CLERK OF THE COURT
FILED
DEC 1 4 2018
JUDICIAL CENTRE
OF CALGARY

Clerk's stamp:

COURT FILE NUMBER	1801-17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
RESPONDENTS	HUGHSON TRUCKING INC., LEROY CHRISTIAN HUGHSON, DARREN JAMES HUGHSON, AND JUSTIN LEE HUGHSON
DOCUMENT	**AFFIDAVIT (Appointment of Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2nd Street S.W. Calgary, AB T2P 4J8 Attention: Ryan Zahara / James Reid Tel: 403-260-9628 / 403-260-9731 Fax: 403-260-9700 Email: ryan.zahara@blakes.com / james.reid@blakes.com File Ref.: 81518/158

AFFIDAVIT OF REHMAN MULJI

Volume 2

Sworn on December 14, 2018

This is Exhibit "G" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0018 196 774	7410759;37;18	961 043 875

LEGAL DESCRIPTION
PLAN 7410759
BLOCK 37
LOT 18
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;16;2;28;N

MUNICIPALITY: TOWN OF MILK RIVER

REFERENCE NUMBER: 821 224 000

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
961 043 875	29/02/1996	TRANSFER OF LAND	$95,000	$95,000

OWNERS

HUGHSON TRUCKING INC.
OF BOX 149
MILK RIVER
ALBERTA T0K 1M0

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
991 146 362	27/05/1999	MORTGAGE MORTGAGEE - ALBERTA TREASURY BRANCHES. 319 - 6TH STREET SOUTH LETHBRIDGE ALBERTA T1J2C7 ORIGINAL PRINCIPAL AMOUNT: $165,000
071 205 109	28/04/2007	AMENDING AGREEMENT AFFECTS INSTRUMENT: 991146362

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
101 181 399	17/06/2010	AMENDING AGREEMENT AMOUNT: $250,000 AFFECTS INSTRUMENT: 991146362
131 185 657	31/07/2013	AMENDING AGREEMENT AMOUNT: $500,000 AFFECTS INSTRUMENT: 991146362
161 058 078	03/03/2016	MORTGAGE MORTGAGEE - 1010307 ALBERTA LTD. BOX 149 MILK RIVER ALBERTA T0K1M0 ORIGINAL PRINCIPAL AMOUNT: $1,005,972

TOTAL INSTRUMENTS: 005

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 11 DAY OF DECEMBER, 2018 AT 10:36 A.M.

ORDER NUMBER: 36399216

CUSTOMER FILE NUMBER: 81518/158RYZ

END OF CERTIFICATE

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0018 196 766	7410759;37;17	961 043 858

LEGAL DESCRIPTION
PLAN 7410759
BLOCK 37
LOT 17
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;16;2;28;N

MUNICIPALITY: TOWN OF MILK RIVER

REFERENCE NUMBER: 741 084 714 R .

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
961 043 858	29/02/1996	TRANSFER OF LAND	$7,000	$7,000

OWNERS

HUGHSON TRUCKING INC.
OF BOX 149
MILK RIVER
ALBERTA T0K 1M0

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
991 146 362	27/05/1999	MORTGAGE MORTGAGEE - ALBERTA TREASURY BRANCHES. 319 - 6TH STREET SOUTH LETHBRIDGE ALBERTA T1J2C7 ORIGINAL PRINCIPAL AMOUNT: $165,000
071 205 109	28/04/2007	AMENDING AGREEMENT AFFECTS INSTRUMENT: 991146362

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
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ORDER NUMBER: 36399216

CUSTOMER FILE NUMBER: 81518/158RYZ

END OF CERTIFICATE

This is Exhibit "H" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

TransFunds
Investment Banking

Presents

HUGHSON
TRUCKING INC.

July 5, 2018

Index

Topic

Appendices

This Confidential Information Memorandum contains proprietary non-public information regarding Hughson Trucking Inc. and is furnished on a confidential basis.

The information contained herein has been obtained from the company and other sources and has been prepared for the purpose of providing interested parties with general information to assist them in their evaluation of operations of the Companies.

All the information contained in this Memorandum has been provided to TransFunds Investment Banking ("TransFunds") without independent audit or other verification by, or on its behalf, and as such no representation or warranty, expressed or implied is made by TransFunds as to the accuracy or completeness of such information or any other written or oral communication transmitted or made available to a prospective purchaser.

Nothing contained in this Memorandum is, or shall be, relied upon as a promise or representation, whether as to the past or the future performance of the business.

This Memorandum includes estimates and projections, which involve significant subjective judgment and analysis, and, accordingly, no representation is made as to their attainability. Although we believe that the estimates and projections are reasonable we cannot guarantee future results, levels of activity, performance and achievements.

Recipients of this Memorandum agree that all of the information contained herein is of confidential nature; that they will treat it in a confidential manner consistent with the terms and conditions of the Non-Disclosure Agreement; that they will not, directly or indirectly, disclose or permit their agents, representatives, employees, officers, directors or affiliates to disclose any such information; and that they will use the Memorandum and any related information only to evaluate a specific investment transaction with the Company and for no other purpose.

If either the recipient or the Company elects not to pursue this matter, the recipient will return this Memorandum and any other material relating to the business, which the recipient may have received without retaining copies thereof.

Nothing in this paragraph shall supersede or derogate from any Confidentiality Non-Disclosure Agreement or similar document signed by interest parties. Each recipient hereof is responsible for conducting its own independent analysis of any proposed transaction and for independently verifying the information contained herein.

Potential participants are responsible for assessing the risks associated with this particular opportunity.

Each recipient agrees not to contact any owners, customers, suppliers, contractors, officers, directors, employees, representatives, agents, or affiliates of the Company.

All of the information provided in this Confidential Information Memorandum is subject to the Non-Disclosure Agreement signed by parties authorized to receive it.

All communications, inquiries and requests for information should be addressed to:

Alex Winant
President
TransFunds Investment Banking
(908) 208-1162 / (905) 332-8841
awinant@transfundsib.com
www.transfundsib.com

***Please do not contact the company directly**

Overview & History

Hughson Trucking Inc. (HTI) was founded by Darren Hughson, Leroy Hughson, and Pat Hughson in 1982. Following graduation from high school, Darren diversified the family farming business by starting a local grain and livestock hauling service. In 1986 Darren and Leroy formalized the business partnership by incorporating Hughson Trucking Inc. The family of 4 worked together farming, driving trucks and maintaining equipment. Interstate Commerce Commission (ICC) Authority was applied for and awarded. Soon after US Authorities were awarded, Darren and Leroy began hauling live hogs from Alberta to California.

Following graduation from University, Justin Hughson returned home to join the company in a marketing and administrational role. Two trucks and trailers grew into a fleet as equipment was purchased, and drivers and lease operators were hired. The Hughson family and Management team worked together to grow the business. HTI outgrew the family farm as a base of operations and moved to Milk River, AB in the early 90's with the purchase of the shop and office, that to this day, still serves as Head Office. Cargo was added when a temperature controlled division was created as HTI transported boxed beef into Mexico and returned to Canada with produce. Prior to 2009, HTI's primary revenue source came from temperature controlled transportation.

With an increased focus on the flat deck business, expanding HTI's oil field services was natural. In 2010, HTI began to haul frac sand with Super B Hoppers from transloads in Fort Nelson, BC to completion locations in the area. HTI's Last Mile division was born. Shortly thereafter HTI began to provide onsite logistical services to service companies and directly for exploration & production. Onsite conveyance and storage services were added. In 2013, HTI Ownership purchased land in Sexsmith, AB. A 10,000-sq ft maintenance and office facility was constructed to serve as a base of operations for HTI's Last Mile Service. Located twenty minutes north of Grande Prairie, AB, HTI is ideally located to service growing activity in the prolific Montney and Duvernay Oil and Gas Fields.

In 2014 HTI acquired the transportation assets of an energy services company. Along with the assets, HTI acquired the contractual right to all of the company's transportation business, along with the Lease to a third maintenance and office facility located in Red Deer, AB.

Further diversification was achieved between 2016 and 2017 as HTI added mining transportation contracts and specialized transportation of lava aggregates, zinc and lead concentrates. Super B End and Side Dump Equipment is also a growing segment of HTI's business with operations focused in British Columbia and the Yukon. HTI serves the following industries:

Oil and gas (OCTG pipe, drilling fluids, mud, frac sand)
Forestry and lumber (utility poles, lumber, loaders)
Agriculture (farm and irrigation equipment)
Mining (minerals, excavation equipment, electrical equipment, pumps)
Construction (building materials)
Food processing

Today HTI operates more than 75 tractors, 90 trailers and employees in excess of 130 people (including drivers).
Website: http://www.hughsontrucking.com/

Location

HTI is headquartered in Milk River, AB with satellite locations in Calgary, AB, Red Deer, AB and Sexsmith, AB. From these locations, HTI is able to cover the following areas in Western Canada:

- Alberta
- Northwest Territories
- Yukon
- British Columbia
- Saskatchewan
- Manitoba

As well as:

- United States
- Mexico

Operations Included in the Proposed Sale

The owners are proposing the sale of Hughson Trucking Inc.

Reason for Selling

The company has grown substantially over the past few years and has reached a limit in terms of growth with the current resources and ownership structure. They are looking for a buyer to bring additional capital and resources in order to take the company to the next level.

Competitive Advantages

HTI strives to become an integral part of their customers' transportation requirements. Through collaborative solutions and a commitment to operational excellence and sustainability, HTI strives to be recognized by customers as a necessary partner for their logistical needs. The company was built on exceeding customer expectations. Freight transportation and logistics is their passion and keeping customers happy is their number one priority. HTI consistently proves this and it is the reason for the company's success.

Safety

Safety of the public, customers and staff, and a focus on the environment is of upmost importance to HTI. The company is dedicated to all aspects of workplace safety in the transportation industry and its responsibility to safely deliver freight on time. HTI only hires experienced truck drivers who are passionate about their career and concerned about the safety of others on the road. The company has achieved high standards of superior safety and maintained a consistent WCB remittance rate.

Financial Highlights

Fiscal year ending December 31	2017	2016	2015
Revenue	39,595,128	34,069,823	36,939,206
EBITDA	1,462,993	384,283	-1,449,701
As % of revenue	3.7	1.1	-3.9
Normalized EBITDAR	6,672,587	6,230,591	6,546,259
As % of revenue	16.9	18.3	17.7

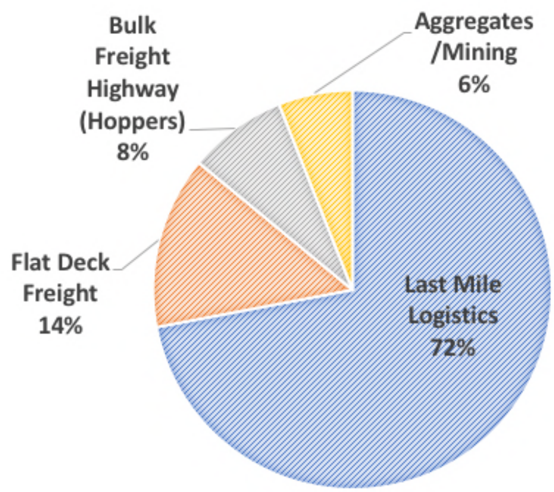
- **The company is forecasting 2018 revenues of $37M and EBITDA of $1.4M.**

Customer Analysis and Retention

The largest 10 customers represent over 75% of annual revenues and on average have been customers for over 8 years. This retention rate is a clear illustration of Hughson's commitment to providing the best customer service.

Retention of Largest Customers			
Rank by Annual Sales Volume	**Approximate Years of Service as a Customer**	**Revenue 12 Months Ended 31-Dec-17**	**%**
1	8	16,541,554	41.8
2	7	3,903,565	9.9
3	5	1,587,263	4.0
4	2	1,541,818	3.9
5	16	1,425,072	3.6
6	8	1,231,833	3.1
7	Related Company	1,188,571	3.0
8	10	864,000	2.2
9	11	809,358	2.0
10	8	757,481	1.9
		29,850,515	75.4
Other		9,744,613	24.6
Total for Year		39,595,128	100.0

Revenue by Type



Licenses and Authorities

US Bonded Carrier: no
Canada Customs Bonded Carrier: yes
CSA: yes
ACE: yes
FAST: no
C-TPAT: no
PIP: no
TWIC: no

Personnel

Hughson currently employs 61 company drivers and 24 lease operators. Outside of drivers, the company employs 70 people. A detailed breakdown is provided in Appendix 6.

Fleet Summary

The table below summarizes the company's equipment.

EQUIPMENT TYPE	TRUCKS	TRAILERS	VEHICLES	YARD EQUIPMENT	CONVEYORS	TOTAL
Financed	15			1		16
Leased	38	57	20	4	2	121
Owned	21	36	12	59		128
TOTAL UNITS	74	93	32	64	2	265
ESTIMATED MARKET VALUE						14,881,507

Fuel Surcharge

The fuel surcharge varies by customer. A majority of customers have it included in the rate, but some are shown on a separate line item on the invoice.

Carbon Tax Program

HTI also has a carbon tax program. It too varies by customer. A majority of customers have it included in the rate, but some are shown on a separate line item on the invoice.

