



COURT FILE NUMBER

1301-07419

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

TAKODA RESOURCES INC.

DEFENDANT

IMPACT 2000 INC.

DOCUMENT

APPLICATION

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Gowling Lafleur Henderson LLP
1400, 700 2nd Street SW
Calgary, AB T2P 4V5
Telephone (403) 298-1000
Facsimile (403) 695-3595
File No. A131510

Attention: Jeffrey Oliver

NOTICE TO RESPONDENT:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: June 20, 2013

Time: 10:00am

Where: Calgary Courts Centre

Before Whom: The Honourable Madam Justice Horner - Commercial
List

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

- (a) Orders substantially in the form attached hereto as Schedules “A” (appointing Alvarez & Marsal Canada Inc. as Receiver of Impact 2000 Inc. (“**Impact**”)) and “B” (approving the sale of equipment owned by Impact to Takoda Resources Inc. (“**Takoda**”) and vesting the equipment in Takoda), respectively;
- (b) Costs of the application on a solicitor and client basis; and
- (c) Such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

Background

- 2. Impact is a corporation incorporated pursuant to the laws of Alberta. Michael Wolowich (“**Wolowich**”) is the sole director of Impact.
- 3. Impact’s core business consisted of: (a) providing front end seismic consulting services to oil and gas exploration companies; (b) seismic data collection and marketing; and (c) entering into short term rental agreements for seismic related equipment.
- 4. Takoda is in the business of oilfield services, seismic data acquisition and sales, equipment rental and other related services.
- 5. On November 2, 2012, Impact filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as am (“**BIA**”) in Court File No. 25-094321 (the “**Proposal Proceedings**”). Alvarez & Marsal Canada Inc. was appointed as the Proposal Trustee (the “**Proposal Trustee**”).
- 6. During the course of the Proposal Proceedings, Impact was granted six extensions of time to file its proposal.
- 7. Impact’s senior secured creditor at the time of the commencement of the Proposal Proceedings was Canadian Western Bank (“**CWB**”). Impact granted to and in favour of CWB various facility agreements, promissory notes, security and guarantees (the “**Security and Loan Agreements**”).
- 8. On April 11, 2013, Full Circle Funding, LP made a purchase proposal to the CWB to acquire all loans and other obligations owed by Impact to CWB and all security held by CWB by way of an assignment. Full Circle Funding, LP is an affiliate of Full Circle Capital Corporation, which wholly owns FC Takoda Holdings, LLC, a Delaware limited liability company. FC Takoda Holdings, LLC wholly owns Takoda.
- 9. Full Circle Capital Corporation is a publically traded Maryland corporation with an office in Rye Brook, New York. Full Circle Funding, LP is private Delaware limited

partnership. FC Takoda Holdings, LLC provided the sole funding for the purchase of CWB's security, described below.

10. Wolowich is a Director and employee of Takoda, and Wolowich's spouse, Patty Wolowich, is a minority shareholder of Takoda. Patty Wolowich is also a consultant to Takoda pursuant to consulting agreement with Takoda.
11. Pursuant to an Assignment Agreement dated April 15, 2013, CWB transferred and assigned all of its rights, benefits, obligations, liabilities in connection with the Security and Loan Agreements to Takoda.
12. Following the execution of the Assignment Agreement, Takoda and Impact requested that the Proposal Trustee obtain an updated appraisal of Impact's assets and solicit auction bids with respect to its equipment, for the purpose of assessing whether it would sponsor a proposal by Impact to its unsecured creditors.
13. In order to allow Takoda time to make this determination, a final extension was granted by the Honourable Mr. Justice Hawco until May 2, 2013, the last day under the 180 day limitation under the BIA for a proposal to be filed ("**Final Extension Order**").
14. Based upon the appraisals obtained by the Proposal Trustee, Takoda concluded there was insufficient value in Impact's assets to warrant sponsoring a proposal by Impact. As a result, Impact did not file a proposal in accordance with the Final Extension Order and was assigned into bankruptcy as of May 3, 2013. Alvarez & Marsal Canada Inc. became the Trustee in Bankruptcy (the "**Trustee**").

