Claimant's Allowed Claim; and
- (b) the Receiver's revision or disallowance in respect of such Claimant's Claim shall be final and binding on all Persons and there shall be no further right to appeal, review or seek recourse to this Court, or any other Court or tribunal, in respect of the Receiver's revision or disallowance;

24. If a Claimant disputes a revision or disallowance of its Claim pursuant to paragraph 23 hereof, the Receiver may:

- (a) attempt to consensually resolve the classification and the amount of the Claim with the Claimant;
- (b) deliver a Disputed Claim Package to the Claims Officer, if one has been appointed; and/or
- (c) schedule an appointment with the Court for the purpose of scheduling a motion to have the classification and amount of the Claim determined by the Court, and at such motion the Receiver shall be deemed to be the applicant and the Claimant shall be deemed to be the respondent.

F. Appointment of Claims Officer(s)

25. The Receiver is authorized to appoint one or more individuals that the Receiver considers to be appropriately qualified to act as a Claims Officer. The Receiver shall provide notification of the appointment of a Claims Officer to the Service List. Any Person that objects to the appointment of the Claims Officer shall advise the Receiver within seven (7) Business Days of such notice. If the Receiver is unable to resolve the objection, the Receiver shall seek direction from the Court as to the appointment of the Claims Officer.

26. Any Claims Officer appointed pursuant to the terms hereof shall have authority to hear and determine the validity of every disputed aspect of a Disputed Claim referred to the Claims Officer by the Receiver in accordance with the Claims Procedure.

27. The Claims Officer is empowered to determine the manner in which evidence may be brought before the Claims Officer, in addition to determining any procedural matter which may arise in respect of the determination of the validity of a Disputed Claim.

28. Upon receipt of notice from the Receiver that a Disputed Claim is to be referred to the Claims Officer, the Claims Officer shall schedule and conduct a hearing to determine the validity of the Disputed Claim as soon as practicable pursuant to a summary hearing scheduled according to a timetable approved by counsel to the Receiver and the Claimant, or as established by Order of the Court. The Claims Officer shall deliver written reasons in connection with the determination of the validity of any Disputed Claim upon which a hearing is conducted.

29. The Receiver shall pay the reasonable fees, expenses and disbursements of each Claims Officer appointed on presentation and acceptance by the Receiver of invoices from the Claims Officer from time to time. The Claims Officer shall be entitled to a reasonable retainer against its fees and disbursements which shall be paid by the Receiver upon request.

G. Appeal of Claims Officer Determination

30. Either the Claimant or the Receiver (and, if the Claim is made in respect of a Trisura Bonded Project, Trisura) may, at its own expense, appeal the Claims Officer's determination of a Disputed Claim to this Court within ten (10) days of notification of the Claims Officer's

determination of such Claimant's Claim by serving upon the other party(ies), as applicable, and filing with this Court a notice of motion with respect to the appeal, returnable on a date to be agreed to by the parties, or, failing which, fixed by this Court, and in either case, as soon as practicable. If an appeal is not filed within such period in accordance with this Order, then the Claims Officer's determination shall be final and binding in all respects, with no further right of appeal, review or recourse to this Court. Any such appeal shall be an appeal based on the record before the Claims Officer and not a hearing *de novo*.

H. Binding Effect of Claims Procedure

31. The calling for Claims and the Claims Procedure contemplated by this Order, as it may be amended or supplemented by this Court from time to time, including but not limited to the determination by the Receiver or this Court, as the case may be, with respect to any Claim:

- (a) shall be binding on the Debtors, Trisura, the Receiver and all Creditors; and
- (b) shall be binding and effective in any and all Other Insolvency Proceedings.

32. Nothing in this Order shall be interpreted as substantially consolidating any Claims against any of the Debtors or against any of their respective assets or property.

I. Transferees

33. If, after the Receivership Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall not be obligated to acknowledge or recognize such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. The Receiver shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Receiver in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. For further certainty, the Person last holding a Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Claims Procedure prior to receipt and acknowledgement by the Receiver of satisfactory evidence of such transfer or assignment, and a direction to the Receiver that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the Debtors may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off,

apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such person to any of the Debtors. Reference to a transfer in this Order includes a transfer or assignment whether absolute or intended as security.

J. Stay of proceedings

34. Subject to further Order of the Court, no proceedings or enforcement process in any court or tribunal may be commenced or continued against Trisura relating to any Claims on Trisura Bonded Projects until further order of the Court. For greater certainty, no proceedings shall be commenced or continued against Trisura or in respect of the Trisura Bonds in respect of any Released Claims. Subject to further Order of the Court, no proceedings or enforcement process in any court or tribunal may be commenced or continued in respect of a Lien Claim until further order of the Court. For greater certainty, no proceedings shall be commenced or continued with respect to any Released Lien Claims.

35. Any payment made by the Receiver with respect to Allowed Claims of Creditors relating to Trisura Bonded Projects (which, for greater certainty, shall be made only on further order of the Court) shall be deemed to be made from funds derived from the Trisura Bonded Project and shall reduce the penal sum of the applicable Trisura Bond on the Trisura Bonded Project.

J. Warranty Claims

36. Notwithstanding the terms of this Order, no owner/obligee of a Trisura Bonded Project (an “**Owner**”) shall be required to file proof of any Claim in connection with any warranty provided by the Debtors on the Trisura Bonded Projects by the Claims Bar Date, except for such Claims that are known to the Owner as of the date of this Order (the “**Known Claims**”), which Known Claims must be filed in accordance with the Claims Procedure, such that any Known Claim is received by the Receiver prior to the Claims Bar Date. For greater certainty, the Owner shall be entitled to file proof of any Claim against Trisura in connection with any warranty provided by the Debtors on the Trisura Bonded Projects (other than a Known Claim), in accordance with the applicable Performance Bond.

L. Service and Notices

37. Any notice or communication required to be delivered by the Receiver pursuant to this Order may be delivered via the FTI Claims Site or may be delivered by facsimile, email or electronic transmission, personal delivery, courier or prepaid mail to the address or number contained in the books and records of the Debtors or as included in the information submitted by a Claimant in respect of its Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Canada, and on the seventh Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered via FTI’s Claims Site, other electronic transmission or facsimile by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

38. Any notice or communication required to be provided or delivered to the Receiver by a Creditor or Claimant under this Claims Procedure Order shall be delivered via the FTI Claims Site unless otherwise provided for in this Order. Any paper copy of any document, notice or communication to be delivered to the Receiver pursuant to this Order will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West, Suite 2010
 P. O. Box 104
 Toronto, ON M5K 1G8

Attn: Jeff Rosenberg
 Fax: (416) 649-8181

Email: tercon@fticonsulting.com

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof by the Receiver before 5:00 p.m. (Vancouver time) on a Business Day or, if delivered after 5:00 p.m. (Vancouver time), on the next Business Day.

39. If, during any period which notice or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notice or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

40. In the event this Order is later amended by further Order of the Court, the Receiver shall post such further Order on the Receiver's Website and serve such further Order on the Service List, and such posting and service shall constitute adequate notice to all Persons of such amended Claims Procedure.

M. Protection of Claims against Funds received by Receiver

41. Subject to further Order of the Court, any funds paid to the Receiver that relate to Trisura Bonded Projects (the "**Bonded Project Funds**") shall be deemed to be segregated funds and;

- (a) be impressed with all trust rights arising pursuant to applicable legislation applicable to construction projects in the location of the Trisura Bonded Project;
- (b) be held by the Receiver as if the funds were in the possession of the owner/obligee on the Trisura Bonded Projects;

- (c) remain subject to any rights of set-off that could be asserted in the Claims Procedure by the owner/obligee of the Trisura Bonded Projects.

42. For greater certainty, rights of set-off applicable to the Bonded Project Funds shall not be restricted to a project-by-project accounting or determination.

43. Subject to further order of the Court, the Bonded Project Funds shall be held by the Receiver pending the occurrence of the earlier of: (i) the surrender to Trisura of the Performance Bonds by the MOT; (ii) a release of all claims against the Performance Bonds by the MOT; or (iii) the expiration of the period for claims against the Performance Bonds, with no claims having been asserted against the Performance Bonds during such period. Notwithstanding the foregoing, the Receiver is authorized to pay: (i) the reasonable legal fees and disbursements of Trisura in connection with the Receivership Proceedings; and (ii) with the consent of Trisura or an Order authorizing such payment(s), any Allowed Claim on a Trisura Bonded Project, from any Bonded Project Funds in the Receiver's possession.

44. The terms of the Distribution Order shall be applicable to the Trisura Bonded Projects.

N. Submission of Information and Supporting Documentation by Paper Copy

45. Any Claimant, Creditor, or any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim, that is unwilling or unable to submit information via the FTI Claims Site, may instead submit such information by paper copy to the Receiver using the Information Submission Form.

46. Any Claimant, Creditor, or any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim, that is unwilling or unable to submit supporting documentation for a Claim via the FTI Claims Site may instead submit such supporting documentation by paper copy to the Receiver using the Supporting Documentation Submission Form.