- 2017 Carbon Tax Rate – 1.50%
- 2018 Carbon Tax Rate – 2.25%

Appendix 1

Revenue Analysis & EBITDA

Fiscal year ending	2017	%	2016	%	2015	%
Revenue	39,595,128		34,069,823		36,939,206	
Expenses						
Wages and employee benefits	10,762,461	27.2	8,334,590	24.5	11,110,719	30.1
Interline, logistics, and custom work	10,290,082	26.0	10,298,058	30.2	7,116,330	19.3
Equipment rent and leases	4,990,543	12.6	5,637,860	16.5	7,774,095	21.0
Fuel and oil	4,363,205	11.0	3,497,214	10.3	3,507,278	9.5
Repairs and maintenance	3,883,777	9.8	3,105,097	9.1	5,089,588	13.8
Lease operators	1,261,961	3.2	371,866	1.1	989,284	2.7
Licenses and insurance	860,138	2.2	1,027,608	3.0	786,802	2.1
Telephone, utilities and office	671,419	1.7	592,314	1.7	796,001	2.2
Inventory for resale	594,516	1.5	442,766	1.3	727,425	2.0
Travel	540,225	1.4	211,219	0.6	1,655,320	4.5
Bank charges and interest	330,552	0.8	250,582	0.7	167,650	0.5
Advertising	25,016	0.1	27,976	0.1	124,715	0.3
Professional fees	23,923	0.1	49,573	0.1	55,394	0.1
Miscellaneous	7,798	0.0	89,399	0.3	5,461	0.0
Bad debts	4,519	0.0		0.0		0.0
Amortization	693,238	1.8	505,526	1.5	380,944	1.0
	39,303,373	99.3	34,441,648	101.1	40,287,006	109.1
Earnings from operations	291,755	0.7	-371,825	-1.1	-3,347,800	-9.1
Other income (expense)						
Gain (loss) on disposal of assets	147,448	0.4	-	0.0	1,349,505	3.7
Earnings before income taxes	439,203	1.1	-371,825	-1.1	-1,998,295	-5.4
Income taxes (recovery)						
Current		0.0	-	0.0	-176,819	-0.5
Future	49,000	0.1	-46,000	-0.1	-114,000	-0.3
	49,000	0.1	-46,000	-0.1	-290,819	-0.8
Net earnings (loss)	390,203	1.0	-325,825	-1.0	-1,707,476	-4.6
EBITDA						
Bank charges and interest	330,552	0.8	250,582	0.7	167,650	0.5

Fiscal year ending	2017	%	2016	%	2015	%
Taxes	49,000	0.1	-46,000	-0.1	-290,819	-0.8
Amortization	693,238	1.8	505,526	1.5	380,944	1.0
EBITDA	1,462,993	3.7	384,283	1.1	-1,449,701	-3.9
EBITDAR, Normalized						
Equipment rent and leases	4,990,543	12.6	5,637,860	16.5	7,774,095	21.0
Owners compensation adjustment	219,051	0.6	208,448	0.6	221,865	0.6
EBITDAR, Normalized	6,672,587	16.9	6,230,591	18.3	6,546,259	17.7

Synergies

It is estimated that a potential savings of approximately $900,000 could be realized and a corresponding increase in profit/cash flow.

Appendix 2
Kilometers Driven by Jurisdiction

Super B Decks

HTI transports Super B truckloads of lumber from Sundre and Edson, Alberta to Shelby, Montana. Taking advantage of the US recognition of Canadian Super B weights between the Port of Sweetgrass, Montana and Shelby, allows for Canadian lumber to go directly onto the BNSF Railroad network for further shipment to any US destination serviced by the BNSF. Various cargoes such as bentonite, barite, residential construction materials, etc. are railed into Shelby from US origins and back hauled to Calgary, Edmonton, and other Western Canadian destinations via HTI's returning Super B flat decks. Bagged lead concentrate is shipped from a new mining customer near Watson Lake, YK to Prince Rupert, BC. This equipment is well positioned to haul various flat deck commodities from Western Canadian origins into the Yukon.

Super B Hoppers

HTI transports grain from origins close to Calgary, Red Deer, Edmonton, and Grande Prairie to Vancouver area feed companies to supply local livestock and poultry producers. Various bulk commodities from DSG's and fertilizer to lava aggregates are hauled back to Alberta destinations.

Super B End Dump and Side Dumps

HTI transports lava aggregates from an origin south of Prince George, BC to various destinations in Alberta and British Columbia, predominantly to Vancouver and destinations of the BC Lower Mainland as well as Edmonton, AB. Trucks delivering to the Vancouver area are reloaded with crushed glass or seasonally with road salt back up into the Quesnel or Prince George areas. Trucks delivering to Edmonton are reloaded with grain for delivery back to the BC Lower Mainland. Recently added contracts include the transportation of lead concentrates from the Port of Vancouver to Trail, BC with return loads back into the lower mainland. Also, HTI is just finalizing a contract to transport lead concentrates from a mine near Watson Lake, YK into Trail, BC with return loads going back into Edmonton, AB.

Last Mile Services

HTI's Last Mile Services are predominantly the transportation of frac sand from rail transloads to oil and gas completion locations in the Duvernay and Montney Fields. This work is localized high-margin hauling in the Grande Prairie region, extending from locations north of Fort St. John to locations west of Fox Creek, south to Edson, AB.

Appendix 3
Property, Yard and Buildings

Milk River, AB – Milk River is a small town about three hours southeast of Calgary. This is the company's head office and main property. It is located on a 16.6 acre property at 108 – 8th Avenue, just off Highway 4. The property houses a wood frame building that includes 4,320 sq. ft. of office space, a 4,000 sq. ft. shop consisting of two bays and a 6,720 sq. ft. warehouse. The original building was built in 1970, with subsequent additions. The property is not paved. The property is owned by HTI.

Sexsmith, AB – Sexsmith is a small town about five hours northwest of Edmonton. This is a satellite location located at 25 61027 Hwy 672 Emerson Industrial Park. The property has a steel frame building that includes 3,424 sq. ft. of office space, a 10,000 sq. ft. shop consisting of four bays and one wash bay, and a 4,000 sq. ft. warehouse. The building was built in 2014. The property is not paved. The property is owned by 1010307 Alberta Ltd, a related company.

Red Deer, AB – Red Deer is located about half way between Calgary and Edmonton. This is another satellite location located at 169 – 37428 Clearview Drive. The property is leased from 1209110 Alberta Ltd. The property houses a steel frame building that includes 4,212 sq. ft. of office space and a 10,000 sq. ft. shop consisting of four bays, one pit and one wash bay. The property is approximately 5% paved for parking. The property is leased.

Appendix 4
Key Personnel

Justin Hughson - Chief Executive Officer

Justin owns one third of HTI and is the Chief Executive Officer of HTI. His role is to maximize shareholder value and corporate governance. He oversees the Business Development, IT, and the Administration functions.

Darren Hughson - Chief Maintenance Officer

Darren owns one third of HTI and is the Chief Maintenance Officer of HTI. His role is to oversee all maintenance and management of HTI equipment. All fleet and shop management report to Darren, as well as HTI's gravel and construction business.

Mark Robertson - Chief Operating Officer

Mark started with HTI in 2009 and possesses over 20 years of leadership in the transportation industry. Prior to HTI, Mark owned and operated a successful fleet of trucks working in oil and gas long haul trucking. Mark is responsible for the leadership of all HTI operations.

Darrel Swanson - Chief Safety Officer

Darrel drove commercially for Hughson Trucking Inc. for a number of years before moving into the office as the Manager of Safety Operations, Compliance and Specialized Transportation Development in 2005. He was promoted to Chief Safety Officer in 2014. CSO duties include managing all safety, regulatory compliance, driver training and insurance relationships. Darrel also manages Sandstorm system in USA. Duties for this frac sand conveyance and storage system include overall maintenance, training and technical repairs.

Adam Zanoni - Chief Financial Officer

Adam began as the CFO for Hughson Trucking Inc. in 2014. He brought a background in accounting and financial management which was gained through time both in public practice and industry. Adam's primary responsibility is to help ensure the financial wellness of the organization.

Appendix 5
Driver and Owner-Operator Compensation

The company has 61 company drivers and 23 lease operators. The driver rates vary by customer. Below are the details:

Driver Pay Packages

Can Lava

- Paid mileage
- Trip rate for certain locations – if trip rate applies – rate per mile needs to be zero
- Bonuses are paid on all miles
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- Loads picked up in Rosedale, AB are to be paid hourly

Teck

- Paid mileage
- Trip rate for certain locations – if trip rate applies – rate per mile needs to be zero
- Bonuses are paid on all miles
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

JDS

- Paid extra per mile
  - $0.05 during summer
  - $0.10 during winter
- $400 day rate for JDS Mentors (when working at the mine)
- Bonuses are paid on all miles that are paid per mile not on the $400 day rate
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- $2,520 guaranteed per pay period (drivers get topped up per pay period)

Arrow Mine Work

- Paid hours from E-Log
- Overtime after 60 hours per week
- $5 bonus per hour paid on the next pay period for no discussion records

$2,520 Average Guarantee Offer

- Paid trip rates on sand haul
- When doing work other than sand haul, driver is paid based on commodity hauling
- $2,520 guaranteed per pay period (drivers get topped up per pay period)
- Bonuses (non-hourly work)
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- $30 chaining

Hourly Sand Haul Offer

- Paid by the hour when hauling sand
- No more than 14 hours paid per day
- Overtime after 60 hours per week
- $180 per day guaranteed topped up per day
- $25 travel allowance paid
- No chaining
- When doing work other than sand haul, driver is paid based on commodity hauling but still guaranteed $180 per day
- Bonuses paid when not hauling sand
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- $5 bonus per hour paid on the next pay period for no discussion records

Hourly Mentor Sand Haul Offer

- $3 more per hour than base rate
- Paid by the hour when hauling sand
- No more than 14 hours paid per day
- Overtime after 60 hours per week
- $180 per day guaranteed topped up per day
- $25 travel allowance paid
- No chaining
- When doing work other than sand haul, driver is paid based on commodity hauling but still guaranteed $180 per day
- Bonuses paid when not hauling sand
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- $5 bonus per hour paid on the next pay period for no discussion records

Salary Drivers

- Paid salary per pay period
- $150 bonus per day – must work either 12 hours or make 500 miles per day
- If 2500 miles are driven in 1 week they receive another $150 + any days $150 was not granted, bonuses are reinstated
- Stat holiday bonus an extra $150 paid – must work either 12 hours or make 500 miles per day

Hourly Non-Sand

- Paid hours from E-Log
- Overtime after 60 hours per week
- No more than 14 hours paid per day

Deck

- Paid mileage
- Rate increases $.01 per year up to 5 years
- Rate increases $.005 per year up to 10 years
- Customer billed trips under 100 mile radius paid hourly
- Over dimensional loads paid an additional $0.05/mile on loaded miles

Bonus System / Packages

Can Lava

- Bonuses are paid on all miles
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

Teck

- Bonuses are paid on all miles
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

JDS

- Bonuses are paid on all miles that are paid per mile not on the $400 day rate
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

Arrow Mine Work

- $5 bonus per hour paid on the next pay period for no discussion records

$2,520 Average Guarantee Offer

- Bonuses (non-hourly work)
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

Hourly Sand Haul Offer

- $5 bonus per hour paid on the next pay period for no discussion records
- Bonuses paid when not hauling sand
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

Hourly Mentor Sand Haul Offer

- $5 bonus per hour paid on the next pay period for no discussion records
- Bonuses paid when not hauling sand
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)

Salary Drivers

- $150 bonus per day – must work either 12 hours or make 500 miles per day
- If 2500 miles are driven in 1 week they receive another $150 + any days $150 was not granted, bonuses are reinstated
- Stat holiday bonus an extra $150 paid – must work either 12 hours or make 500 miles per day

Deck

- Bonuses are paid by mileage
  - $0.05 No discussion record bonus
  - $0.05 Mileage bonus (must reach 4,615 miles)
- Bonuses not paid on hourly work

Appendix 6
Non-Driving Personnel Analysis

Function	Full Time	Part Time	Casual	Total
Field Managers	1			1
Finance	8			8
Management/Administration	9	2		11
HR	1			1
Shop	14			14
Dispatch	12			12
Business Development	2			2
Safety	1			1
IT	2			2
Yard	8			8
Recruiting/Training	2			2
Telebelt			8	8
Total	**60**	**2**	**8**	**70**

Appendix 7
Technology in Use

- Truckmate 2017 for dispatch and accounting
- Shaw tracking for GPS tracking

TransFunds would like to thank you for your consideration of this prospect. We hope that you have found this package both informative and lucrative. If you are interested in pursuing this opportunity, or have any questions please contact:

Alex Winant
President
TransFunds Investment Banking
(908) 208-1162 / (905) 332-8841
awinant@transfundsib.com
www.transfundsib.com

***Please do not contact the company directly**

This is Exhibit "I" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

PROPOSED ACQUISITION OF HUGHSON TRUCKING INC.

The purpose of this letter is to confirm our understanding as to the principal terms and conditions upon which Tri-Line Carriers LP or an affiliate thereof (the "**Purchaser**") would be prepared to enter into an agreement with Hughson Trucking Inc. (the "**Corporation**") whereby the Purchaser would acquire selected assets of the Corporation used in its trucking and frac business (the "**Transaction**"). The principal terms and conditions of the proposed Transaction, based upon recent discussions, may be summarized as set forth below.

Corporation: Hughson Trucking Inc.

Business Activities: Trucking and Frac Business

Purchaser: Tri-Line Carriers LP or an affiliate thereof

Nature of Transaction: The Purchaser hereby offers to purchase from the Corporation, the following assets:

a) all rolling stock and equipment whether owned or leased by the Corporation;
b) the trade accounts receivable (the "**A/R**"); and
c) the inventory (the "**Inventory**");
d) all intangible associated with the Business Activities, including, business names, telephone numbers, domain names, customers and contracts therewith, etc;

associated with the Business Activities (the "**Assets**"), free and clear of all debts (except operating leases), encumbrances or other liens, being understood that all long term debt and capital leases will not be assumed and shall be paid out or released from the Assets prior to the Closing Date.

Liabilities: Except for the operating leases associated with the rolling stock being purchased and the lease of the facility in Sexsmith AB, the Purchaser is assuming no liabilities of the Corporation.

Exclusions: The following are excluded from the Transaction:

a) Bank accounts and cash;
b) Accounts payable;
c) Real property located in Milk River owned by the Corporation;
d) The lease of the facility located in Red Deer AB, expiring on December 31, 2018;
e) All capital leases or other financing agreement, which shall be released from the Assets as the case may be;

Purchase Price and Adjustments: The purchase price for the Assets shall be equal to $[redacted], (the "**Purchase Price**"), plus the assumption of the operating leases on the rolling stock.

The Purchase Price assumes and is conditional that as of the Closing Date the net book value of the A/R shall be at least $3,000,000 and the net book value of the Inventory shall be at least $1,600,000.

In the event that on the Closing Date, the net book value of the A/R (a) is less than $3,000,000 the Purchase Price shall be adjusted downwards, on a dollar for dollar basis; (b) exceeds $3,000,000, the Purchase Price shall be adjusted upwards on a dollar for dollar basis.

In the event where on the Closing Date, the net book value of the Inventory (a) is less than $1,600,000 the Purchase Price shall be adjusted downwards, on a dollar for dollar basis; (b) exceeds $1,600,000, the Purchase Price shall be adjusted upwards on a dollar for dollar basis.

Statement: Within thirty (30) days following the Closing Date, the Corporation shall, at its own costs, provide to a balance sheet statement stating the net book value of the A/R and Inventory as of the Closing Date (the "**Statement**").