Attempted Section 62 Foreclosure

15. On May 3, 2013, Takoda served various parties with a Notice of Proposal to Retain Collateral pursuant to section 62 of the Alberta *Personal Property Security Act*, RSA 2000, c P-7 (the "**Section 62 Notices**").
16. On May 9, 2013, counsel to Takoda was served with a Notice of Objection by Welclean Land Services Ltd. ("**Welclean**"), a judgment creditor of Impact. Welclean's objection is based upon, among other things, its view that the seismic data owned by Impact (the "**Seismic Data**") has value that renders the value of Impact's assets near or in excess of Takoda's secured claim.
17. In its Report on the Trustee's Preliminary Administration dated May 21, 2013, the Trustee states that based on the information available to it, the Trustee does not believe there is any equity in the property over the secured claim of Takoda and therefore does not object to Takoda's Section 62 Notice and recommends that the property be released to Takoda.
18. As a result of the Notice of Objection served by Welclean, Takoda could not complete the process contemplated by the Section 62 Notices in the absence of a hearing. Rather than proceeding with the Section 62 process, which does not permit the Seismic Data to be sold or dealt with separate and apart from the Equipment, Takoda is seeking the

appointment of a Receiver to facilitate a transfer of the Equipment to Takoda and a Court-supervised sale of the Seismic Data. By proceeding in this fashion, the market will be tested to determine if there is any value in the Seismic Data.

19. As of June 13, 2013, Impact is indebted to Takoda pursuant to the Security and Loan Agreements in the total amount of \$1,417,889.80.

The Equipment

20. The Proposal Trustee obtained two appraisals of the Equipment.
21. As a secured creditor of Impact, Takoda intends to bid \$1,150,000.00 of its secured indebtedness against Impact in order to acquire the Equipment, pursuant to the terms and conditions of a proposed Asset Purchase Agreement (“APA”).
22. The credit bid proposed by Takoda is in excess of the appraised Forced Liquidation Value amounts contained in the two appraisals by \$462,635.00 and \$198,500, respectively. In the circumstances, Takoda would rather acquire the Equipment for use in its day to day business, in exchange for a reduction in its secured indebtedness against Impact, even in excess of the Forced Liquidation Value of the Equipment, rather than collect proceeds of sale from the Equipment.
23. Further, Takoda has made arrangements to rent the Equipment to various customers, and therefore Takoda urgently requires the Equipment to fulfill its obligations under such arrangements. The objection of Welclean to the Section 62 Notices has already resulted in a significant delay in Takoda acquiring the Equipment for this purpose.
24. A formal sales process will add time, cost and unnecessary delay to this process, and the value of the assets will further depreciate as time passes. Based on the value of the Equipment as described in the appraisals, it does not appear likely that a third party will pay an amount for the Equipment in excess of Takoda’s credit bid.
25. Therefore, Takoda is seeking the approval of this Honourable Court to allow it to purchase the Equipment immediately in accordance with the APA.

Seismic Data

26. The Proposal Trustee has not obtained appraisals of the Seismic Data. Therefore, Takoda requests that the Receiver sell the Seismic Data through a sales process. At the conclusion of that process, it will be apparent whether there is any value to the Seismic Data.
27. Because of cash flow problems of Impact in August 2012, an agreement was reached between Impact and Devon NEC Corporation (“**Devon**”) whereby Devon would make early payments to Impact owed pursuant to a Licensing Contract requiring periodic payments in consideration for a non-exclusive licence to use the Seismic Data, in exchange for a 50% ownership interest in the Seismic Data. Further, the transfer was out of the ordinary course of business and neither Impact nor Devon sought or obtained the

consent of CWB to such transaction, notwithstanding that the security interests created by the Security and Loan Agreements attached and continues to attach to the Seismic Data. On June 12, 2013, Takoda registered a financing change statement naming Devon as additional debtor in order to protect its security interests in that portion of the Seismic Data transferred to Devon.

