

Clerk's stamp:

COURT FILE NUMBER: 25-094321

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN  
BANKRUPTCY AND INSOLVENCY

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  
Suite 2500, 450 – 1st Street S.W.  
Calgary, AB T2P 5H1

Solicitor: A. Robert Anderson, Q.C./Peter Bychawski  
Telephone: (403) 260-7004/7025  
Facsimile: (403) 260-7024  
Email: randerson@osler.com/pbychawski@osler.com  
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: April 9, 2013

Time: 3:30 p.m. or so soon thereafter as counsel may be heard.

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

Before Whom: The Honourable Mr. Justice K.D. Yamauchi

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, that this application is properly returnable on April 9, 2013, that service of this application is sufficient, and that service on any other persons of notice of this application is dispensed with;
  - (b) approving the 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 2000 Inc. (“**Impact**”) to file a proposal, to on or before April 18, 2013 (the “**Stay Extension**”); and
  - (c) such further and other relief as this Honourable Court considers to be just and appropriate in the circumstances.

**Grounds for Making this Application:**

2. On April 8, 2013, this Honourable Court granted an Order extending to April 9, 2013 the time for Impact to file a proposal.
3. Pursuant to the Order of the Honourable Justice A.D. Macleod granted on February 28, 2013, Impact agreed not to apply for any further extension of the time for Impact to file a proposal in the within proceedings without the prior consent of the Canadian Western Bank (the “**CWB**”).
4. The CWB has consented to Impact applying for the Stay Extension.
5. Impact has acted, and is acting, in good faith and with due diligence to pursue opportunities that will potentially allow it to make a viable proposal to its creditors.
6. No creditor would be materially prejudiced if the extension being applied for were granted.
7. Impact may be able to make a viable proposal that would be in the best interests of Impact and its stakeholders if the Stay Extension is granted.

**Material or Evidence to be Relied On:**

- (a) the Affidavit of Michael Wolowich, filed November 26, 2012;
- (b) the Affidavit of Michael Wolowich, filed on January 8, 2013;
- (c) the Affidavit of Michael Wolowich, sworn on February 20, 2013;
- (d) the confidential Affidavit of Michael Wolowich, sworn on February 20, 2013;
- (e) the Affidavit of Michael Wolowich, sworn on March 28, 2013;
- (f) the Affidavit of Michael Wolowich, sworn on April 9, 2013;
- (g) the First Report of the Proposal Trustee, filed November 26, 2012;
- (h) the Supplemental Report to the First Report of the Proposal Trustee, filed November 30, 2013;
- (i) the Second Report of the Proposal Trustee, filed January 8, 2013;
- (j) The Third Report of the Proposal Trustee, to be filed;
- (k) The Fourth Report of the Proposal Trustee, filed on March 28, 2013;
- (l) The Fifth Report of the Proposal Trustee, filed on April 2, 2013;
- (m) The Sixth Report of the Proposal Trustee, to be filed.
- (n) Impact's Notice of Intention to Make a Proposal, filed November 2, 2012;
- (o) the pleadings in the within proceedings; and
- (p) such further and other materials as counsel for Impact may advise and this Honourable Court may permit.

**Applicable Rules and Provisions:**

- (a) Rule 6.3 of the *Alberta Rules of Court*, Alta Reg 124/2010 (the “**Rules of Court**”).

- (b) Sections 50.4(9) of the BIA.
- (c) Such further and other sections of the BIA and the Rules of Court as counsel for Impact may advise and this Honourable Court may permit.

**Applicable Acts and Regulations:**

- (a) the BIA;
- (b) the Rules of Court; and
- (c) 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:**

8. N/A

**How the Application is Proposed to be Heard or Considered:**

9. Before the Honourable Mr. Justice K.D. Yamauchi in Chambers at the Calgary Courts Centre, 601-5<sup>th</sup> Street S.W., at Calgary, Alberta, on April 9, 2013 at 3:30 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.

COURT FILE NUMBER: 25-094321

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN  
BANKRUPTCY AND INSOLVENCY

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: **AFFIDAVIT OF MICHAEL WOLOWICH**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**OSLER, HOSKIN & HARCOURT LLP**

Barristers & Solicitors  
Suite 2500, 450 – 1st Street S.W.  
Calgary, AB T2P 5H1

Solicitor: A. Robert Anderson, Q.C./Peter Bychawski  
Telephone: (403) 260-7004/7025  
Facsimile: (403) 260-7024  
Email: randerson@osler.com/pbychawski@osler.com  
File Number: 1139886

**AFFIDAVIT OF MICHAEL WOLOWICH**  
**Sworn on April 9, 2013**

I, Michael Wolowich, of the Hamlet of De Winton, in the Province of Alberta, make oath  
and say that:

1. I am the President of Impact 2000 Inc. ("**Impact**") and as such have personal knowledge  
of the matters herein deposed to, except where stated to be based on information and  
belief, in which case I believe the same to be true.