Payments on the Closing Date: The Purchaser shall pay on the Closing Date as follows:

a. an amount of $1,500,000 of the Purchase Price, shall be withheld by the Purchaser (the "**Holdback**") and released to the Corporation within ten (10) days following the later of:

   i. the delivery of Statement and acceptance thereof by all parties, and the adjustment to the Purchase Price has been made, as the case may be;
   ii. the repurchase of the Uncollected A/R (as hereinafter defined) by the Corporation, as the case may be;
   iii. the release of all liens and encumbrances on the Assets has been confirmed;

b. the balance of the Purchase Price shall be paid by bank draft or wire transfer by the Purchaser to the Corporation on the Closing Date

Uncollected A/R: The A/R reflected in the Statement shall be valid and collectible, within ninety (90) days following the Closing Date. If, after ninety (90) days following the Closing Date, any of the A/R have not been recovered by the Purchaser (the "**Uncollected A/R**") the Purchaser shall transfer back to the Corporation the said Uncollected A/R and the Corporation shall purchase the Uncollected A/R for a consideration equal to the amount of such Uncollected A/R, which such consideration may be satisfied by the Corporation through a reduction in the amount of the Holdback. In the event that payment of any of the Uncollected A/R is eventually recovered by the Purchaser after the sale and transfer of such Uncollected A/R to the Corporation as provided herein, the amount collected by the Purchaser on such Uncollected A/R shall be forwarded to the Corporation within thirty (30) days following collection thereof, net of any and all reasonable and necessary collection fees or taxes with respect to the collection of such Uncollected A/R.

Closing Date: December 1 ~~December 17th~~, 2018 or any other date agreed upon by the parties (the "**Closing Date**").

Closing Conditions: The completion of the transaction at the Closing Date is conditional upon:

a) the approval of the transaction by the Purchaser's board of directors;

b) the absence of material adverse change to the Assets or the Sexsmith facility;

c) the repayment, on or before the Closing Date, of all outstanding long term debts and capital leases affecting the Assets (except operating leases);

d) the satisfaction of the Purchaser with the results of its due diligence with regards to the Corporation, including without limitation:

   i) the Corporation's books, records, agreements and licences;

   ii) the environmental and physical condition of the Sexsmith facility. For this purpose, the Corporation agrees to provide, at its own costs, copies of all available reports, notices, correspondence, releases or other environment-related documents pertaining to the said facility. If said environmental and physical condition reports are not recent enough or are not at the Purchaser's satisfaction, new reports shall be prepared, the cost of which will be borne entirely by the Corporation, and such reports shall serve as a baseline;

   iii) the assets of the Corporation, including the rolling stock and equipment, must be in a good physical and mechanical condition and, as of the Closing date, each truck and each trailer shall have a valid annual safety inspection (CVIP). Any and all costs incurred to obtain any missing or update any expired CVIP on any of the equipment shall be borne entirely by the Corporation and if incurred after the Closing Date may be satisfied by the Corporation through a reduction in the amount of the Holdback.

For the purposes of the Purchaser's due diligence review, the Corporation shall provide access to the Purchaser to the Corporation's management and key personnel, operational facilities, assets (including all rolling-stock and other assets), books and records, agreements, licenses and any other information directly related to the proposed Transaction that may be reasonably requested, to allow Purchaser to conduct a full due diligence thereof. The Corporation further undertake to schedule timely inspections of the rolling stock and equipment in order to permit the Purchaser to carry out its due diligence on said rolling stock and equipment.

The Corporation and the Purchaser acknowledge that due diligence with respect to certain items listed in this paragraph e) may only be completed after the Closing Date. In this regard, the Purchaser undertakes to make commercially reasonable efforts to complete its due diligence review with respect to such items as soon as possible following the Closing Date.

e) The negotiation and execution of mutually satisfactory agreements, including:

i. a mutually satisfactory asset purchase agreement, containing all the standard representations, warranties and other typical provisions a Corporation would provide in a transaction of this nature;

ii. a non-competition, non-solicitation, non-disparagement and confidentiality undertaking prohibiting the Corporation and its shareholders (Justin Hughson, Darren J. Hughson and Leroy C. Hughson) from providing, directly or indirectly, transportation services of any kind whatsoever (including any brokerage or subcontracting of any such services) upon terms and conditions satisfactory to all parties. The term for the non-competition and non-solicitation undertaking will be for no less than five (5) years following the Closing Date;

iii. an indemnification agreement re: environmental liability.

f) all required approvals and consents from third parties (including creditors, customers and suppliers) and regulatory authorities required for the transfer of the Assets, as the case may be, have been obtained, at the Corporation's cost.

Real Properties: The Purchaser will enter into a new lease agreement with the owner of the facility located in Sexsmith AB upon terms and conditions that shall not less favorable than those currently in place.

All other facilities currently owned, occupied or used by the Corporation will be vacated on the Closing Date.

Conduct of Business: The Corporation shall carry on its business and operations in the usual and ordinary course, in substantially the same manner as prior periods and shall endeavour to preserve its relationships with customers, suppliers, employees and others having business dealings with it.

The Corporation hereby acknowledges that the following activities are outside the usual and ordinary course of the business and operations of the Corporation:

- any purchases or dispositions of any equipment, rolling stock or other assets;
- the conclusion of any new equipment or real estate lease or the renegotiation of current equipment or real estate leasing;
- the entering into any new financing agreement affecting the Assets;

The Corporation and the Corporation shall seek and obtain the prior written consent of the Purchaser prior to effecting any of the abovementioned actions as well as any other activity that is outside the usual and ordinary course of business and operations of the Corporation.

Employees: All administrative employees shall be terminated or shall resign on the Closing Date (the "**Excluded Employees**") at the Corporation's cost. The Purchaser reserves the right to offer a new employment to certain employees of the Corporation to be identified by the Purchaser prior to Closing.

The Corporation shall remain responsible and shall indemnify and save the Purchaser harmless for any claims made by the Excluded Employees attributable to the termination of their employment with the Corporation prior to Closing Date, including but without limitation in relation to unpaid salaries, unpaid overtime, vacation accruals, bonuses and benefits.

Confidentiality: All confidential information exchanged between the parties shall be maintained confidential and the parties will sign a mutually acceptable confidentiality agreement, including the discussion about a potential transaction and status thereof, as well as the terms and conditions herein contained.

Commission: Any claim by any advisor, finder, consultant or other similar intermediary in connection with this transaction who is entitled to a fee, commission or other similar payment contingent on the completion of the purchase shall be at the sole cost of the Corporation.

Costs: Each party shall be responsible for and bear all of its own costs and expenses incurred in connection with the proposed transaction, including expenses of its representatives, incurred at any time in connection with pursuing or consummating the proposed transaction.

Exclusivity: During the period up to and including the Closing Date, the Corporation and its shareholders shall not and shall ensure that the directors, officers, employees and agents of the Corporation do not enter into any contract for, or take any action to solicit, initiate, entertain, discuss or consider any offers, enquiries or proposals relating to the possible disposition or transfer of the shares or any of the Corporation's assets or businesses outside of the ordinary course of business, whether by way of sale, amalgamation, merger, partnership arrangement or otherwise.

Governing Law: This letter of intent as well as all agreements related hereto or arising herefrom shall be governed by or construed in accordance with the laws of the Province of Alberta and those of Canada applicable therein.

The present terms and conditions replace and supersede any previous agreements or discussions between the parties and are irrevocable until 5 P.M. (Mountain Time), on October 30th, 2018. If it is not accepted within this period, this term sheet shall become null and void. If this term sheet is accepted, it shall constitute a legally binding contract between the parties.

SIGNED BY THE PURCHASER IN THE CITY OF WOODSTOCK, ONTARIO, THIS _______ DAY OF OCTOBER, 2018

TRI-LINE CARRIERS LP, ACTING BY ITS GENERAL PARTNER
TRI-LINE CARRIERS GP INC.

Per: ________________________________
Name: Steve Brookshaw
Title: Executive Vice-President

I have authority to bind the corporation.

STRICTLY CONFIDENTIAL

SIGNED AND ACCEPTED BY THE CORPORATION IN THE CITY OF Milk River, **THIS** 31st **DAY OF OCTOBER, 2018**

CORPORATION:

HUGHSON TRUCKING INC.

Per:______________________________
Name:
Title:
I have authority to bind the corporation.

This is Exhibit "J" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Ryan Zahara
Dir: 403-260-9628
ryan.zahara@blakes.com

November 19, 2018

Reference: 81518/158

VIA REGISTERED MAIL / HAND DELIVERY

Hughson Trucking Inc.
P.O. Box 149
Milk River, Alberta T0K 1M0

Attention: Justin Hughson

Dear Sir:

Re: Demand for Payment

As counsel to ATB Financial (the "**Lender**"), we hereby advise Hughson Trucking Inc. (the "**Borrower**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Commitment Letter (defined below) unless otherwise noted.

2. Reference is made to the following:

   (a) a commitment letter (the "**Commitment Letter**") dated January 31, 2018, between the Borrower, as borrower, the Lender, as lender, and Leroy Christian Hughson, Darren James Hughson and Justin Hughson, as guarantors;

   (b) a general security agreement dated May 25, 1999, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (c) a debenture dated May 25, 1999, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (d) an amending agreement/supplemental mortgage dated effective March 30, 2007, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (e) an amending agreement dated effective June 10, 2010, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (f) an amending agreement dated effective July 9, 2013, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (g) an equipment loan and security agreement dated as of January 15, 2016 between the Borrower and the Lender; and

(h) equipment loan and security agreement dated as of February 1, 2018 between the Borrower and the Lender,

The documents referred to in paragraphs 2 (a) through (h) above are collectively referred to as the "**ATB Loan Documents**".

3. Pursuant to the Commitment Letter, each credit facility (the "**Credit Facilities**") under the Commitment Letter is payable in full on demand by the Lender at any time without notice. Accordingly, the Lender hereby demands from the Borrower payment of the full amount outstanding on all the Credit Facilities as at November 5, 2018 in the total amount of **$5,237,183.48**, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Lender prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Lender under the ATB Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Lender's rights under the ATB Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Commitment Letter (collectively, the "**Outstanding Indebtedness**").

4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on November 29, 2018, the Lender will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Lender's rights and remedies against the Borrower under the ATB Security Documents.

5. We enclose a Notice of Intention to Enforce Security delivered pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

Ryan Zahara
*JR

c: Client

31394855.1

Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the Bankruptcy and Insolvency Act)

TO: HUGHSON TRUCKING INC., an insolvent person (the "**Debtor**")

Take notice that:

1. ATB Financial (the "**Lender**"), pursuant to a commitment letter (the "**Commitment Letter**") dated January 31, 2018, between the Debtor, as borrower, the Lender, as lender, and Leroy Christian Hughson, Darren James Hughson and Justin Hughson, as guarantors (the "**Commitment Letter**"), intends to enforce its security on all of the Debtor's present and after-acquired assets, property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).

2. The security that is to be enforced is in the form of the following:

   (a) a general security agreement dated May 25, 1999, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (b) a debenture dated May 25, 1999, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (c) an amending agreement/supplemental mortgage dated effective March 30, 2007, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (d) an amending agreement dated effective June 10, 2010, from the Borrower in favour of the Lender (then Alberta Treasury Branches);

   (e) an amending agreement dated effective July 9, 2013, from the Borrower in favour of the Lender (then Alberta Treasury Branches),

   (f) an equipment loan and security agreement dated as of January 15, 2016 between the Borrower and the Lender; and

   (g) equipment loan and security agreement dated as of February 1, 2018 between the Borrower and the Lender,

(collectively, the (a) through (g) above are referred to as the "**Security**").

3. The total amount of indebtedness secured by the Security as at November 5, 2018 is in the amount in the total amount of **$5,237,183.48**, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Lender, and any other amounts whatsoever, which may be claimed by the Lender under the Commitment Letter, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Lender's rights under the Commitment Letter and the Security.

4. The Lender will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 19th day of November, 2018.

BLAKE, CASSELS & GRAYDON LLP, Agents and Solicitors for the Lender

per:________________________________
Name: Ryan Zahara
Title: Barrister and Solicitor

<u>WAIVER</u>

HUGHSON TRUCKING INC. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by the Lender of the Security described above.

DATED at Calgary, Alberta this 22nd day of November, 2018.

HUGHSON TRUCKING INC.

By:
Name: Justin Hughson
Title: CEO

This is Exhibit "K" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

From: Zahara, Ryan
Sent: Tuesday, December 4, 2018 5:18 PM
To: 'w-petersen@north-co.com' <w-petersen@north-co.com>
Subject: RE: Update on Hughson Trucking and Sale of Assets to Tri-Line Carriers LP

Wayne,

I am following up on my voice mail and two emails below that I have sent you regarding this matter. You have not replied to any of my requests for further information in respect of this transaction.

I now understand from my client ATB that Hughson Trucking has executed the attached APA which contains significantly different terms than the transaction that was previously discussed with ATB.

I need an update from you as soon as possible on the status of the attached proposed transaction with Tri-Line Carriers and if funds have been sent to and/or received by your offices in trust.

As noted below your client has breached the terms of the Forbearance Agreement and ATB is now in position where it is free to take any steps necessary to enforce its security at any time.

Best regards,

Ryan Zahara
Partner
Blake, Cassels & Graydon LLP
3500, 855 Second Street SW
Calgary, AB T2P 4J8

Tel: 403.260.9628

Mobile: 403.473.0700

Fax: 403.260.9700
E-mail: ryan.zahara@blakes.com

From: Zahara, Ryan
Sent: Monday, December 3, 2018 9:38 AM
To: w-petersen@north-co.com
Subject: FW: Update on Hughson Trucking and Sale of Assets to Tri-Line Carriers LP

Wayne,

Further to my correspondence on Friday (below) and my voice mail please advise on the status of the transaction as soon as you are able to this morning.

Hughson Trucking is now in breach of the terms of the Forbearance Agreement and ATB is looking to get an update on this today.

If you have any questions please do not hesitate to give me a call.

Best regards,

Ryan Zahara
Partner
Blake, Cassels & Graydon LLP
3500, 855 Second Street SW
Calgary, AB T2P 4J8

Tel: 403.260.9628

Mobile: 403.473.0700

Fax: 403.260.9700
E-mail: ryan.zahara@blakes.com

From: Zahara, Ryan
Sent: Friday, November 30, 2018 10:37 AM
To: w-petersen@north-co.com
Cc: Christine Eberle <ceberle@north-co.com>
Subject: Update on Hughson Trucking and Sale of Assets to Tri-Line Carriers LP

Wayne,

I have been asked by my client ATB Financial to follow-up with you in respect of the proposed sale of assets of Hughson Trucking to Tri-Line Carriers LP (a copy of the letter of intent is attached for reference). ATB has not received any request for a payout of the amounts owed to it and has not received an update on the status of that transaction.

I have also attached for your records a fully executed and compiled form of the Forbearance Agreement, including the executed forms of the Consent Receivership Order and Direction to Pay.

Any update you can provide on that transaction would be greatly appreciated. If you have any other questions in respect of this matter please do not hesitate to contact our offices.