47. The Receiver is authorized to input to the FTI Claims Site:

- (a) the information submitted using the Information Submission Form;
- (b) the supporting documentation submitted using the Supporting Documentation Submission Form;
- (c) any Claim that is received by or filed with Trisura prior to the Claims Bar Date; and
- (d) the Claim Support Documents submitted by any Potential Property Interest Claimant;

and the Receiver shall have no liability for the information or documentation input, other than as a result of gross negligence or wilful misconduct. For greater certainty, all such Claims shall be subject to the Claims Procedure and all of the terms of the Claims Procedure Order.

O. General

48. Notwithstanding any other provisions of this Order, the solicitation of Claims by the Receiver, and the filing by any Claimant of any Claim shall not, for that reason only, grant any Person standing in the Receivership Proceedings.

49. The Receiver, in carrying out the terms of this Order: (i) shall have all of the protections given to it by the *Personal Property Security Act* (British Columbia), the *Bankruptcy and Insolvency Act*, the Receivership Order and as an officer of this Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of its obligations under this Order; (iii) shall be entitled to rely on the books and records of the Debtors, and any information provided by the Debtors, all without independent investigations, and (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

50. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder, including the conduct of the Claims Procedure and the form of the schedules to this Order, or for such further Order or Orders as the Receiver may consider necessary or desirable to amend, supplement or replace this Order, including any schedule to this Order.

51. This Order shall have full force and effect in all Provinces and Territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

52. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

53. The Receiver shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such other steps, in Canada or the United States of America, as may be necessary or advisable to give effect to this Order.

54. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may 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 Craig J. Hill

Party Lawyer for

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.

BY THE COURT

REGISTRAR

SCHEDULE "A"
LIST OF COUNSEL

SCHEDULE "B"

NOTICE TO CREDITORS

**IN THE MATTER OF THE RECEIVERSHIP 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")

TAKE NOTICE that on December 14, 2012, the Debtors were placed into receivership (the "**Receivership Proceedings**") by Order of the Supreme Court of British Columbia (the "**Court**"). As part of the Receivership Proceedings, on March 13, 2013 the Court issued an Order approving a procedure (the "**Claims Procedure**") to determine the claims of creditors as against the Debtors and against third parties that arise from or in connection with claims against the Debtors. A copy of the Claims Procedure Order may be obtained from the Receiver's website located at <http://cfcanada.fticonsulting.com/tercon>

The purpose of the Claims Procedure is to, *inter alia*:

- Provide a procedure for creditors that have claims against the Debtors or have claims that arise from or are made in connection with such claims against the Debtors such as lien claims against land or claims against bonds issued in respect of projects involving the Debtors to assert their claims;
- Provide all such creditors with an opportunity to file proof of their claims and related evidence to support a claim on or before the Claims Bar Date; and
- Resolve or adjudicate any disputes with respect to the amounts and/or nature of claims submitted.

Any person who believes that they have a claim against the Debtors must file proof of such Claim by the Claims Bar Date in accordance with the provisions of the Claims Procedure Order. The Claims Procedure Order outlines the process for submitting a Claim electronically or by paper copy.

The Claims Bar Date is: 5:00 PM (Vancouver Time) on May 3, 2013.

ALL CLAIMS MUST BE FILED BY THE DEADLINE STATED ABOVE. ANY CLAIM NOT FILED BY THE DEADLINE STATED ABOVE WILL BE FOREVER BARRED AND EXTINGUISHED AND NO FURTHER CLAIM, RIGHT OR ENTITLEMENT AGAINST THE DEBTORS OR THEIR ASSETS, OR IN RESPECT OF ANY LIEN CLAIMS AGAINST OWNERS OF PROJECT LANDS OR IN RESPECT OF ANY BONDS ISSUED BY TRISURA GUARANTEE INSURANCE COMPANY ON CERTAIN BONDED PROJECTS OF THE DEBTORS MAY BE ADVANCED.

CREDITORS RESIDING IN THE UNITED STATES OF AMERICA SHOULD NOTE THAT THE CLAIMS PROCEDURE ORDER MADE BY THE SUPREME COURT OF BRITISH COLUMBIA AFFECTS THEIR RIGHTS, AS WELL AS THE RIGHTS OF CREDITORS RESIDING IN CANADA.

Any person that may have questions regarding the submission of claims in the Claims Procedure should view the Receiver's website or contact the Receiver at the following address:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West, Suite 2010
P. O. Box 104
Toronto, ON M5K 1G8

Attn: Jeff Rosenberg
Fax: (416) 649-8181

Email: tercon@fticonsulting.com

SCHEDULE "C

**IN THE MATTER OF THE RECEIVERSHIP 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.**

INFORMATION SUBMISSION FORM

Add Contact

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Type Claimant Assignee Lawyer CC only
 None Notice only Primary contact

Add Contact

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Type Claimant Assignee Lawyer CC only
 None Notice only Primary contact

Add Claim

Claim Amount _____

Currency _____

Debtor Name _____

Claim Type Pre-Filing Subsequent

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee
 Deficiency Trade Landlord

Notice of Dispute

Original Claim Amount _____

Revised Claim per Receiver _____

Revised Claim per Claimant _____

Currency _____

Debtor Name _____

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee

Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Reason for Dispute - Please add any comments that may assist us in reviewing your claim.

Notice of Dispute

Original Claim Amount _____

Revised Claim per Receiver _____

Revised Claim per Claimant _____

Currency _____

Debtor Company Name _____

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee

Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Reason for Dispute - Please add any comments that may assist us in reviewing your claim.

Acknowledgment

Signature _____

Date _____

SCHEDULE "D"

**IN THE MATTER OF THE RECEIVERSHIP 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.**

SUPPORTING DOCUMENTATION SUBMISSION FORM

Contact Details

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Supporting Documentation

Please attach hard copies of your supporting documentation to this form.

Comments

Future correspondence

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

Hardcopy of correspondence required

Acknowledgment

Signature _____

Date _____

Appendix E

**Black-Line of Revised Claims Procedure Order
against Draft Claims Procedure Order**

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

CLAIMS PROCEDURE ORDER

BEFORE THE HONOURABLE) 21/03/2013
)
MR. JUSTICE SEWELL)

THE APPLICATION of FTI CONSULTING CANADA INC., in its capacity as Court-appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of Tercon Investments Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (collectively, the "**Debtors**") coming on for hearing at Vancouver, British Columbia, on the ~~14~~21st day of March, 2013; AND ON HEARING ~~Magnus Verbrugge~~Craig J Hill, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto, ~~and~~ no one appearing for ~~_____~~the creditors listed on Schedule "A-1"

hereto, although ~~duly~~ served; with notice of this Application, AND UPON READING the material filed, including the Fifth Report of the Receiver dated March 6, 2013 (the "**Fifth Report**")¹ and the Seventh Report of the Receiver dated March •, 2013;

THIS COURT ORDERS AND DECLARES THAT:

A. *Definitions and Interpretation*

1. The following terms in this Order shall have the following meanings ascribed thereto:

- (a) "**Allowed Claim**" means the amount, status, categorization and/or validity of the Claim of a Claimant finally determined in accordance with the Claims Procedure;
- (b) "**Allowed Creditor**" means a Creditor with an Allowed Claim;
- (c) "**Bonded Project Funds**" has the meaning ascribed to it in paragraph ~~40~~41 hereof;
- (d) "**Business Day**" means any day other than a Saturday, Sunday or a day on which banks in Vancouver, British Columbia are authorized or obligated by applicable law to close or otherwise are generally closed;
- (e) "**Claim**" means any right or claim of any Person that may be asserted or made ~~in whole or in part against~~;
 - (i) in whole or in part against the Debtors (or any of them), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the Receivership Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Debtors or any of their property or assets, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety, warranty or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or

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

commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable in bankruptcy had the Debtors (or anyone of them) become bankrupt on the Receivership Date, but for further certainty shall not include an Excluded Claim; ~~and~~

- (ii) in whole or in part against the Trisura Bonds; and
- (iii) in respect of a Lien Claim;
- (f) **"Claim Support Documents"** shall have the meaning ascribed to it in the Distribution Order;
- (g) **"Claimant"** means a Person asserting a Claim pursuant to the Claims Procedure;
- (h) **"Claims Bar Date"** means ~~April 19, 2013~~, May 3, 2013 at 5:00 p.m. (Vancouver time), or such other date as may be ordered by the Court;
- (i) **"Claims Officer"** means any individual appointed in accordance with paragraph ~~{25}~~ hereof to determine the amount, status, categorization and/or validity of a Disputed Claim for purposes of the Claims Procedure;
- (j) **"Claims Package"** means the document package that includes a copy of: (i) this Order; (ii) the Notice to Creditors; and (iii) such other materials as the Receiver considers necessary or appropriate;
- (k) **"Claims Procedure"** means the procedures outlined in this Order regarding the call for Claims, review of Claims and adjudication of Claims to be administered by the Receiver, pursuant to the terms of this Order;
- (l) **"Court"** means the Supreme Court of British Columbia;
- (m) **"Creditor"** means any Person with a Claim and includes, without limitation, the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with paragraph ~~{32}~~33 hereof, or a trustee, liquidator, receiver, manager, or other Person acting on behalf of such Person;
- (n) **"DHI"** means Dumas Holdings Inc.;
- (o) **"Disputed Claim"** means any Claim in respect of which a Claimant disputes the Receiver's adjudication of the Claim;
- (p) **"Disputed Claim Package"** means, in respect of a Disputed Claim, a copy of all information submitted via the FTI Claims Site or otherwise provided to the Receiver, or delivered by the Receiver to the Claimant, relating to the Disputed Claim;
- (q) **"Distribution Order"** means the Distribution Order made by Justice Sewell in the Receivership Proceedings, dated January 21, 2013;