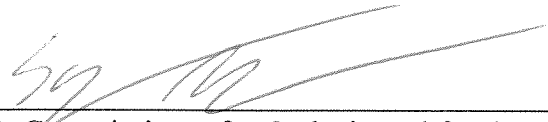
2. I make this Affidavit in support of an application by Impact for an Order:
  - a. declaring that the time for service of this application is abridged, that this application is properly returnable on April 9, 2013, that service of this application is sufficient, and that service on any other persons of notice of this application is dispensed with;
  - b. approving the 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 2000 Inc. (“**Impact**”) to file a proposal to on or before April 18, 2013 (the “**Stay Extension**”); and
  - c. such further and other relief as this Honorable Court considers to be just and appropriate in the circumstances.
3. This Affidavit provides an update of what has transpired since my Affidavit sworn November 24, 2012 (“**My November Affidavit**”), my Affidavit sworn January 8, 2013 (“**My January Affidavit**”), my Affidavit and Confidential Affidavit sworn on February 20, 2013 (“**My February Affidavits**”), and my Affidavit sworn on March 28, 2013 (“**My March Affidavit**”);

***Work on Proposal***

4. As discussed in My February Affidavits, Impact has been in multiple discussions and has conducted several face-to-face meetings with interested parties for the purpose of selling or refinancing the undertakings, business, assets and affairs of Impact.
5. On or about April 5, 2013, one of these parties, Full Circle Funding LP (“**FCF**”), made a purchase proposal to the Canadian Western Bank (“**CWB**”), Impact’s senior secured creditor, whereby all loans and other obligations owed by Impact to CWB and all security held by CWB therefore would be paid for in full and assigned to FCF (the “**Purchase Proposal**”).
6. I understand that if the Purchase Proposal is accepted by the CWB, FCF intends to assess whether it will proceed to sponsor a proposal by Impact to its unsecured creditors.

7. If the Purchase Proposal or a similar offer is be accepted by the CWB, Impact will potentially have the opportunity, if FCF supports it, to make a viable proposal that would be in the best interests of Impact and its stakeholders.
8. Impact, CWB, FCF, and their respective counsel, are currently in the process of settling the terms upon which the Purchase Proposal would be acceptable to all parties.
9. I am advised by my own and FCF's counsel that there is insufficient time to complete the process of FCF acquiring CWB's secured position prior to the expiry of the April 9, 2013 stay extension period. Accordingly, Impact seeks the Stay Extension so that it can continue to pursue a business opportunity that will potentially allow it to make a viable proposal that would be in the best interests of Impact and its stakeholders.
10. Any recovery for unsecured creditors is only possible outside of a bankruptcy or Court-appointed receivership.
11. If this Honourable Court grants the Stay Extension, Impact expects that it will be able to continue to fund its restructuring proceedings and continued operations from its cash flows. As noted in the Fifth Report of Alvarez & Marsal, in its capacity as Impact's Proposal Trustee in the within proceedings, Impact will, based on its current assumptions, have sufficient funds to meet its business and financial affairs through to the end of the Stay Extension period.
12. I don't believe that any creditor would be materially prejudiced if the Stay Extension were granted.
13. Impact has at all times acted in good faith and due diligence to pursue opportunities that would allow it to make a viable proposal that would be to the benefit of Impact and its stakeholders.

SWORN BEFORE ME at the City of Calgary,  
in the Province of Alberta,  
this 9<sup>th</sup> day of April, 2013.

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the Province  
of Alberta

Suzanne M. MacMillan  
Student-at-Law

)  
)  
)  
)  
)  
)  
)  
)  
\_\_\_\_\_  
MICHAEL WOLOWICH



COURT FILE NUMBER: 25-094321

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN  
BANKRUPTCY AND INSOLVENCY

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: **ORDER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**OSLER, HOSKIN & HARCOURT LLP**

Barristers & Solicitors  
Suite 2500, 450 – 1st Street S.W.  
Calgary, AB T2P 5H1

Solicitor: A. Robert Anderson, Q.C./Peter Bychawski  
Telephone: (403) 260-7004/7025  
Facsimile: (403) 260-7024  
Email: randerson@osler.com/pbychawski@osler.com  
File Number: 1139886

DATE ON WHICH ORDER  
WAS PRONOUNCED: April 9, 2013

NAME OF JUDGE  
WHO MADE THIS ORDER: The Honourable Mr. Justice K.D. Yamauchi

LOCATION OF HEARING: Calgary, Alberta

**UPON** the application of Impact 2000 Inc. ("**Impact**"); **AND UPON** having read the Affidavit of Michael Wolowich sworn November 24, 2012, the Affidavit of Michael Wolowich sworn on January 8, 2013, the Affidavit of Michael Wolowich sworn February 20, 2013, the confidential Affidavit of Michael Wolowich sworn on February 20, 2013, the Affidavit of Michael Wolowich sworn on March 28, 2013, the Affidavit of Michael Wolowich sworn on April 9, 2013, the First

Report of Alvarez & Marsal Canada Inc., in its capacity as Trustee (the “**Proposal Trustee**”) under the Notice of Intention to Make a Proposal of Impact 2000 Inc. dated November 2, 2012 (the “**NOI**”), filed November 26, 2012, the Supplemental Report of the Proposal Trustee, filed November 30, 2012, the Second Report of the Proposal Trustee, filed January 8, 2013, the Third Report of the Proposal Trustee, filed, the Fourth Report of the Proposal Trustee, filed on March 28, 2013, the Fifth Report of the Proposal Trustee, filed on April 2, 2013, and the Sixth Report of the Proposal Trustee, filed April 5, 2013; **AND UPON** having reviewed the NOI and the pleadings filed in the within proceedings; **AND UPON** having heard representations of counsel for Impact; **AND UPON** hearing counsel for Impact; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of Impact’s Application (the “**Impact Application**”) is abridged, the Impact Application is properly returnable on April 9, 2013, the service of the Impact Application is sufficient, and the service on any other persons of notice of the Impact Application is dispensed with.
2. Impact is hereby granted an extension, pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended of the time for Impact to file a proposal to on or before April 18, 2013.
3. There shall be no costs of the Impact Application.

---

J.C.Q.B.A.