Best regards,

Ryan Zahara
Partner
Blake, Cassels & Graydon LLP

3500, 855 Second Street SW
Calgary, AB T2P 4J8

Tel: 403.260.9628

Mobile: 403.473.0700

Fax: 403.260.9700
E-mail: ryan.zahara@blakes.com

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is executed on the 4th day of December, 2018.

BETWEEN: **HUGHSON TRUCKING INC.**, a corporation incorporated pursuant to the laws of the Province of Alberta, having its head office at 600-220, 4 Street South, in the city of Lethbridge, province of Alberta, T1J 4J7

(the "**Seller**")

AND: **TRI-LINE CARRIERS LP**, a limited partnership formed under the laws of the Province of Ontario, herein acting by its general partner **Tri-Line Carriers GP Inc.**, having a place of business at 235185 Ryan Road, in the city of Rocky View, province of Alberta, T1X 0K1

(the "**Buyer**")

AND: **JUSTIN HUGHSON**
DARREN HUGHSON
LEROY HUGHSON
individuals residing in Alberta

(collectively, the "**Guarantors**")

RECITALS:

WHEREAS the Seller carries on a flatbed trucking business in the provinces of Alberta, British Columbia and Saskatchewan, Canada (the "**Acquired Business**");

WHEREAS the Buyer is interested in purchasing selected assets of the Seller used in the Acquired Business, upon terms and conditions more specifically described in this Agreement;

WHEREAS the Guarantors are the principals and the ultimate shareholders of the Seller;

WHEREAS the Buyer wishes to continue operating the Acquired Business;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Seller	Buyer	Guarantors		

ARTICLE 1
DEFINITIONS, SCHEDULES AND INTERPRETATION

1.1 Definitions

Capitalized terms used in this Agreement shall have the meanings ascribed to them above or as set out below:

(a) "**Acquired Business**" has that meaning ascribed to it in the recitals above;

(b) "**Agreement**" means this asset purchase agreement, including the recitals above, as well as the schedules annexed hereto, as the same may be from time to time amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement;

(c) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, any present or future Law relating or applicable to such Person, property, transaction, event or other matter;

(d) "**Business Day**" means any day other than Saturday, Sunday or any statutory holiday in the province of Alberta;

(e) "**Claims**" means claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, information or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a partial indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

(f) "**Closing**" means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement;

(g) "**Closing Date**" means December 4th, 2018;

(h) "**Employees**" means collectively the Excluded Employees and the Transferred Employees;

(i) "**Encumbrance**" means any encumbrance of any kind whatsoever (registered or unregistered) and includes any security interest, hypothec, mortgage, pledge, charge, lien, debenture, trust deed, legal hypothec, prior Claim, assignment by way of security, conditional sales contract or other title retention agreement or a similar interest or instrument charging, creating a security interest or hypothec in or otherwise affecting, the Purchased Assets or any part thereof or interest therein, and any agreement, loan, lease, option, servitude, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein;

(j) **"Excluded Assets and Liabilities"** has that meaning ascribed to it in Section 2.2;

(k) **"Excluded Employees"** has that meaning ascribed to it in paragraph 7.1(b);

(l) **"Goodwill"** has that meaning ascribed to it in paragraph 2.1(c);

(m) **"Governmental Authority"** means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, regulatory authority, taxing authority, administrative authority, government department, agency, commission, board, judicial or arbitration body, tribunal or court, domestic or foreign, (ii) subdivision, agent, commissioner, representative or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority and any other self-regulatory authority, organization or equivalent body;

(n) **"Holdback"** has that meaning ascribed to it in paragraph 3.2(a);

(o) **"Indemnity Claim"** has that meaning ascribed to it in Section 10.1;

(p) **"Law"** means any law, rule, statute, ordinance, by-law, regulation, order, legally binding policy, guideline, code, ruling, writ, injunction, judgment, decree, treaty of any Governmental Authority or other requirement having the force of law;

(q) **"Leased Equipment"** has that meaning ascribed to it in paragraph 2.1(b);

(r) **"Non-Competition and Non-Solicitation Agreement"** has that meaning ascribed to it in paragraph 8.3(a);

(s) **"Notice of Claim"** has that meaning ascribed to it in Section 10.3;

(t) **"Operating Lease(s)"** means operating leases relating to the Leased Equipment;

(u) **"Owned Equipment"** has that meaning ascribed to it in paragraph 2.1(a);

(v) **"Owner Operator(s)"** has that meaning ascribed to it in paragraph 4.8(a);

(w) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organisation, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;

(x) **"Purchased Assets"** has that meaning ascribed to it in Section 2.1;

(y) **"Purchase Price"** has that meaning ascribed to it in Section 3.1;

(z) **"Rolling Stock"** means all rolling stock, including all pallet jacks, fork trucks, tractors, trucks, trailers, flat beds, closed vans, and other vehicles, owned or leased by the Seller forming part of the Purchased Assets and used in the Acquired Business;

(aa) **"Taxes"** means any or all Canadian or foreign federal, provincial, state, municipal, local or other jurisdictional income, gross receipts, real property gains, goods and services, fuel, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, fuel, transfer, registration, value added, alternative or add-on, minimum, or other taxes, levies, governmental charges or assessments of any kind whatsoever, including amounts required to be withheld on account of the taxes of others, as well as any estimated tax payments, interest, penalties or other additions thereto, whether or not disputed.

(bb) **"Transferred Employees"** has the meaning ascribed to it in paragraph 7.1(a).

1.2 Schedules

The following schedules are attached hereto, are dated as of the date hereof, and are delivered by the Seller to the Buyer in connection with this Agreement:

Schedule 2.1(a)	Owned Equipment
Schedule 2.1(b)	Leased Equipment
Schedule 2.1(c)	Goodwill
Schedule 3.1	Allocation of Purchase Price
Schedule 3.2(a)	Outstanding Debts
Schedule 4.7(c)	Employment Agreements
Schedule 4.8(a)	Owner Operators
Schedule 4.8(d)	Amounts Owing to Owner Operators
Schedule 4.9	Customers
Schedule 7.1(a)	Transferred Employees
Schedule 8.3(a)	Non-Competition and Non-Solicitation Agreement
Schedule 8.3(b)	Bill of Sale and General Conveyance
Schedule 8.3(c)	Temporary Lease Agreement

1.3 Knowledge

Any reference herein to "knowledge" means the actual knowledge of the Guarantors after having conducted a diligent inquiry into the relevant subject matter.

Seller	Buyer	Guarantors	

1.4 Gender and Number

Words importing the singular include the plural and vice versa; words importing gender include all genders.

1.5 Entire Agreement

This Agreement, together with the schedules and the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior agreements, undertakings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein.

1.6 Waivers

No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement, in whole or in part, shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

1.7 Headings

The Article and Section headings contained herein are included solely for convenience of reference, and are not intended to be full or accurate descriptions of the content thereof. The preamble and recitals to this Agreement form part of this Agreement as if recited at length herein.

1.8 Severability

Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

1.9 Applicable Law

This Agreement and the rights, obligations and relations of the parties shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.10 Currency

Unless otherwise specified all references to currency herein are deemed to mean lawful money of Canada, and all amounts to be paid or calculated pursuant to this Agreement are to be paid or calculated in lawful money of Canada.

ARTICLE 2
PURCHASE AND SALE

2.1 Agreement to Purchase and Sell

The Seller hereby sells, transfers, assigns and conveys to the Buyer, and the Buyer hereby agrees to purchase, all of the Seller's right, title and interest in and to the assets of the Seller hereafter identified, used in the conduct of or generated by or constituting the Acquired Business as at the Closing Date (collectively, the "**Purchased Assets**"), unless otherwise excluded under Section 2.2, free and clear of any Encumbrances whatsoever save and except the Operating Leases, for the Purchase Price stipulated in Section 3.1, and upon the terms and subject to the conditions of this Agreement, namely:

(a) the tangible assets and equipment used in the Acquired Business, including without limitation the Rolling Stock and all accessories thereof and inventory found therein, as well as certain cellular phones, as more fully listed in Schedule 2.1(a) (collectively, the "**Owned Equipment**");

(b) all title and interest of the Seller in the operating leased trucks listed in Schedule 2.1(b) (collectively, the "**Leased Equipment**");

(c) all goodwill of the Acquired Business, including the exclusive right for the Buyer to represent itself as carrying on the Acquired Business in continuation of and in succession to the Seller, as well as the Customers and customers' lists and agreements relating thereto and certain cellular phone numbers associated with the Acquired Business, listed in Schedule 2.1(c) ("**Goodwill**");

(d) the Transferred Employees; and

(e) all business relationships with independent contractors and Owner Operators, and all agreements relating thereto.

2.2 Excluded Assets and Liabilities

Notwithstanding the provisions of Section 2.1, and for greater certainty, the term "Purchased Assets" shall not include and the Buyer shall not be responsible for any of the following, that the Seller shall retain and for which the Seller shall remain solely responsible and shall indemnify and save the Buyer harmless (the "**Excluded Assets and Liabilities**"):

(a) any and all assets other than the Purchased Assets which are not exclusively used in the Acquired Business, and which are personal assets or used for any other business of the Seller;

(b) any cellular phones not listed in Schedule 2.1(a), as well as computers, phone systems and phone and fax numbers;

(c) any and all corporate names, trade names and business names including without limitation "Hughson Trucking", domain names, trademarks and logos associated with the Acquired Business;

(d) any real property owned by the Seller, including without limitation the property located in Milk River, province of Alberta;

(e) the lease of the facility located in Red Deer, province of Alberta, expiring on December 31, 2018 as well as the lease of the facility located in Sexsmith, province of Alberta;

(f) any and all debts, liabilities and obligations of the Seller existing as at the Closing Date, relating to the Acquired Business and the Purchased Assets, including without limitation any and all capital leases or other financing agreements, but excluding the Operating Leases;

(g) any litigation or potential litigation or claim (including insurance deductible for insured claims), arising prior to, on, or after the Closing Date, as a result of occurrences existing or that happened prior to the Closing Date;

(h) all accounts payable and accounts receivable relating to the Acquired Business for the period ending on the Closing Date;

(i) all cash, bank accounts, securities, cash or near cash investments of any type of the Seller;

(j) all tax assets and tax attributes, including duty and tax refunds and prepayments;

(k) all inventory and any furnishings, filing cabinets, or trade fixtures located in or attached to the existing premises presently used by the Acquired Business;

(l) all of the Seller's insurance policies or surety bonds, if any;

(m) any non-transferable permits or licenses presently used by the Seller in the Acquired Business;

(n) the original books and records of the Acquired Business, except that the Buyer will be entitled to copies or originals, where available, of any agreements, contracts or arrangements which it takes over and of all invoices relating to same;

(o) any Claim, obligation or liabilities by or with respect to any employee for matters relating to their employment in the Acquired Business for the period up to the Closing Date, including without limitation with respect to statutory holidays, salary, bonus, overtime, severance or vacation, and other benefits,

Seller	Buyer	Guarantors

including wrongful dismissal suits, even if such claim is made after the Effective Date; and

(p) any Claim or Taxes by any Governmental Authority in respect to any requirements under the Law relating to employment matters or withholdings for the period up to the Closing Date, or in relation to the Purchased Assets pertaining to any period or any event having occurred prior to the Closing Date.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price and Allocation

The consideration for the Purchased Assets payable by the Buyer to the Seller hereunder (the "**Purchase Price**") shall be **$3,271,788.60 plus applicable taxes**. Moreover, as additional consideration for the Purchased Assets, the Buyer shall assume the Operating Leases. To the exception of such Operating Leases, any indebtedness affecting the Purchased Assets shall be paid out by the Seller or its solicitor prior to the Closing Date or at the Closing Date from the Purchase Price. The Purchase Price shall be allocated among the Purchased Assets as shown on Schedule 3.1.

3.2 Payment of the Purchase Price

The Purchase Price shall be payable by the Buyer on the Closing Date to the Seller's solicitor, in trust, for the Seller's account, by wire transfer or by any other method agreed upon by the Seller and the Buyer, and the Seller's solicitor will disburse the Purchase Price as follows:

(a) the balance of the outstanding debts affecting the Purchased Assets identified in Schedule 3.2(a) shall be repaid by paying the relevant creditors/lenders directly on or immediately after the Closing Date;

(b) an amount of $320,000 (the "**Holdback**") shall be held in trust by the Seller's solicitor; the Holdback or any balance thereof shall be released to the Seller, with the Buyer's prior written consent, within ten (10) days following the last of the following events:

(i) all secured creditors having Encumbrances over the Purchased Assets (except for the lessors' Encumbrances relating to the Operating Leases) have been paid or otherwise satisfied and their charges/liens have been released and discharged, with a copy of such release and a proof of such discharge, both satisfactory to the Buyer, acting reasonably, having been supplied by the Seller to the Buyer;

(ii) the provisions of Section 7.2 of this Agreement have been fully complied with, to the satisfaction of the Buyer, acting reasonably;

Seller	Buyer	Guarantors	

(iii) all amounts due to Owner Operators for the period up to the Closing Date, have been paid and settled by the Seller in accordance with the provisions of Section 7.3 of this Agreement;

(iv) the Rolling Stock has been registered to the name of the Buyer in accordance with Section 7.5 of this Agreement.

For greater clarity, the parties shall direct the Seller's solicitor to deduct from the Holdback any and all amounts validly required for the full performance of the Seller's obligations in relation to items (i) through (vi) above.

(c) the balance of the Purchase Price shall be paid to the Seller on or immediately after the Closing Date.

3.3 Other Adjustments

All necessary adjustments, if any, shall be made between the parties in order to adjust, as appropriate, all of the revenues and expenses received or incurred, as the case may be, by the Buyer or the Seller or vice versa as of the Closing Date, including for example operating expenses, interest, utilities, salaries, vacation accruals, bonuses and prepaid expenses, an estimated amount of which shall be accrued for at time of Closing. If further adjustments become necessary, the parties shall make the adjustments as of the same date and pay to the relevant party upon demand without being subject to the formalities, thresholds and limitations contained in the indemnification provisions hereof.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE GUARANTORS

Each of the Seller and the Guarantors hereby make to the Buyer the representations and warranties set forth in this Article 4 and acknowledge that in purchasing the Purchased Assets, the Buyer is relying on these representations and warranties. The inclusion of any information in any part of the disclosure schedules shall not be deemed to be an acknowledgement, in and of itself, that such information is material to the Acquired Business or Purchased Assets or is outside the ordinary course of the Acquired Business.

4.1 Existence

The Seller is a corporation existing under the laws of the province of Alberta.