- (r) **"Electronic Submission Process"** has the meaning ascribed in paragraph [14] hereof;
- (s) **"Excluded Claim"** means:
- (i) any right or claim of any Person that might be made in whole or in part against the Debtors for charges incurred by the Receiver on behalf of the Debtors, or any of them, for the supply of goods, services or utilities from and after the Receivership Date;
 - (ii) any Claim of a Debtor against another Debtor;
 - (iii) any Claim of HSBC or the Lenders against the Debtors;
 - (iv) any Claim of DHI against the Debtors; and
 - (v) any Claim secured by ~~any of the Charges (as that~~ the Receiver's Charge or the Receiver's Borrowing Charge (as each term is defined in the Receivership Order) or any subsequent charges ordered or approved by this Court.
- (t) **"FTI Claims Site"** means the website established by the Receiver in connection with the Claims Procedure at ~~<https://cmsi.ftitools.com/tercon>~~<https://cmsi.ftitools.com/tercon>;
- (u) **"HSBC"** means HSBC Bank Canada, as Lead Arranger, Bookrunner and Administrative Agent under the Senior Secured Credit Agreement dated February 28, 2012, as amended;
- (v) **"Information Submission Form"** means the form substantially in accordance with the form attached hereto as Schedule "C";
- (w) **"Improvement"** has the meaning give to it, as applicable, by the *Builders Lien Act*, R.S.B.C 1997 c.45 or the *Builders' Lien Act*, R.S.A. 2000 c.B-7;
- (x) **"Known Creditor"** means a Person: (i) who the Receiver has received actual notice may have a Claim against any of the Debtors; or (ii) that the books and records of the Debtors show as owed an amount arising on or before the Receivership Date;
- (y) **"Lenders"** means the lenders under the Senior Secured Credit Agreement dated February 28, 2012, amended
- (z) **"Lien Claim"** means a right given to any Person to assert a lien upon the interest of an owner of land that is party to a contract with a Debtor for an Improvement or for the contract price for any labor or materials, etc. referred to in *Alaska Statute* § 34.35.050;

- (aa) "**MOT**" means Her Majesty the Queen in Right of British Columbia as represented by the Ministry of Transportation and Infrastructure;
- (bb) "**Notice to Creditors**" means the notice to creditors of the Claims Procedure and the Claims Bar Date, substantially in the form attached hereto as Schedule "**B**";
- (cc) "**Other Insolvency Proceedings**" means any bankruptcy or insolvency proceedings commenced against any of the Debtors, but for greater certainty does not include the Receivership Proceedings;
- (dd) "**Owner**" has the meaning ascribed in paragraph ~~35~~36 hereof;
- (ee) "**Performance Bonds**" means, collectively:
 - (i) Performance Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Wall Project;
 - (ii) Performance Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Water Line Project;
 - (iii) Performance Bond No. ~~VCE~~VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Creek Bridge Bearing Project; and
 - (iv) Performance Bond No. ~~VMS-0700001~~VCS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project.
- (ff) "**Person**" means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status;
- (gg) "**Potential Property Interest Claimant**" shall have the meaning ascribed to it in the Distribution Order;
- (hh) "**Receiver's Website**" means the website for the Receivership Proceedings located at <http://cfcanda.fticonsulting.com/tercon>;
- (ii) "**Receivership Date**" means December 14, 2012;
- (jj) "**Receivership Proceedings**" means these receivership proceedings commenced by DHI against the Debtors in the Court, being Vancouver Registry No. S128887, on the Receivership Date pursuant to the Receivership Order;

- (kk) **"Receiver-Trisura Protocol"** means the protocol for the coordinated review of Claims on Trisura Bonded Projects summarized as Appendix C to the Fifth Report;
- (ll) **"Released Claims"** shall have the meaning ascribed in paragraph ~~H6(a)~~16(a) of [this Order](#);
- (mm) **"Released Lien Claims"** shall have the meaning ascribed in paragraph 16(b) of this Order;
- (nn) ~~(mm)~~ **"Reserve Bar Date"** shall have the meaning ascribed to it in the Distribution Order;
- (oo) ~~(nn)~~ **"Service List"** means the service list in the Receivership Proceedings updated from time to time and posted on the Receiver's Website;
- (pp) ~~(oo)~~ **"Service Requirements"** has the meaning ascribed in paragraph ~~12~~ hereof;
- (qq) ~~(pp)~~ **"Supporting Documentation Submission Form"** means the form substantially in accordance with the form attached hereto as Schedule **"D"**;
- (rr) ~~(qq)~~ **"Trisura"** means Trisura Guarantee Insurance Company;
- (ss) ~~(rr)~~ **"Trisura Bonded Projects"** means the following projects, as more particularly described in the Fifth Report:

Tercon Company	Tercon Construction Ltd.	Tercon Construction Ltd.	Tercon Construction Ltd.	Tahltan-Tercon Limited Partnership	Tercon Construction Ltd.
Project	Project # 21754 - 0002: Joint Use Vehicle Inspection Station Public Water System (the "Water Line Project")	Project # 22594 - 0002: Mount Hunter Creek Bridge, Bearing Replacement and Roof Slab Epoxy Injection (the "Creek Bridge Bearing Project")	Project # 22592 - 0008: 4 Kilometre Wall and Approaches, Grading, Retaining Wall, Paving and Drainage Construction (the "Wall Project")	Contract # RC101: Excavation and Earthworks (the "Red Chris Project")	Leased storage yard clean-up (the "Clean-up Project")

- (tt) ~~(ss)~~ **"Trisura Bonds"** means:
- (i) Environmental Bond No. VOS109004 (formerly Bond No. VMS 1089004) issued in favour of Teck Coal on behalf of Tercon Construction Ltd., by Trisura in respect of the Clean-up Project;
 - (ii) Performance Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Wall Project;

- (iii) Labour and Material Payment Bond No. VCS 1089004 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Wall Project;
- (iv) Performance Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Water Line Project;
- (v) Labour and Material Payment Bond No. VCS 0700004 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Water Line Project;
- (vi) Performance Bond No. ~~VCE~~VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd., by Trisura in respect of the Creek Bridge Bearing Project;
- (vii) Labour and Material Payment Bond No. VCS 0700006 issued in favour of the MOT on behalf of Tercon Construction Ltd. by Trisura in respect of the Creek Bridge Bearing Project;
- (viii) Performance Bond No. ~~VMS~~VCS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project; and
- (ix) Labour and Material Payment Bond No. VMS 0700005 issued in favour of Red Chris Development Company Ltd. on behalf of Tahltan – Tercon Limited Partnership, by Trisura in respect of the Red Chris Project.

2. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

3. All references in this Order to the word “including” will mean “including without limitation”.

4. All references in this Order to the singular include the plural, to the plural include the singular, and to any gender include the other gender.

5. Any Claims denominated in a currency other than Canadian Dollars shall be converted to Canadian Dollars at the Bank of Canada noon spot rate in effect on the Receivership Date.

B. Approval of Claims Procedure

6. The Claims Procedure, including the Claims Bar Date, is hereby approved. The Receiver is hereby authorized and directed to conduct the Claims Procedure. The Claims Procedure shall be conducted through the FTI Claims Site, except as provided for in this Order. All Persons who intend to assert a Lien Claim, Claims against any of the Debtors, Claims against any of the Trisura

Bonds or Claims against any funds held by the Receiver are directed to comply with the terms of the Claims Procedure.

C. Notice to Creditors

7. Not later than seven (7) Business Days following the date of this Order, the Receiver shall cause a Claims Package to be sent to each Known Creditor in accordance with paragraph ~~36~~37 hereof to the address of such Known Creditor set out in the applicable Debtor's records.

8. Not later than seven (7) Business Days following the date of this Order, the Receiver shall cause the Notice to Creditors to be published for one (1) Business Day in the Globe and Mail National Edition, the Kamloops Daily News, the Journal of Commerce and the Anchorage Daily News.

9. Not later than two (2) Business Days following the date of this Order the Receiver shall post on the Receiver's Website a copy of this Order and the Notice to Creditors.

10. To the extent that any Creditor requests documents relating to the Claims Procedure prior to the Claims Bar Date, the Receiver shall direct the Creditor to the documents posted on the Receiver's Website and, if requested by the Creditor, cause a Claims Package to be sent to the Creditor in accordance with paragraph ~~36~~37 hereof and otherwise respond to the request relating to the Claims Procedure as may be appropriate in the circumstances.

11. The forms of Notice to Creditors, Information Submission Form and Supporting Documentation Submission Form substantially in the forms attached to this Order as Schedules "B", "C" and "D", respectively, are hereby approved. The Receiver may, from time to time, make minor changes to such forms as the Receiver considers necessary or desirable.

