

**THE QUEEN'S BENCH**  
**Winnipeg Centre**

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN  
OF COMPROMISE OR ARRANGEMENT OF WITH RESPECT TO  
ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER  
INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A"  
HERETO (collectively, the "APPLICANTS")

APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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NOTICE OF APPLICATION

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DATE OF HEARING: WEDNESDAY, FEBRUARY 22, 2012 AT 11 A.M.  
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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File No.: 1103500

File No. 10671373

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ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER  
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LISTED ON SCHEDULE "A" HERETO

(collectively, the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicants. The claim made by the Applicants appears on the following pages.

**THIS APPLICATION** will come on for a hearing on before a Judge on February 22, 2012, at 11:00 a.m., at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

**IF YOU WISH TO OPPOSE THIS APPLICATION**, you or a Manitoba lawyer acting for you must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.**

Date \_\_\_\_\_, 2011

Issued by \_\_\_\_\_

Deputy Registrar

TO: The Service List attached hereto

## APPLICATION

1. The Applicants make an Application for an order in the form attached hereto as Appendix “1”, *inter alia*:
  - (a) abridging the time for service of the Notice of Application and the materials filed in support of the application such that the application is properly returnable on February 22, 2012, at 11:00 a.m. and dispensing with further service thereof;
  - (b) declaring that the Applicants are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) applies;
  - (c) staying all proceedings and remedies taken or that might be taken in respect of the Applicants and Glacier Valley Ice Company, L.P. (collectively, the “**Arctic Glacier Parties**”) or any of their property or any default by them without leave of the Court, except as otherwise set forth in the order;
  - (d) authorizing the Arctic Glacier Parties to carry on business in a manner consistent with the preservation of their property and to make certain payments in connection with their business and the proceedings herein;
  - (e) authorizing continued use of the Arctic Glacier Parties’ cash management system;
  - (f) authorizing and empowering the Arctic Glacier Parties to obtain and borrow under a debtor-in-possession (“**DIP**”) credit facility;
  - (g) directing the parties to commence a Sale and Investor Solicitation Process and approving the engagement of a Financial Advisor, as described in the draft order;
  - (h) declaring certain suppliers of Arctic Glacier Inc. “critical suppliers”;
  - (i) approving a Key Employee Retention Plan (“**KERP**”);

- (j) providing an Administration Charge, Financial Advisor Charge, DIP Lenders' Charge, KERP Charge, Critical Supplier Charge and Inter-Company Balances Charge, as described in the draft order;
- (k) sealing certain confidential documents;
- (l) appointing a Chief Process Supervisor;
- (m) appointing Alvarez & Marsal Canada Inc. as monitor in these proceedings (the "**Monitor**"); and
- (n) granting such further and other relief as to this Honourable Court may deem just.

2. The grounds for the application are:

- (a) the Applicants are companies to which the CCAA applies;
- (b) the Arctic Glacier Parties are insolvent, with total claims against them in excess of \$5,000,000.00;
- (c) the Arctic Glacier Parties require the relief requested on an urgent basis, including a stay of proceedings to permit them to restructure in the face of the acceleration of and demand for payment of secured indebtedness in an amount exceeding \$235 million, in relation to which each Arctic Glacier Party is either a borrower or a guarantor;
- (d) the order sought will allow the Arctic Glacier Parties to pursue a process to identify parties that express an interest in refinancing, recapitalizing or purchasing the Arctic Glacier Parties' business, in consultation with the Monitor;
- (e) the circumstances which exist make the order sought by the Arctic Glacier Parties appropriate;
- (f) due to the nature of this application it has not been possible to serve all interested parties with notice;

- (g) Rules 2.03, 3.02, 14.05, 16.04 and 38 of the *Queen's Bench Rules*, Man. Reg. 553/88, as amended;
  - (h) the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended and the equitable jurisdiction of this Honourable Court;
  - (i) section 77 of the *Manitoba Court of Queen's Bench Act*; and
  - (j) such other grounds as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the initial hearing of the application:
- (a) the affidavit of Keith McMahon sworn February 21, 2012;
  - (b) the consent of Alvarez & Marsal Canada Inc. to act as Monitor;
  - (c) the Report of the Proposed Monitor, Alvarez & Marsal Canada Inc.; and
  - (d) such further and other evidence as counsel may advise and this Honourable Court may permit.