4.2 Corporate Power; Capacity

The Seller has all necessary capacity, power and authority to own and sell the Purchased Assets, and to execute and deliver this Agreement and all ancillary documents to be delivered by the Seller in accordance with the terms hereof; to consummate the transactions contemplated by this Agreement (required third party approvals or consents excepted), to comply with and fulfill the terms and conditions hereof; and to sell, transfer, convey, and assign (required third party approvals or consents excepted) all the Purchased Assets to the Buyer upon the terms and subject to the conditions of this Agreement.

Each of the Guarantors have all necessary capacity and power to enter into this Agreement and the Non-Competition and Non-Solicitation Agreement.

4.3 Authorization

The execution and delivery of this Agreement and, as of the Closing Date, of all ancillary documents, and the consummation of the transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action of the Seller.

4.4 Enforceability

This Agreement constitutes and, when executed and delivered, all ancillary documents to which the Seller and/or the Guarantors are a party will constitute, valid and binding obligations of each of the Seller and the Guarantors enforceable against them in accordance with their respective terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Law of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles or otherwise, at general, any Law limiting the validity of any provision, regardless of whether enforcement is sought in a proceeding in equity or at law.

4.5 Third Party Consents

The execution and delivery of this Agreement does not and will not require the consent of, approval, authorization or other action by, or filing with or notification to, any Person by the Seller other than those which have already been or are to be obtained, taken or filed prior to Closing, including the governmental approvals, if any.

4.6 Ownership and Condition of Purchased Assets

With respect to the Purchased Assets:

(a) the Seller is the owner or lessee of, and has good, clear and marketable title to or, where a lessee, has a valid leasehold interest in and to, its portion of the Purchased Assets and has full right and power to use the Purchased Assets;

(b) no Person other than the Buyer hereunder has any oral or written agreement, option, warrant, right or privilege or any right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase or use of any of the Purchased Assets;

(c) all of the Purchased Assets are in all material respects in good working condition and good repair, reasonable wear and tear excepted and having regard to their use, age and scheduled maintenance, notably but without limitation in accordance with the terms of Section 7.2 hereunder.

Seller	Buyer	Guarantors	

4.7 Employees

(a) Schedule 7.1(a) contains a complete and accurate list, as at the Closing Date, of the Transferred Employees who will be offered continuing employment with the Buyer as of the Closing Date, including name, title, salary, bonus, benefits, other allowances, start date, status (e.g. active, leave of absence), vacation entitlement, cell phone and employment agreement.

(b) There are no outstanding orders or charges against the Seller or the Acquired Business under any applicable health and safety legislation in the jurisdictions in which the Acquired Business is conducted or carried on.

(c) Except as set forth in Schedule 4.7(c), there are no written employment contracts with any Employee, nor any collective agreements governing the Employees.

(d) The Seller is in compliance in all material respects with all labour and employment equity legislation applicable to the Employees, including all employment standards, human rights, labour relations, occupational health and safety, pay equity, employment equity and workers' compensation or workplace safety and insurance legislation.

(e) There is no Claim, action, proceeding, or to the knowledge of the Seller, any investigation or pending or threatened Claim, action, or proceeding, affecting or relating to the Employees.

4.8 Owner Operators

(a) Schedule 4.8(a) contains a complete and accurate list, as of the date of this Agreement, of the owner operators who own and operate equipment for the Acquired Business (the "**Owner Operators**").

(b) True and complete originals of agreements with Owner Operators have been delivered to the Buyer or will be so delivered no later than the Closing Date.

(c) There is no Claim, action, proceeding, or investigation currently before, or, to the knowledge of the Seller, pending, threatened or potential before any Governmental Authority affecting or relating to the Owner Operators or their classification as Owner Operators.

(d) Except as set forth in Schedule 4.8(d), on the Closing Date, there are no amounts whatsoever due to the Owner Operators.

4.9 Customers

Schedule 4.9 lists the customers of the Acquired Business. Since October 31, 2018, there has been no material termination or cancellation of, and no material modification or change in, the business relationships with any customer. The Seller has no knowledge that the benefits of any relationship with any of the customers of the Acquired Business will not continue following the Closing Date in substantially the same manner as prior to the Closing Date.

4.10 Litigation

There is no Claim, action, proceeding, or to the knowledge of the Seller, any investigation or pending or threatened Claim, action, or proceeding before any Governmental Authority affecting or relating to the Acquired Business or the Purchased Assets. To the Seller's knowledge, there is no matter or state of facts which could give rise to any material suit, action, proceeding, or investigation in, before or by any Governmental Authority against or affecting the Acquired Business or the Purchased Assets. The Seller is not a defendant or third party to actions or Claims before any Governmental Authority which could prevent or restrict the Seller from performing any of its obligations under this Agreement or any ancillary agreement.

4.11 Compliance with Laws

The Seller is in compliance in all material respects with, and has conducted and is conducting the Acquired Business in all material respects in accordance with all Applicable Laws and has not received any notice of any failure to comply therewith. There are no outstanding decrees, injunctions or orders from any Governmental Authority having jurisdiction over the Acquired Business, nor are there any matters under discussion with any Governmental Authority relating to any material aspect of the Acquired Business.

4.12 Environment

The Acquired Business and the Purchased Assets have always been operated and/or used by the Seller in compliance with all Applicable Laws relating to the environment, the protection or preservation of the environment, occupational health and safety, motor carriers and/or the transport of goods, product safety and/or use, product liability or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport, management or handling of hazardous substances as defined or listed in, or otherwise legislated, regulated or classified pursuant to, any Applicable Law as "hazardous substances", "extremely hazardous substances", "hazardous materials", "solid and/or hazardous wastes", "contaminants", "pollutants", "dangerous goods" or "toxic substances", or any other analogous substances classified as such by reason of deleterious properties or harm or degradation to the natural environment or risk to human or animal health, including, without limiting the foregoing, petroleum and petroleum related substances, asbestos (in any form or condition), PCBs, urea formaldehyde foam insulation (in any form or condition), flammable material and radioactive material. The Seller is not aware of any environmental issue affecting the Purchased Assets.

4.13 Contracts

True and complete copies of all written contracts have been delivered to the Buyer or will be so delivered before the Closing Date. The Seller and each of the other parties to the contracts have executed all of their obligations under the contracts, and all of the contracts are in full force and effect, and neither the Seller, nor such other parties, to the knowledge of the Seller, are in material default pursuant to any of the provisions of the contracts, and no event has occurred which constitutes or which, with the passage of time, the giving of notice or both, will constitute a material default pursuant to any of the provisions of the contracts. The Seller has not waived, in the last twelve (12) month period, any material right under any contract. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby in accordance with its terms shall not give rise to any right of termination under any of the contracts.

4.14 Bankruptcy

The Seller and the Guarantors are not involved in any proceedings by or against them under applicable bankruptcy Laws or any other insolvency or debtors' relief Laws, whether provincial or federal, or for the appointment of a trustee, receiver, liquidator, assignee, sequestrator or other similar official.

4.15 Status of the Seller

The Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5^{th} Supp.), and regulations thereto, as amended.

4.16 Registration

The Seller is duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) with respect to the goods and services tax and its registration number is: 10242 2425 RT0001.

4.17 Absence of Unusual Transactions

Since October 31, 2018, the Seller has carried on the Acquired Business and its operations in the usual and ordinary course, in substantially the same manner, has preserved its relationships with customers, suppliers, employees and others with whom it has business dealings, and has not:

(a) assigned, sold, leased or otherwise disposed of any of the Purchased Assets;

(b) received any claims, proceedings, suits or appeals against any of the Purchased Assets;

(c) created any Encumbrance on any of the Purchased Assets or suffered or permitted any such Encumbrance that has arisen on the Purchased Assets since that date to remain;

(d) entered into new material contracts, or extended or materially modified any existing contracts;

(e) other than in the ordinary course of business, made any material change in the freight rates charged to customers or the credit terms made available to customers;

(f) authorized or agreed, or otherwise been committed to do any of the foregoing.

4.18 Broker

Except as listed in Schedule 4.18, the Seller has not employed any broker, finder, investment banker or other intermediary in connection with the transactions contemplated by this Agreement, who might be entitled to a fee or any commissions upon consummation of the purchase herein set forth. The Seller represents and warrants that it is and shall be fully and solely responsible, to the complete exoneration of the Buyer, for any fee, commission or any other amount which is, becomes or may become due to the broker listed in Schedule 4.18.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby makes to the Seller the representations and warranties set forth in this Article 5 and acknowledges that in selling the Purchased Assets, the Seller is relying on these representations and warranties.

5.1 Existence; Power and Capacity

The Buyer is a limited partnership existing under the laws of the province of Ontario, and its general partner has all necessary capacity, power and authority to execute and deliver this Agreement on behalf of the Buyer in accordance with the terms hereof, to consummate the transactions contemplated by this Agreement on behalf of the Buyer, to comply with and fulfill the terms and conditions hereof and, subject to satisfying the conditions provided herein, to purchase the Purchased Assets from the Seller on behalf of the Buyer.

5.2 Authorization

The execution and delivery of this Agreement, as of the Closing Date, and of all ancillary documents and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary action of the Buyer.

5.3 No Violation

Neither the execution and delivery of this Agreement or of any ancillary document by the Buyer, nor the consummation by the Buyer of the transactions contemplated by this Agreement, nor the compliance with or fulfillment of the terms and conditions hereof, will violate, conflict with or result in any breach of the terms, conditions or provisions of, or constitute a default under the organizational or constating documents of the Buyer or any mortgage, indenture, contract, agreement, license, permit, instrument or trust, to which the Buyer is a party or by which it is bound.

Seller	Buyer	Guarantors		

5.4 Enforceability

This Agreement constitutes and, when executed and delivered, all ancillary documents to which the Buyer is a party will constitute valid and binding obligations of Buyer enforceable against it in accordance with their respective terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Law of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles or otherwise, at general, any Law limiting the validity of any provision, regardless of whether enforcement is sought in a proceeding in equity or at law.

5.5 Status of Buyer

The Buyer is a "Canadian" for purposes of and within the meaning of the *Investment Canada Act* (Canada).

5.6 Tax Registration

The Buyer is duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) with respect to the goods and services tax and its registration number is 86050 8001 RT0001.

ARTICLE 6
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

6.1 Of the Seller and of the Guarantors

The representations and warranties of the Seller and of the Guarantors contained in this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Buyer, shall continue in full force and effect for the benefit of the Buyer for a period of two (2) years from the Closing Date, except that the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, 4.6(a) and 4.6(b), as well as any misrepresentation made fraudulently, shall survive indefinitely provided that any claim in respect thereof shall be made in writing within the applicable time period set forth in the law.

6.2 Of the Buyer

The representations and warranties of the Buyer contained in this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Seller, shall continue in full force and effect for the benefit of the Seller for a period of two (2) years from the Closing Date, except that the representations and warranties set forth in Sections 5.1, 5.2, 5.3 and 5.4, as well as any misrepresentation made fraudulently, shall survive indefinitely, provided that any Claims in respect thereof shall be made in writing within the applicable time period set forth in the law.

6.3 Claims

If no Claims shall have been made hereunder prior to the expiry of the relevant period with respect to any incorrectness in or breach of any representation or warranty, the party giving the same shall have no further liability in respect thereof. Any representation or warranty contained herein or in any certificate or instrument given in connection herewith involving fraud and fraudulent misrepresentation shall survive indefinitely.

ARTICLE 7
OTHER COVENANTS OF THE PARTIES

7.1 Employment to Employees of the Seller

(a) As of the Closing Date, the Buyer shall provide to the employees listed in Schedule 7.1(a) (the "**Transferred Employees**") written offers of employment effective on the Closing Date, conditional on completion of the transactions contemplated by this Agreement, on terms and conditions that are in the aggregate no less favorable than the terms and conditions on which such employees are employed immediately before the Closing Date. The Buyer shall recognize the seniority of all Transferred Employees for all employment purposes.

(b) Those employees who are not listed in Schedule 7.1(a) as well as those who decline in writing an offer of employment from the Buyer are herein collectively referred to as the "**Excluded Employees**".

(c) The Buyer shall not assume employee benefit plans or any other plan, program or arrangement of the Seller with respect to the Transferred Employees. The Transferred Employees' employment with the Buyer as of the Closing Date shall be upon such terms and conditions as the Buyer shall determine in its sole discretion, acting reasonably, subject to paragraph 7.1(a) above; provided however that as of the Closing Date, the Buyer shall recognize the period of service of each Transferred Employee for purposes of the Buyer's employee recognition program, vacation pay program and medical and health plans.

(d) The Seller shall provide to the Buyer, as soon as reasonably possible within thirty (30) days following the Closing Date, the records of employment for all Transferred Employees.

(e) The Seller shall be responsible for the severance of all Excluded Employees, including without limitation for all amounts due in salary, bonus and other benefits, as well as all accrued vacation pay up to the Closing Date.

(f) For greater clarity and in any event, the Seller shall remain solely responsible, shall indemnify, defend and save the Buyer harmless, at the Buyer's entire exoneration, for:

Seller	Buyer	Guarantors

(i) obligations and other liabilities arising from or relating to all of the Employees up to the Closing Date, including salary, bonus, vacation pay and other benefits;

(ii) any claim made by any Employees for matters relating to their employment including without limitation, with respect to statutory holidays, salary, bonus, overtime, severance or vacation, and other benefits for the period up to the Closing Date, or relating to the termination of their employment, including wrongful dismissal suits, even if such claim is made after the Closing Date;

(iii) any claim or Taxes by any governmental authorities in respect to any requirements under the Law relating to employment matters or withholdings for the period up to the Closing Date.

7.2 Annual Inspections

On the Closing Date, the Rolling Stock shall have a valid annual safety inspection certificate under the Commercial Vehicle Inspection Program (CVIP).

Should any inspection certificate on any equipment forming part of the Rolling Stock be missing or lapse prior to the Closing Date, the Seller shall, at its cost, have a new inspection completed under the CVIP, in order to obtain the missing certificate or update the expired certificate.

7.3 Agreements with Owner Operators

On the Closing Date, the existing agreements with the Owner Operators will be terminated and the Buyer will enter into new owner operator agreements with the Owner Operators. The Seller shall pay and settle all amounts due to Owner Operators, as set forth in Schedule 4.8(d), no later than January 3rd, 2019.

7.4 Customers

As of the Closing Date, the Seller shall ensure that:

(i) any customers who contact the Seller seeking freight transportation services relating to the Acquired Business are promptly and courteously referred to the Buyer for the period and in accordance with the Non-Competition and Non-Solicitation Agreement; and

(ii) where the Seller has discretion over the selection of a provider of freight transportation services relating to services and routes previously provided by the Acquired Business to customers, the Seller shall refer this business to the Buyer for the period and in accordance with the Non-Competition and Non-Solicitation Agreement.