12. Publication of the Notice to Creditors, the sending to the Creditors of a Claims Package in accordance with this Order, and completion of the other requirements of this Order, shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim (the "Service Requirements"), and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

D. Submission of Claims

13. Except as provided for in paragraph ~~15~~ of this Order, all Claims of Creditors must be asserted in, and are subject to, the Claims Procedure, including, without limitation,

- (a) Claims against the Debtors;
- (b) Lien Claims;
- (c) Claims in respect of any of the Trisura Bonds; and
- (d) Claims in respect of the Trisura Bonded Projects, including Claims that involve lien rights, trust rights or other claims to proceeds that would otherwise be payable to

the Debtors or from an Owner to any Person in respect of any of the Trisura Bonded Projects.

14. Any Person other than a Potential Property Interest Claimant that intends to assert a Claim must submit proof of such Claim, together with all supporting documents in respect of such Claim, by electronically submitting all required information, and uploading all relevant documents in support of the Claim, to the FTI Claims Site or as otherwise permitted by this Order, by no later than the Claims Bar Date (the “**Electronic Submission Process**”).

15. Any Potential Property Interest Claimant that has provided the Receiver with its Claim Support Documents prior to the Reserve Bar Date is not required to resubmit proof of such Claim and shall be deemed to have asserted its Claim in accordance with this Claims Procedure. Subject only to the foregoing, the Claims Bar Date and the provisions of this Claims Procedure Order apply to Potential Property Interest Claimants. Any Claim that has been received by or filed with Trisura prior to the date of this Order will be deemed to have been filed in accordance with this Order, any such Claim shall be deemed to have been received by the Receiver and shall be subject to the Claims Procedure.

16. ~~Any~~ Subject to paragraph 36, any Creditor that does not file proof of its Claim in accordance with this Order such that the Claim is received, or deemed to be received, by the Receiver on or before the Claims Bar Date or such later date as the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from making, asserting or enforcing any such Claim against any of the Debtors, the Receiver, the Trisura Bonds or Trisura and all such Claims shall be forever extinguished as against all such parties (“**Released Claims**”);
- (b) be and is hereby forever barred, estopped and enjoined from making, asserting or enforcing a Lien Claim and all such Lien Claims shall be forever extinguished as against all Persons (“Released Lien Claims”);
- (c) ~~(b)~~ not be permitted to participate in any distribution from the proceeds of any of the Debtors’ assets, funds held by the Receiver, from the Trisura Bonds or otherwise on account of such Claim(s);
- (d) ~~(c)~~ not be entitled to participate as a Creditor in the Receivership Proceedings; and
- (e) ~~(d)~~ not be entitled to receive further notice in respect of the Claims Procedure.

17. The Claims Bar Date shall apply in respect of any Claims against the Trisura Bonds. No Claims may be made against the Trisura Bonds after the Claims Bar Date and all further or other Claims against the Trisura Bonds or against Trisura in respect of the Trisura Bonded Projects shall be forever barred and extinguished.

18. The Receiver shall review all Claims submitted in accordance with this Order that are received on or before the Claims Bar Date. In the event that a Claim is received by the Receiver in

respect of a Claim on a Trisura Bond, the Receiver and Trisura shall deal with the Claim pursuant to the Receiver-Trisura Protocol. The Receiver-Trisura Protocol is hereby approved.

19. The Receiver is authorized and directed to use reasonable discretion as to adequacy of compliance with respect to the manner in which the fields of the FTI Claims Site or any paper form, as the case may be, are completed and executed and may, where it is satisfied that a Claim has been adequately filed or proven, waive strict compliance with the requirements of this Order (provided, for greater certainty, that the Receiver may not amend the Claims Bar Date). The Receiver may request further documentation from a Claimant that the Receiver may require in order to enable the Receiver to adjudicate a Claim and any Claimant that asserts a Claim that is subject to the Claims Procedure shall provide the Receiver with all such documentation forthwith upon request.

E. Adjudication of Claims

20. The Receiver may allow or disallow any Claim asserted in the Claims Procedure, in whole or in part.

21. If the Receiver agrees with a Claim that has been filed in accordance with the Claims Procedure, it shall so notify the Allowed Creditor via the FTI Claims Site or otherwise as provided by this Order.

22. If the Receiver revises or disallows the Claim of a Claimant, in whole or in part, the Receiver shall notify the Claimant via the FTI Claims Site or otherwise as provided by this Order.

23. Any Claimant that wishes to dispute a revision or disallowance of its Claim shall provide notice of such dispute via the FTI Claims Site, or as otherwise provided by this Order, by 5:00 p.m. (Vancouver time) on the date that is ~~fourteen~~twenty-one (~~14~~21) days after the date of notification of such revision or disallowance, or such later date as may be approved by the Court by an order made pursuant to a motion by the Claimant served within such ~~fourteen~~ (~~14~~twenty-one (21)) day period. Any Claimant that fails to dispute a revision or disallowance in accordance with the terms of this paragraph:

- (a) shall be deemed to have accepted the amount and categorization of its Claim as set out in the revision or disallowance, which shall thereafter be such Claimant's Allowed Claim; and
- (b) the Receiver's revision or disallowance in respect of such Claimant's Claim shall be final and binding on all Persons and there shall be no further right to appeal, review or seek recourse to this Court, or any other Court or tribunal, in respect of the Receiver's revision or disallowance;

24. If a Claimant disputes a revision or disallowance of its Claim pursuant to paragraph ~~{23}~~ hereof, the Receiver may:

- (a) attempt to consensually resolve the classification and the amount of the Claim with the Claimant;

- (b) deliver a Disputed Claim Package to the Claims Officer, if one has been appointed; and/or
- (c) schedule an appointment with the Court for the purpose of scheduling a motion to have the classification and amount of the Claim determined by the Court, and at such motion the Receiver shall be deemed to be the applicant and the Claimant shall be deemed to be the respondent.

F. Appointment of Claims Officer(s)

25. The Receiver is authorized to appoint one or more individuals that the Receiver considers to be appropriately qualified to act as a Claims Officer. The Receiver shall provide notification of the appointment of a Claims Officer to the Service List. Any Person that objects to the appointment of the Claims Officer shall advise the Receiver within seven (7) Business Days of such notice. If the Receiver is unable to resolve the objection, the Receiver shall seek direction from the Court as to the appointment of the Claims Officer.

26. Any Claims Officer appointed pursuant to the terms hereof shall have authority to hear and determine the validity of every disputed aspect of a Disputed Claim referred to the Claims Officer by the Receiver in accordance with the Claims Procedure.

27. The Claims Officer is empowered to determine the manner in which evidence may be brought before the Claims Officer, in addition to determining any procedural matter which may arise in respect of the determination of the validity of a Disputed Claim.

28. Upon receipt of notice from the Receiver that a Disputed Claim is to be referred to the Claims Officer, the Claims Officer shall schedule and conduct a hearing to determine the validity of the Disputed Claim as soon as practicable pursuant to a summary hearing scheduled according to a timetable approved by counsel to the Receiver and the Claimant, or as established by Order of the Court. The Claims Officer shall deliver written reasons in connection with the determination of the validity of any Disputed Claim upon which a hearing is conducted.

29. The Receiver shall pay the reasonable fees, expenses and disbursements of each Claims Officer appointed on presentation and acceptance by the Receiver of invoices from the Claims Officer from time to time. The Claims Officer shall be entitled to a reasonable retainer against its fees and disbursements which shall be paid by the Receiver upon request.

G. Appeal of Claims Officer Determination

30. Either the Claimant or the Receiver (and, if the Claim is made in respect of a Trisura Bonded Project, Trisura) may, at its own expense, appeal the Claims Officer's determination of a Disputed Claim to this Court within ten (10) days of notification of the Claims Officer's determination of such Claimant's Claim by serving upon the other party(ies), as applicable, and filing with this Court a notice of motion with respect to the appeal, returnable on a date to be agreed to by the parties, or, failing which, fixed by this Court, and in either case, as soon as practicable. If an appeal is not filed within such period in accordance with this Order, then the Claims Officer's determination shall be final and binding in all respects, with no further right of

appeal, review or recourse to this Court. Any such appeal shall be an appeal based on the record before the Claims Officer and not a hearing *de novo*.

H. *Binding Effect of Claims Procedure*

31. ~~30.~~ The calling for Claims and the Claims Procedure contemplated by this Order, as it may be amended or supplemented by this Court from time to time, including but not limited to the determination by the Receiver or this Court, as the case may be, with respect to any Claim:

- (a) shall be binding on the Debtors, Trisura, the Receiver and all Creditors; and
- (b) shall be binding and effective in any and all Other Insolvency Proceedings.

32. ~~31.~~ Nothing in this Order shall be interpreted as substantially consolidating any Claims against any of the Debtors or against any of their respective assets or property.

HI. *Transferees*

33. ~~32.~~ If, after the Receivership Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall not be obligated to acknowledge or recognize such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. The Receiver shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Receiver in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. For further certainty, the Person last holding a Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Claims Procedure prior to receipt and acknowledgement by the Receiver of satisfactory evidence of such transfer or assignment, and a direction to the Receiver that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the Debtors may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such person to any of the Debtors. Reference to a transfer in this Order includes a transfer or assignment whether absolute or intended as security.