28. The transfer of a 50% ownership interest in the Seismic Data to Devon pursuant to the Licence Agreement appears to have been for inadequate or no consideration. Takoda will be requesting that the Trustee review the transaction under the BIA, and consider whether it should be set aside.
29. To the extent indebtedness remains owing to Takoda from Impact under the Security and Loan Agreements or otherwise after making a credit bid against the Equipment, it may also use that indebtedness against the Seismic Data in a future sales process.

Material or evidence to be relied on:

30. The Affidavit of Lawrence Chua, sworn June 13, 2013, filed;
31. The Affidavit of Lawrence Chua, sworn June 14, 2013, filed;
32. The Affidavit of Service of Richard Comstock, filed;
33. The Report of Alvarez & Marsal, the Trustee in Bankruptcy of Impact, to be filed;
34. The pleadings filed in this proceeding;
35. The pleadings filed in Court File No. 25-094321; and
36. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

37. Rule 1.3 of the *Alberta Rules of Court*; and
38. Such further and other rules as counsel may advise.

Applicable Acts and regulations:

39. Section 13(2), *Judicature Act*, RSA 2000, c J-2;
40. The inherent jurisdiction of this Honourable Court; and
41. Such further and other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

42. None.

How the application is proposed to be heard or considered:

43. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Order
Rule 9.1

COURT FILE NO.:

COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Calgary
PLAINTIFF	TAKODA RESOURCES INC.
DEFENDANT	IMPACT 2000 INC.
DOCUMENT	<u>RECEIVERSHIP ORDER</u>

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling Lafleur Henderson LLP 1400, 700 2nd Street SW Calgary, AB T2P 4V5 Telephone (403) 298-1000 Facsimile (403) 263-9193 File No. A131510 Attention: Jeffrey Oliver
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**DATE ON WHICH ORDER WAS
PRONOUNCED:** June 20, 2013

**NAME OF JUDGE WHO MADE
THIS ORDER:** The Honourable Madam Justice Horner

UPON the application of Takoda Resources Inc. ("Takoda") in respect of the Defendant Impact 2000 Inc. (the "Debtor"); AND UPON having read the Statement of Claim, the Application of Takoda, the Affidavit of Lawrence Chua, sworn June 13, 2013, filed, the Affidavit of Lawrence Chua, sworn June 14, 2013, filed, the Affidavit of Service of Richard Comstock, filed; AND UPON reading the consent of Alvarez & Marsal Canada Inc. to act as

receiver and manager ("Receiver") of the Debtor, filed; AND UPON hearing counsel for the Plaintiff; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2000, Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (j) to market any or all the Property, whether through a sales process pre-approved by the Court or through a sales process created by the Receiver in its discretion, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the

Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if

it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or

- B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements,

incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

ALLOCATION

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

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
27. The Receiver is hereby authorized to act both as Receiver and trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

32. This Order is issued and shall be filed in Court of Queen's Bench Action No. *.
33. The Receiver shall establish and maintain a website in respect of these proceedings at www.amcanadadocs.com/impact and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
34. The Receiver is permitted to sign all reports using an electronic signature.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Impact 2000 Inc. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 20th day of June, 2013 (the "Order") made in action numbers _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2013.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

Order
Rule 9.1

Clerk's Stamp

COURT FILE NUMBER

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

PLAINTIFF TAKODA RESOURCES INC.

DEFENDANT IMPACT 2000 INC.

DOCUMENT **APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling Lafleur Henderson LLP
1400, 700 2nd Street SW
Calgary, AB T2P 4V5
Telephone 403-298-1000
Facsimile 403-695-3595
File No. A131510

Attention: Tom Cumming/Jeffrey Oliver

DATE ON WHICH ORDER WAS PRONOUNCED: June 20, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre,
Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Horner

IT IS HEREBY ORDERED THAT:

UPON THE APPLICATION of the Plaintiff in respect of the Defendant Impact 2000 Inc. (the "Debtor"); **AND UPON** having read the Application, the Affidavit of Lawrence Chua, sworn June 13, 2013, filed, the Affidavit of Lawrence Chua, sworn June 14, 2013, filed (the "Supplementary Affidavit"), the Affidavit of Service of Richard Comstock, filed; **AND UPON** noting the Order issued in the within proceedings appointing Alvarez & Marsal Canada Inc. as receiver and manager ("**Receiver**") of the assets, properties and undertakings of the Debtor,

dated June 20, 2013 (the “**Receivership Order**”); **AND UPON HEARING** counsel for the Plaintiff and any other counsel present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the within application is hereby abridged to the date of actual service and that service is hereby approved, and that the application is properly returnable today and further service of the application and supporting materials is hereby dispensed with.