7.5 Registration

On or immediately following the Closing Date, the Seller and the Buyer shall take all necessary steps to transfer the registration of the Equipment forming part of the Purchased Assets to the name of the Buyer. Any assets which require specific title registration shall be held in trust by the Seller in favour of the Buyer until such title registration takes place.

The Seller and the Buyer will enter into a temporary equipment lease agreement enabling the Buyer to operate the Rolling Stock forming part of the Purchased Assets, until the registration required for the Buyer to legally and validly operate said Rolling Stock is duly issued by Alberta Transportation, thereby ensuring a continuity in the operations of the Acquired Business. The term of the agreement and the rent shall be mutually agreed upon and set forth in the temporary equipment lease agreement.

7.6 Temporary Right to Use Telephone, Fax and Toll-Free Lines and Numbers

For a period of sixty (60) days following the Closing Date, the Seller agrees and undertakes to keep all telephone, fax and toll-free lines and numbers active with its service provider. The Seller hereby grants the Buyer a temporary right to use said telephone, fax and toll-free lines and numbers during the aforementioned sixty (60) day period, and the Buyer hereby agrees to reimburse the Seller for the monthly service and usage charges, invoiced by the Seller's service provider, during said sixty (60) day period. For greater clarity, the Buyer will not be responsible for any additional fees, charges, penalties or other amounts, including without limitation early termination charges.

ARTICLE 8
CLOSING DELIVERABLES

8.1 Seller's Deliverables

Concurrently with the Closing, the Seller shall deliver or shall cause to be delivered the following to the Buyer:

(a) a certified copy of a resolution of the board of directors of the Seller authorizing the execution of this Agreement by the Seller and the performance of its obligations hereunder;

(b) a certificate of status of the Seller;

(c) the possession of the Purchased Assets, including any and all registration certificates duly endorsed for transfer, as well as all books, records and other documentation included in the Purchased Assets;

(d) such other assurances, agreements, documents and instruments as may be reasonably required by the Buyer to complete the transactions provided for in this Agreement.

Seller	Buyer	Guarantors	

8.2 Buyer's Deliverables

Concurrently with the Closing, the Buyer shall deliver the following to the Seller:

(a) a certified copy of a resolution of the board of directors of its general partner authorizing the execution of this Agreement by the Buyer and the performance of its obligations hereunder;

(b) a certificate of status of Tri-Line Carriers GP Inc. and evidence of registration of the Buyer as a limited partnership;

(c) three (3) wire transfers corresponding respectively to the balance of the outstanding debts, the Holdback and the balance of the Purchase Price, in the respective amounts of CAD$•, CAD$320,000 and CAD$•, payable to the Seller's solicitor in trust;

(d) such other assurances, agreements, documents and instruments as may be reasonably required by the Seller to complete the transactions provided for in this Agreement.

8.3 Other Deliveries

Concurrently with the Closing, the parties shall execute and deliver the following:

(a) a non-competition, non-solicitation, non-disparagement and non-disclosure agreement in the form attached hereto as Schedule 8.3(a), executed by the Seller, the Guarantors and the Buyer (the "**Non-Competition and Non-Solicitation Agreement**");

(b) a bill of sale and general conveyance, transferring the tangible personal property included in the Purchased Assets from the Seller to the Buyer, in the form attached hereto as Schedule 8.3(b);

(c) the temporary lease agreement referred to in Section 7.5, in the form attached hereto as Schedule 8.3(c).

ARTICLE 9
GUARANTEE

Each of the Guarantors shall be jointly and severally liable for each and all of the Seller's obligations, undertakings and covenants set forth in this Agreement.

ARTICLE 10
INDEMNIFICATION

For the purpose of this Article 10, "**Indemnified Party**" means a Person whom the Seller, the Buyer or the Guarantors, as the case may be, has agreed to indemnify under Article 10 hereof

Seller	Buyer	Guarantors	

and "**Indemnifying Party**" means, in relation to an Indemnified Party, the party to this Agreement that has agreed to indemnify that Indemnified Party under Article 10.

10.1 Indemnity by Seller and the Guarantors

The Seller and the Guarantors shall indemnify, defend and hold the Buyer harmless in respect of any claim, demand, action, cause of action, damage, loss, cost, liability or expense including reasonable attorneys' fees (hereinafter referred to as an "**Indemnity Claim**") which may be made or brought against the Buyer or which it may suffer or incur as a result of or with respect to:

(a) any material incorrectness in, or breach of, any representation or warranty of the Seller or of the Guarantors contained in this Agreement;

(b) any material breach or non-fulfilment of any obligation, covenant or agreement on the part of the Seller or of the Guarantors under this Agreement; and

(c) the Excluded Assets and Liabilities provided under Section 2.2.

10.2 Indemnity by Buyer

The Buyer shall indemnify, defend and hold the Seller harmless in respect of any Indemnity Claim which may be made or brought against an Indemnified Party or which it may suffer or incur directly or indirectly as a result of in respect of or arising out of:

(a) any material incorrectness in, or breach of, any representation or warranty of the Buyer contained in this Agreement; and

(b) any material breach or non-fulfilment of any obligation, covenant or agreement on the part of the Buyer under this Agreement.

10.3 Notice of Claim

If an Indemnified Party becomes aware of an Indemnity Claim in respect of which indemnification is provided for pursuant to either Section 10.1 or Section 10.2, as the case may be, the Indemnified Party shall promptly give written notice of the Indemnity Claim (a "**Notice of Claim**") to the Indemnifying Party.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive a Notice of Claim in time effectively to contest the determination of any liability susceptible of being contested, then the liability of the Indemnifying Party to the Indemnified Party under this Article 10 shall be reduced by the amount of any losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give such Notice of Claim on a timely basis.

ARTICLE 11
DISPUTE RESOLUTION

Any disputes with respect to the interpretation or performance of the terms of this Agreement shall be resolved in accordance with the provisions of this paragraph.

(a) By negotiation carried out between the parties either directly, or through or with the assistance of such advisers as either may engage.

(b) In default of resolution through negotiation, by mediation or such similar dispute resolution process as the parties may select.

(c) In default of resolution by any mechanism implemented as a result of the previous paragraphs within thirty (30) days of the date upon which notice of the dispute is first given by one party to the other, either party may require arbitration. Proceedings shall be conducted by a single arbitrator if the parties are able to agree upon a selection, and in default thereof by three arbitrators one chosen by the Buyer, one by the Seller and the Guarantors, and the third by the two first selected. The provisions of this paragraph constitute a submission within the meaning of the *Arbitration Act of Alberta* in force at the date hereof and as amended from time to time.

The parties undertake and agree to act promptly, reasonably and in good faith in attempting to resolve disputes pursuant to the provisions of this article. In the event that the dispute is resolved by arbitration, costs shall be in the discretion of the arbitrator, who is hereby directed in his or her award of costs to penalize conduct on the part of any party which is unreasonable, which aggravates the dispute or diminishes or delays the prospect of its expeditious resolution, or which exhibits bad faith. The parties agree that the decision of the arbitrator shall be final and binding upon the parties, and not subject to any further appeals.

ARTICLE 12
GENERAL

12.1 Further Assurances

Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other party may reasonably require, for the purposes of giving effect to this Agreement.

12.2 Expenses, Fees and Taxes

Each party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement.

Seller	Buyer	Guarantors

12.3 Confidentiality

Unless required by Applicable Law or any Governmental Authority having jurisdiction, the parties shall not disclose the existence of this Agreement or its contents to any person other than their own authorized representatives and advisors (who shall be required to hold the same confidential), without the previous written consent of the other party. Each of the parties acknowledges that it shall be fully responsible for any breach of the confidentiality undertaking contained herein by any of its employees, representatives, advisors or consultants. In the event that either of the parties is asked by a Governmental Authority or stock exchange to issue a press release with respect to the signing of this Agreement or the transaction contemplated thereby, it shall: (i) immediately advise the other party; and (ii) use its best efforts to keep confidential the signing of this letter and the transaction contemplated thereby, including, if applicable, through the filing with the regulatory authorities of a confidential material change report.

12.4 Notices

(a) Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or prepaid registered or certified mail, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

If to the Seller:

Hughson Trucking Inc.
118 – 8th Avenue NW
P.O. Box 532
Milk River, Alberta T0K 1M0
Attention: Justin Hughson
Email: justin.hughson@hughsontrucking.com

If to the Guarantors:

Justin Hughson
118 – 8th Avenue NW
P.O. Box 532
Milk River, Alberta T0K 1M0

Darren Hughson
118 – 8th Avenue NW
P.O. Box 149
Milk River, Alberta T0K 1M0

Leroy Hughson
168 Sixmile Common South
Lethbridge, Alberta T1K 5S7

With a copy to (for Seller and Guarantors):

North & Company LLP

Seller	Buyer	Guarantors		

600-220 4th St. S
Lethbridge, Alberta T1J 4J7
Attention: Wayne C. Petersen
Email: wpetersen@north-co.com
Fax: (403) 320-8958

If to the Buyer: **Tri-Line Carriers LP**
235185 Ryan Road
Rocky View, Alberta T1X 0K1
Attention: Scott Talbot
Email: STalbot@contrans.ca
Fax: (519) 421-3399

With a copy to:

TFI International Inc.
500-8801 Trans-Canada Highway
St-Laurent, QC H4S 1Z6
Attention: Legal Department
Email: legal@tfiintl.com
Fax: (514) 337-4200

(b) Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:30 p.m. local time at the place of receipt on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth (5th) Business Day following the mailing thereof, provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

(c) Either party may from time to time change its address under this Section 12.4 by notice to the other party given in the manner provided by this Section 12.4.

12.5 Time of Essence

Time shall be of the essence of this Agreement in all respects.

12.6 Expenses

Each of the parties hereto shall be responsible for the fees and expenses which it incurs in relation to the completion of the transaction provided for herein.

Seller	Buyer	Guarantors

12.7 Successors and Assigns

This Agreement shall enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns. Neither party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other party.

12.8 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signature of a party received by a receiving fax machine as an original signature of the party; provided, however, that a party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

12.9 Independent Legal Advice

Each party to this Agreement acknowledges having been advised to obtain independent legal advice in connection with its entering into this Agreement and the completion of the transactions contemplated hereby. Each party to this Agreement further acknowledges having been provided with a copy of this Agreement, and having been given a reasonable opportunity to obtain such advice prior to its execution.

[SIGNATURE PAGE FOLLOWS.]

Seller	Buyer	Guarantors

IN WITNESS WHEREOF, the undersigned have hereunto set their hands the day and year first above written.

HUGHSON TRUCKING INC.

Per: ______________________
Name: Justin Hughson
Title: President

I have authority to bind the Corporation.

TRI-LINE CARRIERS LP, acting by its general partner TRI-LINE CARRIERS GP INC.

Per: ______________________
Name: Steve Brookshaw
Title: Executive Vice-President

I have authority to bind the general partner on behalf of the partnership.

____
WITNESS

____
JUSTIN HUGHSON

____
WITNESS

____
DARREN HUGHSON

____
WITNESS

____
LEROY HUGHSON

Seller	Buyer	Guarantors		

This is Exhibit "L" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

From: Adam Zanoni [mailto:adam.zanoni@hughsontrucking.com]
Sent: Tuesday, December 4, 2018 2:17 PM
To: Dylan Holwell <dylan.holwell@ca.ey.com>; Justin Hughson <justin.hughson@hughsontrucking.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>
Subject: RE: Requests

Thanks for the note Dylan,

We ar going to send you the stuff as we have it ready so you can begin going through it on your end. Please see attached our current AR listing. Please note that I have highlighted in yellow 2 balances that will not be collected as they will be netted against our AP balances. Everything else should be collectable.
Thanks
Adam

From: Dylan Holwell [mailto:dylan.holwell@ca.ey.com]
Sent: Tuesday, December 4, 2018 1:57 PM
To: Adam Zanoni <adam.zanoni@hughsontrucking.com>; Justin Hughson <justin.hughson@hughsontrucking.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>
Subject: RE: Requests

Hi Adam,

I understand your concerns, but unfortunately this information is required by EYI and ATB in order to make an informed decision. We will get through the information as quickly as we can once it's provided.

Best regards,

Dylan Holwell, CPA | Transaction Advisory Services

Ernst & Young Inc.
Office: +1 403 206 5431 | Dylan.Holwell@ca.ey.com

From: Adam Zanoni [mailto:adam.zanoni@hughsontrucking.com]
Sent: Tuesday, December 4, 2018 12:48 PM
To: Dylan Holwell <dylan.holwell@ca.ey.com>; Justin Hughson <justin.hughson@hughsontrucking.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>
Subject: RE: Requests

Thanks Dylan,

We will get to work on this but some of these items will require some time. My initial question back is: Is all of this needed before you can sign off and authorize the revised Tri Line sale? I ask as if this takes us a day or two to gather and then it takes ATB/EY a couple days to process we may risk losing that deal and with it a guaranteed sale, at FMV plus Goodwill of a large portion of the business which is in no one's interest. Is there a way to get an approval on the sale so it funds and those funds will sit in trust with our lawyer while we get this info for you and you make the required decision.

Thanks and let us know.

From: Dylan Holwell [mailto:dylan.holwell@ca.ey.com]
Sent: Tuesday, December 4, 2018 12:15 PM
To: Justin Hughson <justin.hughson@hughsontrucking.com>; Adam Zanoni <adam.zanoni@hughsontrucking.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>
Subject: Requests

Adam, Justin,

Thanks for your time this morning on our call. In addition to my request for an updated aged A/R subledger, are you also able to provide the following:

- Updated aged A/P subledger
  - If not 100% up to date, please provide the best numbers you have
- Proforma balance sheet (post-closing of the revised transaction)
  - This would be completed based on the estimated fair market value of the remaining assets post-closing (i.e. not based on book value)
    - Please also provide a listing of remaining assets (at FV)
  - Has an appraisal been completed for HTI's equipment, inventory, etc. in evaluating the reasonableness of this offer?
    - If so, please provide
- Summary of how the assets were marketed
  - i.e. what other potential purchasers were approached, was a selling agent engaged or did management market the assets themselves, was a data room established for due diligence and who was in the data room, etc.
- CRA liabilities re: source deductions / payroll remittances
  - Is the CRA able to provide a Notice of Assessment for the amounts owing? If not, are you able to advise on an estimate of the liability?
- ***Workout plan***
  - Workout plan showing step-by-step how HTI would complete an orderly liquidation, including daily cash flow projections in a wind-down scenario
    - Are there any additional borrowing needs to complete an orderly liquidation? Or is the orderly liquidation to be funded by collection of A/R
    - Any severance to be paid to employees and quantum thereof upon ceasing operations?
    - If the revised APA is executed, are proceeds first used to settle CRA liabilities with net proceeds to ATB?