IJ. Stay of proceedings *against Trisura*

34. ~~33.~~ Subject to further Order of the Court, no proceedings or enforcement process in any ~~Court~~court or tribunal may be commenced or continued against Trisura relating to any Claims on Trisura Bonded Projects until further order of the Court. For greater certainty, no proceedings shall be commenced or continued against Trisura or in respect of the Trisura Bonds in respect of any Released Claims. Subject to further Order of the Court, no proceedings or enforcement process in any court or tribunal may be commenced or continued in respect of a Lien Claim until further order of the Court. For greater certainty, no proceedings shall be commenced or continued with respect to any Released Lien Claims.

35. ~~34.~~ Any payment made by the Receiver with respect to Allowed Claims of Creditors relating to Trisura Bonded Projects (which, for greater certainty, shall be made only on further order of the Court) shall be deemed to be made from funds derived from the Trisura Bonded Project and shall reduce the penal sum of the applicable Trisura Bond on the Trisura Bonded Project.

J. Warranty Claims

36. ~~35. Every~~Notwithstanding the terms of this Order, no owner/obligee of a Trisura Bonded Project ("~~an "Owner"~~") ~~shall provide notice to the Receiver and to Trisura whether it intends to assert any Claims against the~~") shall be required to file proof of any Claim in connection with any warranty provided by the Debtors on the Trisura Bonded Projects and shall provide the Receiver and Trisura with the particulars of all known warranty claims it is aware of as of the date hereof, such that the foregoing information is received by the Claims Bar Date, except for such Claims that are known to the Owner as of the date of this Order (the "Known Claims"), which Known Claims must be filed in accordance with the Claims Procedure, such that any Known Claim is received by the Receiver prior to the Claims Bar Date. For greater certainty, the Owner shall be entitled to file proof of any Claim against Trisura in connection with any warranty provided by the Debtors on the Trisura Bonded Projects (other than a Known Claim), in accordance with the applicable Performance Bond.

KL. Service and Notices

37. ~~36.~~ Any notice or communication required to be delivered by the Receiver pursuant to this Order may be delivered via the FTI Claims Site or may be delivered by facsimile, email or electronic transmission, personal delivery, courier or prepaid mail to the address or number contained in the books and records of the Debtors or as included in the information submitted by a Claimant in respect of its Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Canada, and on the seventh Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered via FTI's Claims Site, other electronic transmission or facsimile by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

38. ~~37.~~ Any notice or communication required to be provided or delivered to the Receiver by a Creditor or Claimant under this Claims Procedure Order shall be delivered via the FTI Claims Site

unless otherwise provided for in this Order. Any paper copy of any document, notice or communication to be delivered to the Receiver pursuant to this Order will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West, Suite 2010
 P. O. Box 104
 Toronto, ON M5K 1G8

Attn: Jeff Rosenberg
 Fax: (416) 649-8181

Email: tercon@fticonsulting.com

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof by the Receiver before 5:00 p.m. (Vancouver time) on a Business Day or, if delivered after 5:00 p.m. (Vancouver time), on the next Business Day.

39. ~~38.~~ If, during any period which notice or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notice or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

40. ~~39.~~ In the event this Order is later amended by further Order of the Court, the Receiver shall post such further Order on the Receiver's Website and serve such further Order on the Service List, and such posting and service shall constitute adequate notice to all Persons of such amended Claims Procedure.

LM. Protection of Claims against Funds received by Receiver

41. ~~40.~~ Subject to further Order of the Court, any funds paid to the Receiver that relate to Trisura Bonded Projects (the "**Bonded Project Funds**") shall be deemed to be segregated funds and;

- (a) be impressed with all trust rights arising pursuant to applicable legislation applicable to construction projects in the location of the Trisura Bonded Project;
- (b) be held by the Receiver as if the funds were in the possession of the owner/obligee on the Trisura Bonded Projects;
- (c) remain subject to any rights of set-off that could be asserted in the Claims Procedure by the owner/obligee of the Trisura Bonded Projects.

42. ~~41.~~ For greater certainty, rights of set-off applicable to the Bonded Project Funds shall not be restricted to a project-by-project accounting or determination.

43. ~~42.~~ Subject to further order of the Court, the Bonded Project Funds shall be held by the Receiver pending the occurrence of the earlier of: (i) the surrender to Trisura of the Performance Bonds by the MOT; (ii) a release of all claims against the Performance Bonds by the MOT; or (iii) the expiration of the period for claims against the Performance Bonds, with no claims having been asserted against the Performance Bonds during such period. Notwithstanding the foregoing, the Receiver is authorized to pay: (i) the reasonable legal fees and disbursements of Trisura in connection with the Receivership Proceedings; and (ii) with the consent of Trisura or an Order authorizing such payment(s), any Allowed Claim on a Trisura Bonded Project, from any Bonded Project Funds in the Receiver's possession.

44. The terms of the Distribution Order shall be applicable to the Trisura Bonded Projects.

MN. *Submission of Information and Supporting Documentation by Paper Copy*

45. ~~43.~~ Any Claimant, Creditor, or any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim, that is unwilling or unable to submit information via the FTI Claims Site, may instead submit such information by paper copy to the Receiver using the Information Submission Form.

46. ~~44.~~ Any Claimant, Creditor, or any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim, that is unwilling or unable to submit supporting documentation for a Claim via the FTI Claims Site may instead submit such supporting documentation by paper copy to the Receiver using the Supporting Documentation Submission Form.

47. ~~45.~~ The Receiver is authorized to input to the FTI Claims Site:

- (a) the information submitted using the Information Submission Form;
- (b) the supporting documentation submitted using the Supporting Documentation Submission Form;
- (c) any Claim that is received by or filed with Trisura prior to the Claims Bar Date; and
- (d) ~~(e)~~ the Claim Support Documents submitted by any Potential Property Interest Claimant;

and the Receiver shall have no liability for the information or documentation input, other than as a result of gross negligence or wilful misconduct. For greater certainty, all such Claims shall be subject to the Claims Procedure and all of the terms of the Claims Procedure Order.

NO. General

48. ~~46.~~ Notwithstanding any other provisions of this Order, the solicitation of Claims by the Receiver, and the filing by any Claimant of any Claim shall not, for that reason only, grant any Person standing in the Receivership Proceedings.

49. ~~47.~~ The Receiver, in carrying out the terms of this Order: (i) shall have all of the protections given to it by the *Personal Property Security Act* (British Columbia), the *Bankruptcy and Insolvency Act*, the Receivership Order and as an officer of this Court, including the stay of proceedings in its favour; (ii) shall incur no liability or obligation as a result of the carrying out of its obligations under this Order; (iii) shall be entitled to rely on the books and records of the Debtors, and any information provided by the Debtors, all without independent investigations, and (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

50. ~~48.~~ The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder, including the conduct of the Claims Procedure and the form of the schedules to this Order, or for such further Order or Orders as the Receiver may consider necessary or desirable to amend, supplement or replace this Order, including any schedule to this Order.

51. ~~49.~~ This Order shall have full force and effect in all Provinces and Territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

52. ~~50.~~ This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

53. ~~51.~~ The Receiver shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such other steps, in Canada or the United States of America, as may be necessary or advisable to give effect to this Order.

54. ~~52.~~ Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may 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~~ Craig J. Hill

Party Lawyer for

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.

BY THE COURT

REGISTRAR

55. ~~53.~~

56. 54.

SCHEDULE "A"
LIST OF COUNSEL

SCHEDULE "B"

NOTICE TO CREDITORS

IN THE MATTER OF THE RECEIVERSHIP 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")

TAKE NOTICE that on December 14, ~~2012~~ 2012, the Debtors were placed into receivership (the "Receivership Proceedings") by Order of the Supreme Court of British Columbia (the "Court"). As part of the Receivership Proceedings, on ~~March 13~~, 2013 the Court issued an Order approving a procedure (the "Claims Procedure") to determine the claims of creditors as against the Debtors and against third parties that arise from or in connection with claims against the Debtors. A copy of the Claims Procedure Order may be obtained from the Receiver's website located at <http://cfcanada.fticonsulting.com/tercon>

The purpose of the Claims Procedure is to, *inter alia*:

- Provide a procedure for creditors that have claims against the Debtors or have claims that arise from or are made in connection with such claims against the Debtors such as lien claims against land or claims against bonds issued in respect of projects involving the Debtors to assert their claims;
- = Provide all such creditors with an opportunity to file proof of their claims and related evidence to support a claim on or before the Claims Bar Date; and
- Resolve or adjudicate any disputes with respect to the amounts and/or nature of claims submitted.

Any person who believes that they have a claim against the Debtors must file proof of such Claim by the Claims Bar Date in accordance with the provisions of the Claims Procedure Order. The Claims Procedure Order outlines the process for submitting a Claim electronically or by paper copy.

The Claims Bar Date is: 5:00 PM (Vancouver Time) on ~~May 3~~, 2013.