Definitions

2. Capitalized terms that are not defined herein shall have the meaning as defined in the Purchase and Sale Agreement between the Plaintiff as purchaser, and the Receiver, as vendor, and attached as Exhibit “A” to the Supplementary Affidavit (the “**APA**”).

Approval of Transaction

3. The Transaction is hereby approved, and the APA is commercially reasonable and in the best interests of the Debtor and its stakeholders.
4. The execution of the APA by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction contemplated by the APA (the “**Transaction**”).
5. Following the execution and delivery of the APA the parties may agree to any amendments to the APA which do no materially and adversely alter the Transaction or the APA.

Vesting of Property

6. Upon the Receiver delivering a certificate to the Purchaser (the “**Certificate**”) certifying that the Transactions have closed substantially in accordance with the terms of the APA, all of the Debtors’ right, title and interest in and to the Assets described in the APA and

on Schedule "A" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the forgoing: (i) any Claims of the Debtors; (ii) any encumbrances or charges created by the Receivership Order; (iii) any encumbrances or charges created by any Order of the Court in the proceeding 25-094321; and (iv) all charges, security interests or claims evidence by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system, (collectively, the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

7. For greater certainty, the Plaintiff shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever to any party with a Claim.
8. For the purposes of determining the nature and priority of the Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and from and after the delivery of the Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
9. The Receiver is to file with the Court a copy of the Certificate, forthwith after delivery thereof.
10. Nothing in this Order shall prejudice any person's *in personam* claim against the Debtors.
11. Notwithstanding the pendency of these proceedings or the Debtor's bankruptcy, the vesting of the Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void

or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

Miscellaneous

12. The Receiver and the Purchaser are at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to, and in carrying out the terms of, this Order and the transactions contemplated herein.
13. Upon the filing of a certified copy of this Order, together with any applicable registration fees, the appropriate government authorities are hereby requested and directed to register such transfers, discharges, discharge statements or conveyances, as may be required to register title to the Assets to the Purchaser.
14. This Order may be consented to in counterpart and by facsimile or PDF copy.
15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories, to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

J.C.C.Q.B.A.

Schedule "A"

List of Assets

1. The following Serial Number Goods:

Serial Number	Year	Make and Model
1FTSX21575ED04298	2005	FORD F250
1FTSX21547EB03185	2007	FORD F250
1FTSW21529EA15693	2009	FORD F250 CREW CAB
1FTWW31507EB37022	2007	FORD F350 CREW CAB
1FTWW31538EC79320	2008	FORD F350 CREW CAB
1FTWW31509EA17451	2009	FORD F350 CREW CAB
1FTWW31549EA19171	2009	FORD F350 CREW CAB
1FTWW31538EC72173	2008	FORD F350 CREW CAB
1FTWW31578EC72161	2008	FORD F350 CREW CAB
1FTWW31549EA17470	2009	FORD F350 CREW CAB
1FTWW31519EA17460	2009	FORD F350 CREW CAB
1FTWW31568EC72149	2008	FORD F350 CREW CAB
1FTWW31509EA87435	2009	FORD F350 CREW CAB
1FTWW31549EA87423	2009	FORD F350 CREW CAB
3FRWF1SNX6V356755	2006	F750 2WD SERVICE TRUCK
20106	2009	KUBOTA RTV500
20027	2009	KUBOTA RTV500
20429	2009	KUBOTA RTV500
20401	2009	KUBOTA RTV500
V2000G000000011047	2008	ARGO CENTAUR 950
2BPSGD8AX8V000508	2008	TUNDRA SKI DOO