ATB and EYI require the above items before a decision can be made, so once you've had a chance to review, are you able to advising on the timing to provide these items?

Please let me know if you have any questions.

Thanks,

Dylan Holwell, CPA | Transaction Advisory Services

Ernst & Young Inc.
Calgary City Centre
2200, 215 2nd Street SW, Calgary, Alberta T2P 1M4
Office: +1 403 206 5431 Dylan.Holwell@ca.ey.com
Website: http://www.ey.com/ca

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou

ACCOUNTS RECEIVABLE AGING as of 12/4/2018
ALL COMPANIES

ACCT: %
NOT POSTED

BILL NUMBER	BALANCE	0 - 30	31 - 60	61 - 90	91 - 120	121+
CANADIAN DOLLARS						
543077 ALBERTA LTD (SILI01)	4,657.78	2,376.55	2,281.23	0.00	0.00	0.00
BORDERTOWN AUTO BODY (BORD02)	42.94	42.94	0.00	0.00	0.00	0.00
CAN LAVA MINING CORP. (CANL02)	325,576.95	175,699.37	147,809.21	0.00	0.00	2,068.37
CANADIAN FOREST PRODUCTS (CANF01)	4,316.81	4,316.81	0.00	0.00	0.00	0.00
CANOE FOREST PRODUCTS (CANO01)	6,812.41	6,812.41	0.00	0.00	0.00	0.00
CASH CUSTOMER (CASH01)	4,475.16	425.00	719.25	89.25	1,233.75	2,007.91
CERTARUS LTD. (CERL01)	8,063.07	0.00	8,063.07	0.00	0.00	0.00
COEUR SILVERTIP HOLDINGS LTD (JDSS01)	51,834.00	42,039.60	9,794.40	0.00	0.00	0.00
COEUR SILVERTIP HOLDINGS LTD. (JDSS04)	109,496.63	97,916.28	11,580.35	0.00	0.00	0.00
CORNINE COMMODITIES (CORN19)	2,319.96	2,319.96	0.00	0.00	0.00	0.00
CRYOPEAK LNG SOLUTIONS CORP. (CRYO01)	33,000.00	21,000.00	12,000.00	0.00	0.00	0.00
CRYSTAL GLASS CANADA LTD. (CRYS01)	128.85	91.27	37.58	0.00	0.00	0.00
DAVIS BUICK GMC LTD. (DAVI08)	473.48	105.22	187.88	180.38	0.00	0.00
DECKER LAKE FOREST PRODUCTS (DECK02)	1,942.50	1,942.50	0.00	0.00	0.00	0.00
DUNLOP FORD SALES LTD. (DUNL03)	32.21	32.21	0.00	0.00	0.00	0.00
DUNLOP WESTERN STAR TRUCK CENTER LTD (DUNL02)	2,996.61	0.00	0.00	1,207.83	1,788.78	0.00
HILLBILLY TRANSPORT LTD (HILT01)	3,400.00	0.00	3,400.00	0.00	0.00	0.00
HUGHSON TRUCKING INC. (HUGH02)	5,770.31	38.65	327.47	462.74	488.50	4,452.95
HUMIC GROWTH SOLUTIONS INC. (HUMI02)	7,700.00	7,700.00	0.00	0.00	0.00	0.00
IKO INDUSTRIES LTD. (IKON01)	16,897.76	16,479.10	0.00	0.00	418.66	0.00
MAGNUM FOREST PRODUCTS LTD (MAGN06)	1,470.00	1,470.00	0.00	0.00	0.00	0.00
MCILVEEN LUMBER IND (MCIL01)	2,868.60	2,868.60	0.00	0.00	0.00	0.00
MILK RIVER FARM SUPPLY (MILK10)	21.47	21.47	0.00	0.00	0.00	0.00
MOUNTAIN VIEW GROUP (MOUN06)	70,437.28	77,642.50	0.00	0.00	-5,799.00	-1,406.22
NAVCOR TRANSPORTATION SERVICES INC. (NAVC01)	2,550.00	2,550.00	0.00	0.00	0.00	0.00
NOBLE'S HEAVY DUTY & AG REPAIR (NOBL01)	557.44	0.00	514.50	42.94	0.00	0.00
NORBORD INC (AINS02)	1,664.12	1,664.12	0.00	0.00	0.00	0.00
NORTHLANDS FOREST PRODUCTS (NORT14)	1,496.25	1,496.25	0.00	0.00	0.00	0.00
NORTHSTAR FLUILDS SOLUTIONS (NORT54)	54,643.67	47,622.35	7,021.32	0.00	0.00	0.00
OVERLAND CONTAINER TRANSPORTATION (OVEC01)	2,740.30	2,740.30	0.00	0.00	0.00	0.00
PRECON MANUFACTURING LTD. (PREC05)	45,563.95	39,775.66	5,788.29	0.00	0.00	0.00
RICHARDSON PIONEER LTD. (RICH32)	1,759.97	1,759.97	0.00	0.00	0.00	0.00
ROOFMART ALBERTA INC. (ROOF12)	892.50	0.00	892.50	0.00	0.00	0.00
SAAL PAVING LTD (SAAP01)	32,098.50	0.00	32,098.50	0.00	0.00	0.00
SCHLUMBERGER CANADA LIMITED (SCHL01)	8,388.68	0.00	0.00	0.00	8,388.68	0.00
SEVEN GENERATIONS ENERGY (SEVE01)	656,208.00	656,208.00	0.00	0.00	0.00	0.00
SKANA FOREST PRODUCTS LTD. (SKAN01)	5,670.00	5,670.00	0.00	0.00	0.00	0.00
SOURCE ENERGY SERVICES (SAND06)	174,692.71	105,611.04	69,081.67	0.00	0.00	0.00
SURE CROP FEEDS (SURE08)	3,331.28	3,331.28	0.00	0.00	0.00	0.00
TAIGA BUILDING PRODUCTS (CAD) (TAIG01)	11,222.66	9,397.50	1,825.16	0.00	0.00	0.00
TALON DISTRIBUTION LTD (TALO01)	0.00	0.00	0.00	0.00	0.00	0.00
TECK METALS LTD - TRAIL OPERATION (TECR01)	3,688.81	1,841.33	1,847.48	0.00	0.00	0.00
TECK METALS LTD. (TECM01)	15,924.84	3,080.70	6,081.87	4,901.56	1,860.71	0.00
TOLKO MARKETING AND SALES LTD. (TOLK01)	10,272.15	10,272.15	0.00	0.00	0.00	0.00
TRANS PACIFIC TRADING LTD (TRAP02)	892.50	0.00	892.50	0.00	0.00	0.00
TRANS-LOGIC TRANSPORTATION SERVICES (TRAN03)	1,200.00	1,200.00	0.00	0.00	0.00	0.00
TRI - LINE CARRIERS LP (TRIL03)	-1,335.99	2,948.76	-4,284.75	0.00	0.00	0.00
TROUW NUTRITION CANADA INC. (HIPR02)	58,025.81	31,865.55	26,160.26	0.00	0.00	0.00
WAYFINDER CORP. (WAYC01)	10,167.23	10,167.23	0.00	0.00	0.00	0.00
WEST FRASER LVL (WESF01)	33,240.90	29,047.20	1,305.15	2,888.55	0.00	0.00
WEST FRASER MILLS LTD. (WEST06)	7,026.11	7,026.11	0.00	0.00	0.00	0.00

WESTAQUA COMMODITY GROUP LTD. (WESC02)	10,078.87	3,860.07	6,218.80	0.00	0.00	0.00
WESTCAN BULK TRANSPORT (WESTC08)	199,956.72	48,345.30	2,827.76	0.00	0.00	148,783.66
WESTWOLD VIEW FARMS LTD (WESV01)	7,216.46	3,163.17	2,179.17	1,874.12	0.00	0.00
WILBUR-ELLIS COMPANY OF CANADA (WILB01)	26,998.12	18,390.03	8,608.09	0.00	0.00	0.00
WINDY ACRES HOLDINGS LTD (WIND25)	2,953.54	2,953.54	0.00	0.00	0.00	0.00
ZAVISHA SAWMILLS LTD. (ZAVI02)	2,600.00	2,600.00	0.00	0.00	0.00	0.00
TOTAL: CAD	2,057,120.88	1,515,928.05	365,258.71	11,647.37	8,380.08	155,906.67
US DOLLARS						
CIG LOGISTICS (CIG01)	29,965.00	0.00	0.00	0.00	0.00	29,965.00
JAMES HARDIE (JAMES01)	47,992.01	25,834.59	18,288.83	3,868.59	0.00	0.00
K2 STONE MONTANA LLC (K2ST02)	550.00	0.00	550.00	0.00	0.00	0.00
TOLKO MARKETING AND SALES LTD. (TOLK01)	2,070.00	2,070.00	0.00	0.00	0.00	0.00
WEYERHAEUSER NR COMPANY (PLUM05)	2,607.10	2,607.10	0.00	0.00	0.00	0.00
TOTAL: USD	83,184.11	30,511.69	18,838.83	3,868.59	0.00	29,965.00

This is Exhibit "M" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

From: Catherine Swartz [mailto:cswartz@atb.com]
Sent: Wednesday, December 5, 2018 8:34 AM
To: Peter Chisholm <peter.chisholm@ca.ey.com>; Dylan Holwell <dylan.holwell@ca.ey.com>
Subject: Fwd: Action Plan

Good morning,

Information from Justin regarding Hughson's wind down.

Catherine Swartz
Senior Manager Specialized Financing
Turnaround Assistance Group (TAG)

Mobile 587-876-6958

atb.com

---------- Forwarded message ---------
From: **Todd Giesbrecht** <tgiesbrecht2@atb.com>
Date: Tue, Dec 4, 2018 at 9:47 PM
Subject: Fwd: Action Plan
To: Catherine Swartz <cswartz@atb.com>
Cc: Justin Hughson <justin.hughson@hughsontrucking.com>

---------- Forwarded message ---------
From: **Justin Hughson** <justin.hughson@hughsontrucking.com>
Date: Tue, Dec 4, 2018 at 8:55 PM
Subject: Action Plan
To: Todd Giesbrecht <tgiesbrecht2@atb.com>
CC: Adam Zanoni <adam.zanoni@hughsontrucking.com>

Todd, please forward to Catherine as I don’t have her email. Thanks again for everything.

Justin Hughson

Chief Executive Officer

Hughson Trucking Inc.

Cell: 403-315-0840

Direct: 587-287-4176c

Toll Free: 800-647-7995 ext. 1223

justin@hughsontrucking.com

--

Todd Giesbrecht, B.Mgmt
Relationship Manager
Business and Ag

Mobile 403-715-8314
601 Mayor Magrath Dr S
Lethbridge, AB T1J 4M5
atb.com

For administrative assistance please contact:

Shirley Akitt
Account Officer
Business & Agriculture

Office 403-382-4440/ Fax 403- 327-3799
601 Mayor Magrath Drive South
Lethbridge, Alberta T1J 4M5
atb.com

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx

If you would like to unsubscribe from our updates, please use this URL - http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx

HUGHSON TRUCKING INC.
P.O. Box 149   Milk River, AB   T0K 1M0   Phone: (403) 647-2244   Fax: (403) 647-3934
www.hughsontrucking.com

HTI Orderly Liquidation Plan

December 04th, 2018

To: Dylan Holwell

Ernst and Young Inc.

Good Afternoon,

To facilitate an orderly liquidation of the assets of Hughson Trucking Inc. I propose the following action plan. A cash flow projection will be forwarded in short order that will provide best estimations of the financial results of the action plan. Simply put an orderly liquidation carried out without a trustee will result in the highest return on asset values and provide the most value to secured creditors, unsecured creditors, and shareholders.

1. Declare cessation of HTI normal trucking operations effective Friday, Dec 7 2018.
2. Tri-Line proceeds have been forwarded in trust to North and Co. Proceeds of this transaction will serve to fund a significant portion of this liquidation. Fair market values have been realized along with a goodwill payment for customer lists.
3. Formally request ATB to provide required closing documents.
4. Mitigate/minimize all operating costs. Closing the Tri-Line transaction is key to facilitating the ceasing of operations. As the transition of normal operations is conditional to the close and subsequent funding. In essence we have to close this deal to cease operations.
5. Finalize the second part of the Tri-Line deal that has been negotiated. Tri-Line is forced to deal in good faith as they require, as per the APA to rent HTI licensing for up to 30 days. The likely proceeds of this negotiation are:
    a. Severance subsidization
    b. Purchase of Milk River parts inventory
    c. Purchase of flatdeck inventory
6. Fund wind down with operating from partial utilization of Tri-Line proceeds and A/R collection – Please review cash flow
7. Request direction to pay from the ATB as agreed to following review and approval of wind down cash flow projections
8. Pay CRA as required
9. Pay ATB as directed
10. Notify all unsecured creditors that operations have ceased, and liquidation proceedings have started. No payments will be scheduled until completion of liquidation.
11. Retain limited staff to facilitate orderly liquidation (Staff of 5 down to what is required after equipment prep)
12. Terminate balance of staff on Dec 7, 2018

13. Make required payroll Dec 7/21st
    a. Scheduled Seven Generation Payment on Dec 7 of $382,000
14. Contact Lease companies with asset liquidation plan. Convince them of the security of their asset, and the value of a larger sale. Need to suspend all payments.
15. Market to fleet/industry contacts equipment and Sexsmith parts inventory
16. Ritchie Bros has been contacted, other liquidation markets will as well for a comprehensive appraisal/guarantee/sale: Target 30-60 Days to market the sale
17. Post sale, review proceeds and distribute to:
    a. Any remaining secured creditors
    b. All unsecured creditors – pro rata

Justin Hughson
Chief Executive Officer
Hughson Trucking Inc.

This is Exhibit "N" referred to in the Affidavit of Rehman Mulji, sworn before me this 14th day of December 2018

A Commissioner of Oaths in and for Alberta

MATTHEW J. SUMMERS
Barrister & Solicitor

From: Dylan Holwell
Sent: Tuesday, December 11, 2018 11:37 AM
To: Peter Chisholm <peter.chisholm@ca.ey.com>
Subject: FW: Requested Info

Dylan Holwell, CPA | Transaction Advisory Services

Ernst & Young Inc.
Office: +1 403 206 5431 | Dylan.Holwell@ca.ey.com

From: Adam Zanoni [mailto:adam.zanoni@hughsontrucking.com]
Sent: Monday, December 10, 2018 8:08 AM
To: Dylan Holwell <dylan.holwell@ca.ey.com>
Cc: Justin Hughson <justin.hughson@hughsontrucking.com>
Subject: Requested Info

Good Morning Dylan,

Hope you had a good weekend. Please see attached the info that you requested with some notes below. Our controller is working on finalizing the GST filings so once I get the final figures there I will pass them along. As well, please ensure that you include Justin on all future communications as in an effort to reduce costs going forward my role and tim are being reduced significantly but please still CCC me on items. Thanks and let us know if you have any questions.