ALL CLAIMS MUST BE FILED BY THE DEADLINE STATED ABOVE. ANY CLAIM NOT FILED BY THE DEADLINE STATED ABOVE WILL BE FOREVER BARRED AND EXTINGUISHED AND NO FURTHER CLAIM, RIGHT OR ENTITLEMENT AGAINST THE DEBTORS OR THEIR ASSETS, ~~INCLUDING OR IN RESPECT OF ANY LIEN CLAIMS AGAINST OWNERS OF PROJECT LANDS OR IN RESPECT OF ANY BONDS ISSUED BY TRISURA GUARANTEE INSURANCE COMPANY ON CERTAIN BONDED PROJECTS OF THE DEBTORS MAY BE ADVANCED.~~

CREDITORS RESIDING IN THE UNITED STATES OF AMERICA SHOULD NOTE THAT THE CLAIMS PROCEDURE ORDER MADE BY THE SUPREME COURT OF BRITISH COLUMBIA AFFECTS THEIR RIGHTS, AS WELL AS THE RIGHTS OF CREDITORS RESIDING IN CANADA.

Any person that may have questions regarding the submission of claims in the Claims Procedure should view the Receiver's website or contact the Receiver at the following address:

FTI Consulting Canada Inc.
 TD Waterhouse Tower
 79 Wellington Street West, Suite 2010
 P. O. Box 104
 Toronto, ON M5K 1G8

Attn: Jeff Rosenberg
 Fax: (416) 649-8181

Email: tercon@fticonsulting.com

SCHEDULE “C

**IN THE MATTER OF THE RECEIVERSHIP 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.**

INFORMATION SUBMISSION FORM

Add Contact

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Type Claimant Assignee Lawyer CC only
 None Notice only Primary contact

Add Contact

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Type Claimant Assignee Lawyer CC only
 None Notice only Primary contact

Add Claim

Claim Amount _____

Currency _____

Debtor Name _____

Claim Type Pre-Filing Subsequent

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee
 Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Comments - Please add any comments that may assist us in reviewing your claim.

Add Claim

Claim Amount _____

Currency _____

Debtor Name _____

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee

Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Comments - Please add any comments that may assist us in reviewing your claim.

Future correspondence

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

Hardcopy of correspondence required

Acknowledgment

Signature _____

Date _____

Notice of Dispute

Original Claim Amount _____

Revised Claim per Receiver _____

Revised Claim per Claimant _____

Currency _____

Debtor Name _____

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee

Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Reason for Dispute - Please add any comments that may assist us in reviewing your claim.

Notice of Dispute

Original Claim Amount _____

Revised Claim per Receiver _____

Revised Claim per Claimant _____

Currency _____

Debtor Company Name _____

Classification Secured Unsecured

Unsecured Category Employee Former Employee Guarantee

Deficiency Trade Landlord

Security Claimed Security Agreement Statutory Lien Statutory Trust

Reason for Dispute - Please add any comments that may assist us in reviewing your claim.

Acknowledgment

Signature _____

Date _____

SCHEDULE “D”

**IN THE MATTER OF THE RECEIVERSHIP 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.**

SUPPORTING DOCUMENTATION SUBMISSION FORM

Contact Details

Name _____

Attention _____

Address 1 _____

Address 2 _____

City _____

State/Province _____

ZIP/Postal Code _____

Country _____

Phone _____

Fax _____

Email _____

Supporting Documentation

Please attach hard copies of your supporting documentation to this form.

Comments

Future correspondence

All future correspondence will be directed to the email designated in the contact details unless you specifically request that hardcopies be provided.

Hardcopy of correspondence required

Acknowledgment

Signature _____

Date _____

Document comparison by Workshare Compare on March-18-13 2:59:14 PM

Input:	
Document 1 ID	PowerDocs://TOR01/5109450/9
Description	TOR01-#5109450-v9-Tercon_Claims_Procedure_Order
Document 2 ID	PowerDocs://TOR01/5109450/12
Description	TOR01-#5109450-v12-Tercon_Claims_Procedure_Order
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	72
Deletions	92
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	166

Appendix F

The Courier Package (without enclosures)

Craig J. Hill
T 416-367-6156
F 416-361-7301
Email: chill@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6999
F 416.367.6749
blg.com

BLG

is Exhibit A referred to in the Borden Ladner Gervais affidavit of MIRIAM SINCLAIR

sworn before me, this 15th day of MARCH 2013.


A COMMISSIONER FOR TAKING AFFIDAVITS

DELIVERED BY COURIER

March 14, 2013

TO: All of the Creditors of Tercon Industries Ltd., et al, that are listed on Schedule "A" hereto

Dear Sirs:

Re: In the Matter of the Receivership 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. (the "Receivership Proceedings")

We are the lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the Tercon Debtors in the above-noted Receivership Proceedings.

We have enclosed herewith a copy of the Trustee's Notice of Application and Fifth Report outlining a Claims Procedure that the Receiver sought to have approved by Order of the Supreme Court of British Columbia (the "**Court**") on March 13, 2013. That hearing was adjourned and is now returnable before Mr. Justice Sewell at the Vancouver Courthouse, located at 800 Smithe Avenue, Vancouver, B.C. at 9:00 a.m. on Thursday, March 21, 2013 (the "**Return Date**"). Also enclosed is a "black-line" of the proposed Claims Procedure Order showing changes made since the filing of the Fifth Report. It is expected that the Receiver will file its Seventh Report with additional information in connection with the application on or around Monday March 18, 2013. The Seventh Report will be available on the Receiver's website at <http://cfcanada.fticonsulting.com/tercon> along with all other materials filed in the Receivership Proceedings.

It is the information of the Receiver that various unpaid suppliers of goods and services to Tercon construction projects ("**Tercon Projects**") may have an assortment of legal rights and remedies to pursue against different parties in order to attempt to recover payment of unpaid claims. These include claims on certain bonds (the "**Trisura Bonds**") issued by Trisura Guarantee Insurance Company ("**Trisura**") in connection with certain bonded projects, claims for lien against owners' property pursuant to various lien legislation in B.C., Alberta or Alaska, claims for trust funds with respect to proceeds payable to Tercon on the projects under the B.C. *Builders Lien Act* and/or claims against certain reserves to be established by the Receiver pursuant to the Distribution Order made in the Receivership Proceedings on January 21, 2013.

You are being served with this motion as you have either filed a claim against the Trisura Bonds or you have registered a lien claim.

The Receiver has negotiated the proposed form of Claims Procedure Order with various stakeholders in the Receivership Proceedings pursuant to which claims will be filed, reviewed and adjudicated pursuant to a single process, namely the Claims Procedure set out in the Claims Procedure Order. The Claims Procedure Order requires all such unpaid suppliers to file a claim in the Claims Procedure prior to the Claims Bar Date of May 3, 2013 (the "**Claims Bar Date**") or the claim will be extinguished. Such a result would affect your ability to claim against other persons, including pursuing claims against the Trisura Bonds or against owners of land against which lien claims have been registered. We note, however, that the Claims Procedure Order provides that, if a claim has been submitted on a Trisura Bond prior to the date of the Order, no further filing need be made and the claim will be dealt within the Claims Procedure. Any claims on Trisura bonded projects would be reviewed pursuant to the Trisura-Receiver Protocol that is set out in the attached material. The Receiver is also seeking the Court's approval of the Receiver-Trisura Protocol.

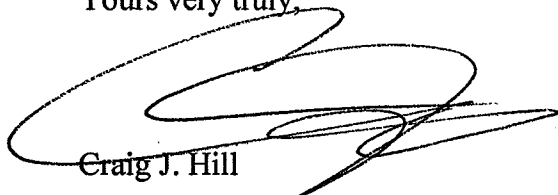
Please review all the materials related to this application carefully, including the Fifth Report, the Seventh Report and the proposed Claims Procedure Order. To the extent that you have any questions in connection with the material, please do not hesitate to contact the undersigned at any time prior to the Return Date of the motion. You and your legal representatives are entitled to attend the Court hearing of the application on March 21, 2013 if you wish to do so, but there is no obligation for you to attend unless you wish to make submissions to the Court on the proposed Claims Procedure Order. The Receiver will be advising the Court that this material has been served upon all of the parties listed on Schedule "A" hereto.

In the event that the location or time of the application to the Court is changed, notice will be posted on the Receiver's website prior to March 21, 2013.

In the event that the Claims Procedure Order is granted by the Court, a Notice (in the form attached as Schedule "B" to the enclosed Claims Procedure Order) will be sent to you.

If you have any questions in connection with the foregoing, please do not hesitate to contact me.

