

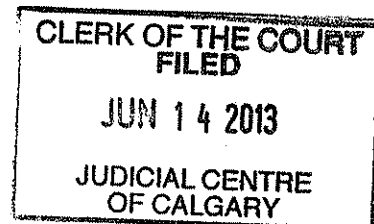
COURT FILE NO. 1301-07419

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF TAKODA RESOURCES INC.

DEFENDANT IMPACT 2000 INC.



DOCUMENT STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No. A131510

Attention: Jeffrey Oliver

NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

The Parties

1. The Plaintiff, Takoda Resources Inc. (“**Takoda**”) is a corporation, duly incorporated pursuant to the laws of Alberta, with a registered office in Calgary, Alberta. Takoda is in the business of oilfield services, seismic data acquisition and sales, equipment rental and other related services.
2. The Defendant, Impact 2000 Inc. (“**Impact**”) is a corporation, duly incorporated pursuant to the laws of Alberta, with a registered office in Calgary, Alberta. Impact’s core business consists 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.

The Security and Loan Agreements

3. Between May 31, 2011 and February 24, 2012, Impact executed various facility agreements, promissory notes, security and guarantees (collectively, the “**Security and Loan Agreements**”) to and in favour of the Canadian Western Bank (“**CWB**”).
4. The Security and Loan Agreements include, *inter alia*, the following:
 - (a) a Promissory Note dated July 21, 2011 in favour of CWB in the principal amount of \$700,000;
 - (b) a Revolving Credit Agreement dated February 24, 2012 between CWB and Impact, pursuant to which CWB issued certain credit facilities to Impact. The credit facilities included a Demand Operating Loan (Loan #10341782-L1) in the principal amount of \$2,000,000, and a Term Non-Revolving Loan (Loan #103417820-L2) in the sum of \$610,710.26 (collectively, the “**Loans**”). Interest was to be paid on the Loans at the greater of 5% per annum and a variable rate equal to CWB’s Prime Rate plus 2% per annum; and
 - (c) a General Security Agreement dated May 31, 2011 in favour of CWB (the “**GSA**”), pursuant to which Impact assigned, mortgaged, pledged, charged and granted a security interest to and in favour of CWB in all its present and after-

acquired property, both real and personal, as continuing collateral security for any and all obligations, indebtedness and liability of Impact to CWB (including but not limited to principal, interest and all costs on a full indemnity basis). The GSA was registered at the Alberta Personal Property Registry on June 11, 2011, registration number 11060925971 (the “**GSA Registration**”).

Proposal Proceedings

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. Impact’s senior secured creditor at the time of the commencement of the Proposal Proceedings was CWB.
7. Impact did not file a proposal in the Proposal Proceedings by May 2, 2013 in accordance with the final extension granted by the Honourable Mr. Justice Hawco, and was deemed bankrupt as of May 3, 2013. Alvarez & Marsal Canada Inc. became the Trustee in Bankruptcy (the “**Trustee**”).

Assignment of Security and Loan Agreements

8. On April 11, 2013, Full Circle Funding, LP made a purchase proposal to 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. 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.

Indebtedness Pursuant to the Security and Loan Agreements

10. The GSA Registration was amended on April 18, 2013 to reflect the assignment of the GSA, and all of the obligations secured by it, to Takoda.
11. Pursuant to the Security and Loan Agreements, Impact is indebted to Takoda in the total amount of \$1,417,889.80 as of June 13, 2013, which includes:
 - (i) an aggregate principal amount of \$1,076,437.22; and
 - (ii) interest in the amount of \$11,741.06; and
 - (iii) costs incurred by CWB in the amount of \$39,198.90.
 - (iv) rent for the months of June and July 2013, in the amount of \$11,698.60 in relation to the storage facility of the equipment and other assets owned by Impact;
 - (v) outstanding insurance costs for the period January 1, 2013 to June 7, 2013, in the amount of \$1,132.00;
 - (vi) the Administration Charge in the amount of \$165,735.56 for the professional fees and disbursements of Alvarez & Marsal Canada Inc., in its capacity as the Proposal Trustee of Impact, Norton Rose Canada (the Proposal Trustee's counsel), and Osler, Hoskin & Harcourt LLP (Impact's counsel) pursuant to paragraphs 3, 4 and 5 of the Order granted by the Honourable Mr. Justice A.D. Macleod on November 29, 2012, which Administration Charge is in priority to the Security and Loan Agreements;
 - (vii) the priority charge in the amount of \$65,748.27 in relation to unremitted employee source deductions to Canada Revenue Agency, which was is in priority to the Security and Loan Agreements; and
 - (viii) legal fees of Takoda's counsel pursuant to the terms of the Security and Loan Agreements in the amount of \$46,198.19.

Default and Demands

12. Impact defaulted on its obligations to CWB under the Security and Loan Agreements as a result of, *inter alia*, breached working capital covenants, overextended credit facilities and reporting deficiencies, contrary to the terms of the Security and Loan Agreements. CWB notified Impact of the defaults by a letter dated September 11, 2012.
13. By a letter dated October 24, 2012, counsel for CWB demanded payment in full of the principal sum, interest and costs then owing to CWB.
14. On October 24, 2012, counsel for CWB also served Impact with a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada). The 10 day notice period provided for by that Notice has expired.
15. The total sum of \$1,417,889.80 (as at June 13, 2013) is due and owing to the Plaintiff pursuant to the Security and Loan Agreements (the “**Current Indebtedness**”), which default has not been cured.
16. The Defendant has neglected, failed or refused to pay the Current Indebtedness, or any portion thereof, and is justly and truly indebted to the Plaintiff as at June 13, 2013 in the amount of \$1,417,889.80.
17. The Plaintiff says that it is just and convenient that a Receiver be appointed over all of the assets and undertakings of the Defendant. The Plaintiff has previously attempted to enforce its security as against the Defendant pursuant to section 62 of the *Personal Property Security Act*, RSA 2000, c P-7, but that process has been rendered impractical due to the objection of a creditor and issues arising in relation to certain seismic data owned by the Defendant.
18. The Plaintiff proposes that the trial of this action be held at the Calgary Courts Centre in Calgary, Alberta.

Remedy Sought:

19. The Plaintiff seeks:

- (a) a declaration that the Defendant is in default of payment of the Current Indebtedness, and that default has been made under the terms of the Security and Loan Agreements;
- (b) a declaration as to the amounts owing to the Plaintiff by the Defendant and judgment in the amounts found to be owing;
- (c) a declaration that the Security and Loan Agreements held by the Plaintiff have become enforceable, and that such security constitutes valid and enforceable security in accordance with the terms thereof;
- (d) a declaration that the principal, interest and other monies thereby secured have become due and payable;
- (e) the appointment of a Receiver and Manager of the assets and undertakings of the Defendant;
- (f) interest in accordance with the terms of the Security and Loan Agreements, or alternatively pursuant to the provisions of the *Judgment Interest Act*, R.S.A. 2000, c. J-8;
- (g) costs on a solicitor and client basis; and
- (h) such further and other relief as this Honourable Court may deem just.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND by serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.