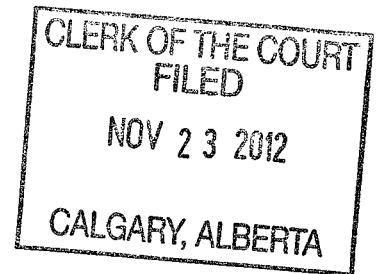


Clerk's stamp:

COURT FILE NUMBER: 25-094321

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE BANKRUPTCY  
AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,  
AS AMENDED

IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
IMPACT 2000 INC.

APPLICANT: IMPACT 2000 INC.

DOCUMENT: **APPLICATION BY IMPACT 2000 INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

OSLER, HOSKIN & HARCOURT LLP  
Barristers & Solicitors  
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File Number: 1139886

**NOTICE TO RESPONDENT(S)**

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: November 26, 2012

Time: 2:30 p.m.

Where: Calgary Courts Centre, 601-5 Street SW, Calgary, AB T2P 5P7

Before Whom: The Honourable Mr. Justice A.D. Macleod

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

**Remedy claimed or sought:**

1. An Order:
  - (a) declaring that the time for service of this application is abridged, this application is properly returnable on November 26, 2012, and that service of this application is sufficient and that service on any other persons of notice of this application and this Order is dispensed with;
  - (b) approving an extension, pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), of the time for Impact to file a proposal, to on or before January 10, 2013 (the “**Stay Extension**”);
  - (c) granting Alvarez & Marsal Canada Inc., in its capacity as Trustee under the Notice of Intention to Make a Proposal of Impact 2000 Inc. (the “**Proposal Trustee**”), counsel to the Proposal Trustee, if any, and Impact’s counsel, as security for the professional fees and disbursements incurred both before and after filing the NOI, the benefits of and a charge (the “**Administration Charge**”) on Impact’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Proposal Trustee and such counsel, both before and after the making of this order in respect of these proceedings;
  - (d) declaring that the filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect;
  - (e) declaring that the Administration Charge shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in

favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**");

- (f) declaring that Impact shall, subject to such requirements as are imposed by the BIA, have the right to dispose of redundant or non-material assets not exceeding \$10,000 in any one transaction or \$50,000 in the aggregate (or in excess of these amounts, by order of this Court). Any disposal of redundant or non-material assets by Impact are authorized and approved *nunc pro tunc*;
- (g) sealing on the Court file in these proceedings until further Order of this Court Exhibit "10" (the "**Confidential Exhibit**") to the Affidavit of Michael Wolowich sworn on or about November 23, 2012;
- (h) directing that the Clerk of the Court shall file the Confidential Exhibit in a sealed envelope with an attached notice that sets out the style of cause in these proceedings and a statement that the envelope's contents are sealed pursuant to this Order; and
- (i) providing such further and other relief as Impact may seek and this Honourable Court deems just.

**Grounds for making this application:**

Stay Extension

2. On November 2, 2012, Impact filed a Notice of Intention to Make a Proposal (the "**NOI**") with the Office of the Superintendent of Bankruptcy Canada pursuant to the BIA.
3. The deadline for Impact to file a proposal to its creditors is on or about December 2, 2012.
4. Impact has acted and will continue to act in good faith and with due diligence with the assistance of its legal counsel and the Proposal Trustee to develop a viable proposal.
5. No creditors will be materially prejudiced if the Stay Extension is granted.

6. Impact is likely going to be able to make a viable proposal to its creditors.
7. The Stay Extension is necessary to allow time for Impact to restructure its affairs and present a viable proposal to its creditors.

#### Administration Charge

8. Impact did not have any resources available to provide the Proposal Trustee and the Proposal Trustee's legal counsel with a retainer and only provided a nominal retainer to its legal counsel.
9. Impact requires the services of its legal counsel, the Proposal Trustee and the Proposal Trustee's counsel to develop a viable proposal.
10. The Administration Charge is reasonable and appropriate in the circumstances to ensure that the insolvency professionals are paid for their services and it is critical to the success of Impact's insolvency proceedings.

#### Redundant and Non-Material Assets

11. Impact sold or disposed of redundant and non-material assets in the ordinary course of business. The requested authority to continue to dispose of redundant and non-material assets is cost effective and avoids the need for Court time and professional fees to be utilized with respect to the sale of assets of nominal value. It is reasonable and appropriate in the circumstances to grant this relief.

#### Confidential Exhibit

12. The Confidential Exhibit contains commercially sensitive and confidential information. If the Confidential Exhibit was made public, it could compromise Impact's rental negotiations and other dealings with its customers to the detriment of Impact's estate.
13. It is reasonable and appropriate in the circumstances to seal the Confidential Exhibit on the Court file in these proceedings.
14. Such further and other grounds as counsel may advise.

**Material or evidence to be relied on:**

- (a) the Affidavit of Michael Wolowich sworn on or about November 23, 2012;
- (b) the First Report of the Proposal Trustee, to be filed;
- (c) the NOI;
- (d) the pleadings in the within proceedings; and
- (e) such further and other materials as counsel for Impact may advise and this Honourable Court may permit.

**Applicable rules:**

- (a) Rules 6.3 and 13.21(3)(c) of the Alberta *Rules of Court*.
- (b) Sections 50.4(9) and 64.2 of the BIA.
- (c) Such further and other rules as counsel for Impact may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

- (d) the BIA;
- (e) the Alberta *Rules of Court*; and
- (f) such further and other acts and regulations as counsel for Impact may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

15. N/A

**How the application is proposed to be heard or considered:**

16. Before the Honourable Mr. Justice A.D. Macleod in Chambers at the Calgary Courts Centre, 601-5<sup>th</sup> Street S.W., at Calgary, Alberta, on November 26, 2012 at 2:30 p.m. or as

soon thereafter as counsel may be heard.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.**

**WARNING**

If you do not come to court either in person or by your lawyer, the court may give the applicant what they want in your absence. You will be bound by any order that the court makes, or another order might be given or other proceedings taken which the applicant is entitled to without any further notice of them to you. If you want to take part in this application, you or your lawyer must attend in court on the date and time shown above. If you intend to rely on an affidavit or other evidence when the originating application is heard or considered, you must reply by giving reasonable notice of that material to the applicant.