Yours very truly,



Craig J. Hill

CJH/mjs
Encls.

cc: FTI Consulting Canada Inc., Receiver

TOR01: 5138559: v1

SCHEDULE "A"

1.	VALLEY BLACKTOP 2426 Big Eddy Road REVELSTOKE BC V0E 3K0
2.	GOLDEN CONCRETE 109 11TH AVE N, GOLDEN BC V0A 1R2
3.	DAWSON CONSTRUCTION 1212 MCGILL RD, KAMLOOPS BC V2C 6N6
4.	BRENTWOOD ENTERPRISES LIMITED PARTNERSHIP 2025 FALCON RD, KAMLOOPS BC V2C 4J2
5.	WEIR CONSOLIDATED LTD BNW CONTRACTING 911 11 th Ave. N. RR2 BOX 599 GOLDEN BC V0A 1H2
6.	KEN HAMILTON CONTRACTING LTD 712 S 7 th Street BOX 1278, GOLDEN BC V0A 1H0
7.	0731865 BC LTD DBA NAPA AUTO PARTS 911 9 th St. N. RR2 BOX 1632, GOLDEN BC V0A 1H2
8.	BILL AUSTING DBA COLUMBIA VALLEY TRUCKING 861 ALMBERG RD, GOLDEN BC V0A 1H2
9.	RINGHEIM & COMPANY 1027-111TH AVE N, GOLDEN BC V0A 1H2
10.	GOTTLER BROS. TRUCKING & EXCAVATING LTD 1141 11TH AVE N, GOLDEN BC V0A 1H2
11.	ROSA ENTERRPISES INC 1125 12 th Street BOX 1467, GOLDEN BC V0A 1H0
12.	SCATCAT ENTERPRISES 549 DAY RD, GOLDEN BC V0A 1H2

13.	BASKIN & ASSOCIATES TECHNICAL SERVICES LTD 103-19162-22ND AVE, SURREY BC V3S 3S6
14.	ATLANTIC INDUSTRIES LTD Suite 200, 10500 48 th Street S.E. Calgary, AB T2C 2B8
15.	TRI-KON PRECAST PRODUCTS LTD 601 PATTERSON ST WEST, CRANBROOK BC V1C 4J1
16.	VP WASTE SOLUTIONS LTD 764 Almberg Road BOX 137, GOLDEN BC V0A 1H0
17.	KOOTENAY PUMPING SYSTEMS (1985) LTD. 908-10TH ST NORTH, GOLDEN BC V0A 1H2
18.	KAMLOOPS AUGERING & BORING LTD 10085 DALLAS DR, KAMLOOPS BC V2C 6T4
19.	CORIX WATER PRODUCTS LP 19900-84TH AVE, LANGLEY BC V2Y 3C2
20.	CORIX WATER SYSTEMS INC. 19900-84TH AVE, LANGLEY BC V2Y 3C2
21.	CORIX UTILITIES INC. 3175 TURNER ST, ABBOTSFORD BC V2S 7T9
22.	WYNKER ELECTRIC & CONTROLS 12 – 45831 Hocking Ave. CHILLIWACK BC V2P 1B5
23.	DIRECT EQUIPMENT WEST LTD. #3-19695-92A AVE, LANGLEY BC V1M 3B3
24.	WESTERN CONCRETE LIFTERS 128 STRATHAVEN CIRCLE SW, CALGARY AB T3H 2K8
25.	MARCON METALFAB INC. #201-7156 BROWN ST, DELTA BC V4G 1G8
26.	INTEGRAL ENGINEERING 5438 OAKLAND ST, BURNABY BC V5H 1R8

27.	KANYON RIDGE TRAFFIC CONTROL 868 Canyon Creek Golden, British Columbia VOA 1H2
28.	HMC SERVICES INC. 723 S Highway 23 Revelstoke, British Columbia VOE 2S0
29.	D.D.S. TRANSPORT LTD. 1239 S 12 th Street Golden, British Columbia VOA 1H0
30.	KANYON RIDGE TRAFFIC CONTROL LTD. 868 Canyon Creek Golden, British Columbia VOA 1H2
31.	GOLDEN HARDWARE & BUILDING SUPPLY (1983) LTD. 912 15 th Street, P.O. Box 272 Golden, British Columbia VOA 1H0
32.	GOLDEN INSTALLATIONS LTD. 915 11 th Avenue South, P.O. Box 1080 Golden, British Columbia VOA 1H0
33.	NORTH CENTRAL RENTAL & LEASING, LLC c/o Holmes Weddle & Barcott 791 West Eighth Avenue, Suite 700 Anchorage, Alaska 99501-3408 Attention: Grant E. Watts, Lawyers for North Central Rental & Leasing, LLC Email: gwatts@hwb-law.com Tel. 907-274-0666 Fax 907-277-4657
34.	MIDSTATE EQUIPMENT INC. c/o John . Ahlers Ahlers & Cressman PLLC 999 Third Avenue, Suite 3800 Seattle, Washington 98104-4023 Email: jahlers@ac-lawyers.com Tel. 206-515-2226 Fax 206-287-9902
35.	MIDSTATE EQUIPMENT INC. 2120 Badder Road North Pole, Alaska 99705

36.	N.C. MACHINERY CO. c/o Mark C. Manning Mark C. Manning P.C. 1000 O'Malley Road, Suite 202 Anchorage, Alaska 99515
37.	N.C. MACHINERY CO. 6450 Arctic Blvd. Anchorage, Alaska 99518
38.	GARRETT READY MIX LTD. 3507 Highway 3 Sparwood, British Columbia V0B 2G0
39.	MERCIER EXCAVATING INC. 751 Hartley Lake Rd. Fernie, British Columbia V0B 1M5
40.	LEAVERITE DRILLING & BLASTING LTD. RR#1, Box 1717 Clearwater, British Columbia V0E 1N0
41.	JACOB BROS. CONSTRUCTION 101 – 19162 22 nd Avenue Surrey, British Columbia V3S 3S6
42.	STUTZMANN ENGINEERING ASSOCIATION INC. 9 Adak Avenue Fairbanks, Alaska 99701 Tel. 907-452-4094
43.	JOHN DEERE LIMITED 401-1001 Champlain Ave., Burlington, Ontario L7L 5Z4
44.	JIM PEPLINSKI'S AUTO LEASING LTD. 212 Meridian Road N.E., Calgary, Alberta T2A 2N6
45.	JIM PEPLINSKI'S LEASEMASTER NATIONAL 212 Meridian Road N.E., Calgary, Alberta T2A 2N6
46.	BANK OF MONTREAL 2200-4720 Kingsway, Burnaby, British Columbia V5H 4N2
47.	ROYAL BANK OF CANADA 5 th Floor, 180 Wellington Street, Toronto, Ontario M5J 1J1; 2 nd Floor, 186 Victoria Street, Kamloops, British Columbia V2C 4J2
48.	JIM PATTISON INDUSTRIES LTD. 1235-73 rd Avenue S.E., Calgary, Alberta T2H 2X1
49.	NORTH CENTRAL RENTAL & LEASING LLC P.O. BOX 9559 3401 33 RD ST. S.W. FARGO, ND 58106-9559

50.	FINNING INTERNATIONAL INC. 16830-107 Avenue, Edmonton, Alberta T5J 2S1
51.	WEQ BRITCO LP P.O. Box 298 21690 Smith Crescent Langley, British Columbia V2V 2R1
52.	INLAND KENWORTH 816 Industrial Road No.1, Cranbrook, British Columbia V1C 4C6
53.	HORIZON NORTH CAMP & CATERING INC. P.O. Box 3094, 3355 Sugarloaf Road, Kamloops, British Columbia V2C 6B7
54.	KAL TIRE A CORPORATE PARTNERSHIP 2501 48 th Avenue, Vernon, British Columbia V1T 3P9
55.	BRANDT TRACTOR LTD. 9500 190 th Street, Surrey, British Columbia V4N 3S2
56.	EMKAY CANADA LEASING CORP. 212 Meridian Road, N.E., Calgary, Alberta, T2A 2N6
57.	CALMONT LEASING LTD. 14610 Yellowhead Trail, Edmonton, AB T5L 3C5
58.	BCR PROPERTIES LTD. (LANDLORD OF PID: 023-568-518) #600 – 221 West Esplanade, North Vancouver, B.C. V7M 3J3
59.	KAL TIRE A CORPORATE PARTNERSHIP 1002-10 th Avenue N., Golden, British Columbia V0A 1H2
60.	BLAIR CHATTERSON CONTRACTING (landlord of Lot 7, Plan 13772, DL 4589, Kootenay Land District) 6723 Holley Road, Sparwood, BC, V0S 2G3
61.	INTEGRATED DISTRIBUTION SYSTEMS LP, O/A WAJAX INDUSTRIES 16745-111 Avenue NW, Edmonton, Alberta T5M 2S4
62.	MERCHANTS SHORT TERM SOLUTIONS / MERCHANTS AUTOMOTIVE GROUP, INC. 1278 Hooksett Road, Hooksett, NH, 03106
63.	EMECO CANADA LIMITED Suite 100, 17420 Stony Plain Road, AB, T5S 1K6
64.	XEROX CANADA LTD. 3 rd Floor, 33 Bloor Street East, Toronto, Ontario M4W 3H1
65.	ROYNAT INC. / ROYNAT LEASE FINANCE 261 6 th Avenue, Kamloops, B.C. V2C 3R2
66.	MANSA HOLDINGS LTD Suite 404 – 1199 West Hastings Street, Vancouver, B.C. V6E 3T5
67.	FALCON ROAD OFFICES LTD. 200 – 2079 Falcon Road, Kamloops, BC, V2C 4J2
68.	ROYAL BANK OF CANADA 2 nd Floor, 186 Victoria Street, Kamloops, British Columbia, V2C 5R3

69.	SERVUS CRÉDIT UNION LTD. 17403 109 Ave., Grand Prairie, AB, T6N 1H5
70.	CANADIAN WESTERN BANK 251 PALISADES WAY SHERWOOD PARK, ALBERTA T6N 1H5
71.	ALBERTA TREASURY BRANCHES 9912 100 Ave., Grand Prairie, AB, T8V 0T9
72.	CATERPILLAR FINANCIAL SERVICES LIMITED Suite 705 700 Dorval Drive, Oakville, ON, L6K 3V3
73.	RAINER EQUIPMENT INC. 2552 Steese Hwy N., Fairbanks, AK 99712

TOR01: 5137695: v1

Appendix G

The Receiver's Letter

Craig J. Hill
T 416-367-6156
F 416-361-7301
Email: chill@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000
F 416.367.6749
blg.com



March 14, 2013

TO: All of Known Creditors of Tercon Industries Ltd., et al

Dear Sirs:

Re: In the Matter of the Receivership 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. (the “Receivership Proceedings”)

We are the lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the Tercon Debtors in the above-noted Receivership Proceedings.