File 1-Post fund Balance sheet- This was done with the recorded info as of Dec 7. For the assets I only included "cash" items, or items that could be liquidated into cash as that is all that is relevant in our liquidation situation. So gravel inventory, TMW licenses, WCB refunds were not included. I have included comments in the cells to provide some additional info to help understand the balances. Inventory and CRA remittances I have attached separate documents as back up for these figures.   For the net equity on capital assets, I have included additional tabs with the breakdown of this equipment as was requested.

Fil 2- Payroll Summary to Nov 23- This provides a breakdown of every employees pay to Nov 23 2018 with a total at the bottom. In the grand total section starting at row 5001, I have highlighted the CRA remittance items in red and done a reconciliation to show where I came up with the $1.56M amount owing, which includes an assumed amount for penalties.

File 3-Inventory Dec 7- This provides a break down of the remaining inventory, less gravel after the close of Tri Line sale. It should be noted that the inventory sale to Tri line would include the inventory on the Trailer Tab for the flat decks plus the MR parts inventory.

Final item they requested was in regards to not seeing any insurance payments in the cash flow. That are correct in that I did not include any, the goal in this wind down period and the cash flow is to have the minimal cash outflows to any unsecured vendors unless absolutely necessary. So the hope or plan is to not pay insurance but we will have to wait to see how long our provider will allow us to do this for.

I think this should be everything. Let us know if we missed anything.
Thanks
Adam

TAB 2

Inventory List Summary

Shop Parts	$	670,340.58
Truck Inventory	$	472,459.50
Trailer Inventory	$	138,993.70
Safety Inventory	$	-
Total	**$**	**1,281,793.78**

144	KENWORTH	W900	1981		MILK RIVER BIG HORN	$	8,699.19
213	PETERBILT		1985		MILK RIVER	$	8,699.19
240	PETERBILT		2000	1XP5DB9X6YD515397	MILK RIVER	$	8,699.19
241	PETERBILT		1986	1XP9DB9X4GP196189	MILK RIVER	$	8,699.19
253	PETERBILT		1989		MILK RIVER	$	8,699.19
254	FREIGHTLINER		1997		MILK RIVER	$	8,699.19
261	Kenworth		2000	1XKWDB9X9YJ958980	L	$	1,500.00
284	PETERBILT	CONVENTIONAL	2006	1XP5DB9X87D658334	MILK RIVER	$	8,699.19
303	KENWORTH	T800	1994	2XKDDB9X4RM933812	MILK RIVER	$	8,699.19
371	INTERNATIONAL		2013	3HSCXSJR4DN115612	MILK RIVER	$	8,699.19
376	PETERBILT	PETERBILT 388	2013	1XPWDP9X4DD212257	MILK RIVER	$	8,699.19
382	PETERBILT	Peterbilt 388	2014	1XPWDP9X3ED230816	GP	$	8,699.19
385	PETERBILT	Peterbilt 388	2014	1XPWDP9X9ED230819	GP	$	8,699.19
391	PETERBILT	Peterbilt 388	2014	1XPWDP9X4ED230825	GP	$	8,699.19
392	INTERNATIONAL		2015	3HSDMAPR3FN658418		$	8,699.19
393	INTERNATIONAL		2015	3HSDMAPR5FN658419		$	8,699.19
394	INTERNATIONAL		2015	3HSDMAPR1FN658420		$	8,699.19
395	INTERNATIONAL		2015	3HSDMAPR3FN658421		$	8,699.19
397	INTERNATIONAL		2015	3HSDMAPR3FN658423		$	8,699.19
398	INTERNATIONAL		2015	3HSDMAPR3FN658424		$	8,699.19
399	INTERNATIONAL		2015	3HSDMAPR3FN658425		$	8,699.19
400	INTERNATIONAL		2015	3HSDMAPR3FN658426		$	8,699.19
401	INTERNATIONAL		2015	3HSDMAPR3FN658427		$	8,699.19
405	KENWORTH		2003	1XKDDB9X43J970454		$	8,699.19
406	KENWORTH		2003	1XKDDB9X63J970455		$	8,699.19
407	KENWORTH		2005	1XKDDB0X35R978904		$	8,699.19
408	KENWORTH		2005	1XKDDB0X55R978905		$	8,699.19
411	KENWORTH		2012	1XKDD40X8CJ951267		$	8,699.19
412	KENWORTH		2012	1XKDD40XXCJ951268		$	8,699.19
416	WESTERN STAR	4900FA	2016	5KJJAED19GPGW0689		$	8,699.19
417	WESTERN STAR	4900FA	2016	5KJJAED15GPGW0690		$	8,699.19
418	WESTERN STAR	4900FA	2016	5KJJAED15GPGW2861		$	8,699.19
420	WESTERN STAR	4900FA	2016	5KJJAED19GPGW3267		$	8,699.19
421	WESTERN STAR	4900FA	2016	5KJJAED10GPGW3268		$	8,699.19
422	WESTERN STAR	4900FA	2016	5KJJAED17GPGW2862		$	8,699.19
423	WESTERN STAR	4900FA	2016	5KJJAED12GPGW3269		$	8,699.19
424	WESTERN STAR	4900FA	2016	5KJJAED17GPGW3252		$	8,699.19
426	WESTERN STAR	4900FA	2016	5KJJAED15GPGS2036		$	8,699.19
427	WESTERN STAR	4900FA	2016	5KJJAED18GPGW3289		$	8,699.19
428	WESTERN STAR	4900FA	2016	5KJJAED14GPGS2514		$	8,699.19
429	WESTERN STAR	4900FA	2016	5KJJAED16GPGS2515		$	8,699.19
430	WESTERN STAR	4900FA	2016	5KJJAED18GPGS2516		$	8,699.19
431	WESTERN STAR	4900FA	2016	5KJJAED17GPGS2037		$	8,699.19
432	WESTERN STAR	4900FA	2016	5KJJAED14GPGW3290		$	8,699.19
442	Western Star		2012	5KJJALBG1CPBM6907	L	$	8,699.19
454	WESTERN STAR	4900SB	2015	5KKPALD10FPGB2258		$	8,699.19
468	VOLVO		2015	1M1AN07Y2GM022036	L	$	8,699.19
484	Western Star	4900FS	2018	5KJJAED14KPKL9968		$	8,699.19

488	Western Star	4900FS	2018	5KJJAED18KPKL9973	$ 8,699.19
489	Western Star	4900FS	2018	5KJJAEDIXKPKL9974	$ 8,699.19
501	Peterbilt	389SH	2019	1XPXD49X1KD602605	$ 8,699.19
463	Kenworth		2007	1XKDDB9X87J930139	$ 1,500.00
464	International		2013	3HSDLSMR0DN092695	$ 1,500.00
468	Kenworth		2008	1KDDB0X48R937136	$ 1,500.00
470	Kenworth		2008	1XKWD40XX8R937145	$ 1,500.00
471	VOLVO		2006	4V4NC9TK36N427929	$ 1,500.00
473	VOLVO		2008	4V4NC9KJ58N486458	$ 1,500.00
474	International		2007	2HSCHSCT37C445432	$ 1,500.00
476	Kenworth		2011	1XKDD40X4BJ946694	$ 1,500.00
478	Kenworth		2010	1XKDDB0X4AJ942678	$ 1,500.00
479	Freightliner		2018	3AKJGND18JDJS5653	$ 1,500.00
491	Peterbilt		2018	1XPBDPX2JD462915	$ 1,500.00
492	Kenworth		2005	1XKWD49X65J980619	$ 1,500.00
[illegible]	Western Star		2012	5KJJAEBG9CPBW7094	$ 1,500.00
496	Volvo		2018	4V4NC9E3N999144	$ 1,500.00
499	Kenwoth		2019	1XKDD40XXKJ997650	$ 1,500.00
503	Kenworth		2007	1XKDDB0X27R998435	$ 1,500.00
504	Mack		2015	1M1AN07Y4FM020691	$ 1,500.00
505	Kenworh		2019	1XKDD40XXKJ997651	$ 1,500.00
506	Kenworth		2011	1XKDDBOX5BJ9477549	$ 1,500.00
507	Kenworth		2018	1XKDD40X1JJ991445	$ 1,500.00
508	Kenworth		2018	1XKDDPOX6JJ989868	$ 1,500.00
509	VOLVO		2016	4V4NC9KL6GN951491	$ 1,500.00
510	International		2013	3HSDLSMR3DN627521	$ 1,500.00
51[illegible]	Kenworth		2015	1XKDD40X5FR975077	$ 1,500.00
TOTAL					$ 472,459.50

Nov 2018- Trailer Inventory Listing

124	FONTAINE	53STEPTRI	13N25330591549073	**4107.94**
134	TALBERT	HEAVY HAUL	40FSK694281028834	**1875.38**
222	LODE KING	SBFLAT	2LDPF3232EJ058371	**3912.07**
223	LODE KING	SBFLAT	2LDPF3234EJ058369	**3912.07**
228	LODE KING	SBFLAT	2LDPF3236FJ059783	**3912.07**
229	LODE KING	SBFLAT	2LDPF323XFJ059527	**3912.07**
244	LODE KING	SBFLAT	2LDPF3234FJ060155	**3912.07**
245	LODE KING	SBFLAT	2LDPF3238FJ060157	**3912.07**
246	LODE KING	SBFLAT	2LDPF3231FJ060159	**3912.07**
247	LODE KING	SBFLAT	2LDPF3233FJ060163	**3912.07**
248	LODE KING	SBFLAT	2LDPF323XFJ060161	**3912.07**
259	LODE KING	SBFLAT	2LDPF3239GJ061271	**3912.07**
260	LODE KING	SBFLAT	2LDPF3232GJ061273	**3912.07**
261	LODE KING	SBFLAT	2LDPF3236GJ061275	**3912.07**
262	LODE KING	SBFLAT	2LDPF323XGJ061277	**3912.07**
263	LODE KING	SBFLAT	2LDPF3233GJ061279	**3912.07**
264	LODE KING	SBFLAT	2LDPF3231GJ061281	**3912.07**
265	LODE KING	SBFLAT	2LDPF3235GJ061283	**3912.07**
267	LODE KING	SBFLAT	2LDPF3232GJ061287	**3912.07**
268	LODE KING	SBFLAT	2LDPF3236GJ061289	**3912.07**
269	LODE KING	SBFLAT	2LDPF3234GJ061291	**3912.07**
270	LODE KING	SBFLAT	2LDPF3230GJ061613	**3912.07**
271	LODE KING	SBFLAT	2LDPF3237GJ061611	**3912.07**
272	LODE KING	SBFLAT	2LDPF3234GJ061615	**3912.07**
273	LODE KING	SBFLAT	2LDPF3238GJ061617	**3912.07**
274	LODE KING	SBFLAT	2LDPF3231GJ061619	**3912.07**
275	LODE KING	SBFLAT	2LDPF3235FJ060715	**3912.07**
287	LODE KING	SBFLAT	2LDPF3239JJ064825	**3912.07**
288	LODE KING	SBFLAT	2LDPF3235JJ064823	**3912.07**
289	LODE KING	SBFLAT	2LDPF3231JJ064821	**3912.07**
300	LODE KING	SBFLAT	2LDPF3234KJ065687	**3912.07**
301	LODE KING	SBFLAT	2LDPF3238KJ065689	**3912.07**
302	LODE KING	SBFLAT	2LDPF3236KJ065691	**3912.07**
303	LODE KING	SBFLAT	2LDPF323XKJ065693	**3912.07**
304	LODE KING	SBFLAT	2LDPF3233KJ065695	**3912.07**
305	LODE KING	SBFLAT	2LDPF3237KJ065697	**3912.07**
Total				**138,993.70**

HUGHSON

TRUCKING INC.

NEW TRACTOR INVENTORY LIST

QTY	ITEM	Value	Total
1	CURRENT BINDER & FUEL CARDS	25	$ 25.00
1	5TH WHEEL PIN PULLER	23.93	$ 23.93
1	STRAP LOAD BAR	39.92	$ 39.92
1	STRAP WINDER	8.27	$ 8.27
1	FIRST AID KIT	14.97	$ 14.97
1	TRIANGLE KIT	13.88	$ 13.88
1	5lb FIRE EXTINGUISHER	50	$ 50.00
2	WIDE LOAD SIGNS	25	$ 50.00
8	FLAGS	6.18	$ 49.44
4	AMBER MAGNIETIC FLASHING LIGHTS	49.31	$ 197.24
4	RED MAGNETIC FLASHING LIGHTS	49.31	$ 197.24
1	MCP200 SATELLITE, KEYBOARD, AND SCANNER	3828.24	$ 3,828.24
2	TIRE CHAIN RACKS	150	$ 300.00
4	TRIPLE TIRE CHAINS	591.95	$ 2,367.80
2	SINGLE TIRE CHAINS	375.9	$ 751.80
2	BUG SCREEN & WINTER FRONT	90.73	$ 181.46
1	RADIO	600	$ 600.00

$ 8,699.19

HUGHSON TRUCKING INC.

TRAILER INVENTORY

Super B Deck

		Value	Total
25	4" load straps	11.83	$ 295.75
60	bungy straps	1.28	$ 76.80
14	8' Corner Boards	12	$ 168.00
4	8' Tarps	738.18	$ 2,952.72
40	Plastic Corners	4.37	$ 174.80
2	Chains and Boomers	100	$ 200.00
2	2" Rachet straps	12	$ 24.00
2	8 Foot 4x4 (Precon)	10	$ 20.00
			$ 3,912.07

Step Deck

20	4" load straps	11.83	$ 236.60
50	bungy straps	1.28	$ 64.00
12	8' Corner Boards	12	$ 144.00
3	8' Tarps	738.18	$ 2,214.54
40	Plastic Corners	4.37	$ 174.80
4	Chains and Boomers	100	$ 400.00
2	2" Rachet straps	12	$ 24.00
2	Load Levelers	400	$ 800.00
5	8 Foot 4x4 (Reels)	10	$ 50.00
			$ 4,107.94

Parts Inventory Summary

Milk River	$	385,015.13
Sexsmith	$	249,931.35
Mine	$	21,967.10
Telebelt Trailers		$13,427.00
Total	**$**	**670,340.58**