Serial Number	Year	Make and Model
SN1NT3ASX8C359829	2008	POLARIS 340 TRANSPORT
SN1NT3AS38C359798	2008	POLARIS 341 TRANSPORT
JYE8BD0079A044647	2009	YAMAHA BRAVO BR250TY
JYE8BD0039A044645	2009	YAMAHA BRAVO BR250TY
JYE8BD00X9A044688	2009	YAMAHA BRAVO BR250TY
JYE8BD0059A044646	2009	YAMAHA BRAVO BR250TY
2S9PK531X83019919	2008	ROYAL CARGO CAR HAULER
4X4TSED231N018894	2001	CONTINENTAL CARGO SNOWMOBILE TRAILER
5M3BE162771023689	2007	MIRAGE FLAT DECK X744-74
4P5FS303371101558	2007	PJ GOOSENECK FS303
4179	2000	BUGGY MT. SEISMIC DRILL
321310609	2001	BOMBARDIER MUSKEG CRAWLER
478TE25654A400135	2004	HONDA QUAD TRX350 KM4
4XAMH76A36A	2006	POLARIS 800 QUAD
47ZW5363X8X059935	2008	FAIRFIELD ZLAND DATA RECORDING SYSTEM, INCLUDES A "SCXG8536TTA4" PACE TRAILER
4ZJSL151161J25063	2006	TEREX AMIDA PORTABLE LIGHT TOWER
4ZJSL151361K25404	2006	TEREX AMIDA PORTABLE LIGHT TOWER
4ZJSL151761H23693	2006	TEREX AMIDA PORTABLE LIGHT TOWER
2CUL2TG9X72022402	2007	TRAILTECH UTILITY TRAILER
LD21733U583179E	Unknown	BOMBARDIER MUSKEG WATER HAULER
MC74-5500D	2001	BOMBARDIER "MC74" SEISMIC DRILL
321310609	2001	BOMBARDIER "M.C.D. 6-MC" SEISMIC DRILL

Serial Number	Year	Make and Model
AFE-1658	1987	HAGGLUNDS "BV206B" ALL TERRAIN PERSONNEL CARRIER
AFE-1725	1986	HAGGLUNDS "BV206D" ALL TERRAIN PERSONNEL CARRIER
AFE-5112	1988	HAGGLUNDS "BV206D" ALL TERRAIN PERSONNEL CARRIER
AFE-7511	1991	HAGGLUNDS "BV206D" ALL TERRAIN PERSONNEL CARRIER

2. The following Equipment:

(3) 53' sea containers;

Grizzly tandem axle all terrain trailer;

Approximately 62 auger bits;

(6) pull-type snowmobile sleds;

Approximately (7) skids of surveyors lathe;

Equinox rescue sled;

Tracker Topper 10' aluminum boat;

Poly tank 220 gallon;

Lot of first aid kits, triangle kits, fire extinguishers, backpack sprayers, etc.;

Lot of (2) Honda portable pumps, toolbox, etc.;

Pallet jack;

Lot of intake and discharge hoses, totes, etc.;

(3) snowmobile truck ramps;

Steel vehicle ramp;

Vertical 5HP air compressor;

Lot of oxy acetylene torch set and Ridgid shop vacuum;

Lot of bench grinder, drill press, circular saw, drill and other assorted power and hand tools throughout;

Roll away tool cabinet with top chest and contents;

Lot of parts washer, battery charger, etc.;

Lot of (2) parts cabinets with contents;

Lot of spill kits, ABC fire extinguishers, etc.;

Mechanics cart and contents;

Honda power pressure washer;

Lot of assorted shop fluids, fuel cans, etc.;

Westlock single axle snowmobile trailer;

NVSN 2008 Snake River utility trailer; and

(12) joints of 10' drill stem, (16) joints of 5' drill stem, (2) cheater rods/bits.

3. All other personal property of the Debtor of any kind whatsoever, including trailers and serial number goods not listed above, but excluding seismic data.