We write to inform you that the Receiver has filed a Notice of Application and Fifth Report with the Supreme Court of British Columbia (the “**Court**”) outlining a Claims Procedure that the Receiver sought to have approved by the Court on March 13, 2013. That hearing was adjourned and is now returnable before Mr. Justice Sewell at the Vancouver Courthouse, located at 800 Smithe Street, Vancouver, B.C. at 9:00 am on Thursday, March 21, 2013 (the “**Return Date**”). It is expected that the Receiver will file its Seventh Report with additional information in connection with the application on or around Monday March 18, 2013, including a “black-line” of the revised proposed Claims Procedure Order showing changes made since the filing of the Fifth Report. The Seventh Report will be available on the Receiver’s website at <http://cfcanada.fticonsulting.com/tercon> along with all other materials filed in the Receivership Proceeding.

It is the information of the Receiver that various unpaid suppliers of goods and services to Tercon construction projects (“**Tercon Projects**”) may have an assortment of legal rights and remedies to pursue against different parties in order to attempt to recover payment of unpaid claims. These include claims on certain bonds (the “**Trisura Bonds**”) issued by Trisura Guarantee Insurance Company (“**Trisura**”) in connection with certain bonded projects, claims for lien against owner’s property pursuant to various lien legislation in B.C., Alberta or Alaska, claims for trust funds with respect to proceeds payable to Tercon on the projects under the B.C. *Builders Lien Act* and/or claims against certain reserves to be established by the Receiver pursuant to the Distribution Order made in the Receivership Proceedings on January 21, 2013.

The Receiver has negotiated the proposed form of Claims Procedure Order with various stakeholders in the Receivership Proceedings pursuant to which claims will be filed, reviewed and adjudicated pursuant to a single process, namely the Claims Procedure set out in the Claims Procedure Order. The Claims Procedure Order requires all such unpaid suppliers to file a claim

in the Claims Procedure prior to the Claims Bar Date of May 3, 2013 (the “**Claims Bar Date**”) or the claim will be extinguished. Such a result would affect your ability to claim against other persons, including pursuing claims against the Trisura Bonds or against owners of land against which lien claims have been registered. We note, however, that the Claims Procedure Order provides that, if a claim has been submitted on a Trisura Bond prior to the date of the Order, no further filing need be made and the claim will be dealt within the Claims Procedure. Any claims on Trisura bonded projects would be reviewed pursuant to the Trisura-Receiver Protocol that is set out in the attached material. The Receiver is also seeking the Court’s approval of the Receiver-Trisura Protocol.

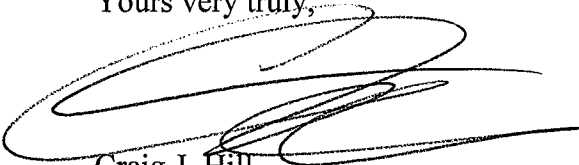
As noted above, all the materials related to this application, including the Fifth Report, the Seventh Report and the proposed Claims Procedure Order are, or will shortly be, available on the Receiver’s website at <http://cfcanada.fticonsulting.com/tercon>; please review these materials carefully. To the extent that you have any questions in connection with the material, please do not hesitate to contact the undersigned at any time prior to the Return Date of the motion. You and your legal representatives are entitled to attend the Court hearing of the application on March 21, 2013 if you wish to do so, but there is no obligation for you to attend unless you wish to make submissions to the Court on the proposed Claims Procedure Order. The Receiver will be advising the Court that creditors have been provided this letter and that the materials have been made available to them.

In the event that the location or time of the application to the Court is changed, notice will be posted on the Receiver’s website prior to March 21, 2013.

In the event that the Claims Procedure Order is granted by the Court, a Notice (in the form attached as Schedule “B” to the enclosed Claims Procedure Order) will be sent to you.

If you have any questions in connection with the foregoing, please do not hesitate to contact me.

Yours very truly,



Craig J. Hill

CJH/mjs
Encls.

cc: FTI Consulting Canada Inc., Receiver

TOR01: 5137646: v1

Appendix H

The Teck Letter (without enclosures)

Craig J. Hill
T 416-367-6156
F 416-361-7301
Email: chill@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King St W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000
F 416.367.6749
blg.com



DELIVERED BY HAND

March 15, 2013

TO: Teck Coal
Suite 3300, Bentall 5
550 Burrard St.
Vancouver, BC V6C 0B3

Dear Sirs:

Re: In the Matter of the Receivership 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. (the "Receivership Proceedings")

We are the lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the Tercon Debtors in the above-noted Receivership Proceedings.

We have enclosed herewith a copy of the Trustee's Notice of Application and Fifth Report outlining a Claims Procedure that the Receiver sought to have approved by Order of the Supreme Court of British Columbia (the "**Court**") on March 13, 2013. That hearing was adjourned and is now returnable before Mr. Justice Sewell at the Vancouver Courthouse, located at 800 Smithe Avenue, Vancouver, B.C. at 9:00 a.m. on Thursday, March 21, 2013 (the "**Return Date**"). Also enclosed is a "black-line" of the proposed Claims Procedure Order showing changes made since the filing of the Fifth Report. It is expected that the Receiver will file its Seventh Report with additional information in connection with the application on or around Monday March 18, 2013. The Seventh Report will be available on the Receiver's website at <http://cfcanda.fticonsulting.com/tercon> along with all other materials filed in the Receivership Proceedings.

It is the information of the Receiver that various unpaid suppliers of goods and services to Tercon construction projects ("**Tercon Projects**") may have an assortment of legal rights and remedies to pursue against different parties in order to attempt to recover payment of unpaid claims. These include claims on certain bonds (the "**Trisura Bonds**") issued by Trisura Guarantee Insurance Company ("**Trisura**") in connection with certain bonded projects, claims for lien against owners' property pursuant to various lien legislation in B.C., Alberta or Alaska, claims for trust funds with respect to proceeds payable to Tercon on the projects under the B.C.

Builders Lien Act and/or claims against certain reserves to be established by the Receiver pursuant to the Distribution Order made in the Receivership Proceedings on January 21, 2013.

You are being served with this motion as you are the beneficiary of one of the Trisura Bonds.

The Receiver has negotiated the proposed form of Claims Procedure Order with various stakeholders in the Receivership Proceedings pursuant to which claims will be filed, reviewed and adjudicated pursuant to a single process, namely the Claims Procedure set out in the Claims Procedure Order. The Claims Procedure Order requires all Creditors (including Creditors with contingent Claims) to file a claim in the Claims Procedure prior to the Claims Bar Date of May 3, 2013 (the "**Claims Bar Date**") or the claim will be extinguished. Such a result would affect your ability to claim against the Trisura Bonds or against owners of land against which lien claims have been registered. We note, however, that the Claims Procedure Order provides that, if a claim has been submitted on a Trisura Bond prior to the date of the Order, no further filing need be made and the claim will be dealt within the Claims Procedure.

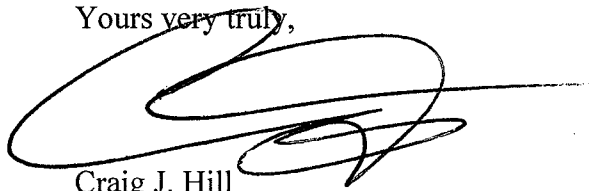
Please review all the materials related to this application carefully, including the Fifth Report, the Seventh Report and the proposed Claims Procedure Order. To the extent that you have any questions in connection with the material, please do not hesitate to contact the undersigned at any time prior to the Return Date of the motion. You and your legal representatives are entitled to attend the Court hearing of the application on March 21, 2013 if you wish to do so, but there is no obligation for you to attend unless you wish to make submissions to the Court on the proposed Claims Procedure Order. The Receiver will be advising the Court that this material has been served upon you. For your information, the material has also been served upon Mercier Excavating and Garrett Ready Mix, two unpaid suppliers on the Teck project.

In the event that the location or time of the application to the Court is changed, notice will be posted on the Receiver's website prior to March 21, 2013.

In the event that the Claims Procedure Order is granted by the Court, a Notice (in the form attached as Schedule "B" to the enclosed Claims Procedure Order) will be sent to you.

If you have any questions in connection with the foregoing, please do not hesitate to contact me.

Yours very truly,



Craig J. Hill

CJH/mjs
Encls.

cc: FTI Consulting Canada Inc., Receiver