February 21, 2011

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Solicitors for the Applicants

## **SCHEDULE "A" - Additional Applicants**

Arctic Glacier California Inc.  
Arctic Glacier Grayling Inc.  
Arctic Glacier Lansing Inc.  
Arctic Glacier Michigan Inc.  
Arctic Glacier Minnesota Inc.  
Arctic Glacier Nebraska Inc.  
Arctic Glacier Newburgh Inc.  
Arctic Glacier New York Inc.  
Arctic Glacier Oregon Inc.  
Arctic Glacier Party Time Inc.  
Arctic Glacier Pennsylvania Inc.  
Arctic Glacier Rochester Inc.  
Arctic Glacier Services Inc.  
Arctic Glacier Texas Inc.  
Arctic Glacier Vernon Inc.  
Arctic Glacier Wisconsin Inc.  
Diamond Ice Cube Company Inc.  
Diamond Newport Corporation  
Glacier Ice Company, Inc.  
Ice Perfection Systems Inc.  
ICESurance Inc.  
Jack Frost Ice Service, Inc.  
Knowlton Enterprises, Inc.  
Mountain Water Ice Company  
R&K Trucking, Inc.  
Winkler Lucas Ice and Fuel Company  
Wonderland Ice, Inc.

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ARRANGEMENT WITH RESPECT TO ARCTIC GLACIER INCOME  
FUND, ARCTIC GLACIER INC. AND ARCTIC GLACIER  
INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON  
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(collectively, the "Applicants")

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**INITIAL ORDER**

DATE OF HEARING: WEDNESDAY, FEBRUARY 22, 2012 AT 11 A.M.  
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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Doc#10669822v12

File No. 10671373



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THE HONOURABLE MADAM	)	WEDNESDAY, THE 22nd
	)	
JUSTICE SPIVAK	)	DAY OF FEBRUARY, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF  
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APPLICATION UNDER THE *COMPANIES' CREDITORS*  
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**INITIAL ORDER**

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at the Law Courts Building at 408 York Avenue, in The City of Winnipeg, in the Province of Manitoba.

ON READING the affidavit of Keith McMahon sworn February 21, 2012 and the Exhibits thereto (the "**McMahon Affidavit**"), and on being advised that CPPIB Credit Investments Inc., or any successor thereto (the "**Agent**"), as the Administrative Agent on behalf of the secured lenders to the Applicants (the "**Secured Lenders**") consents to the relief requested in this Application, and on being advised that notice of this Application

was given to counsel for the plaintiffs of certain class actions and to Coliseum Capital Management LLC (New York) and Talamod Asset Management, LLC, in their capacity as registered holders of units of Arctic Glacier Income Fund, and on hearing the submissions of counsel for the Applicants, Alvarez & Marsal Canada Inc. and counsel for the Secured Lenders, no one appearing for any other party although duly served as appears from the affidavit of service, and on reading the consent of Alvarez & Marsal Canada Inc. to act as the Monitor.

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the supporting materials is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicant Arctic Glacier Income Fund (“**AGIF**”) is an income trust to which the CCAA applies and the Applicants Arctic Glacier Inc. (“**AGI**”) and Arctic Glacier International Inc. (“**AGII**”) and those entities listed on Schedule “A” (the “**Additional Applicants**”), are debtor companies to which the CCAA applies (the Applicants (which term includes the Additional Applicants) and Glacier Valley Ice Company, L.P. (“**Glacier LP**”) are collectively referred to herein as the “**Arctic Glacier Parties**”).

### **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Arctic Glacier Parties shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to collectively as the “**Plan**”).

### **POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Arctic Glacier Parties shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the

“**Property**”). Subject to further Order of this Court, each of the Arctic Glacier Parties shall continue to carry on business in a manner consistent with the preservation of their respective businesses (the “**Business**”) and Property. The Arctic Glacier Parties are hereby authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Arctic Glacier Parties shall be entitled to continue to utilize the central cash management system currently in place as described in the McMahon Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Arctic Glacier Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Arctic Glacier Parties, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that, subject to the terms of and availability under the Commitment Letter and the Definitive Documents (each as defined herein), the Arctic Glacier Parties shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future fees and expenses of members of the board of trustees and any wages, salaries, employee and pension benefits, vacation pay

and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Arctic Glacier Parties, trustees of AGIF, or directors and officers of the Arctic Glacier Parties in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein and subject to the terms of and availability under the Commitment Letter and the Definitive Documents, the Arctic Glacier Parties shall be entitled but not required to pay all reasonable expenses incurred by the Arctic Glacier Parties in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including existing directors and officers insurance in respect of the Arctic Glacier Parties' trustees, directors and officers, any reasonable renewals or substitutions thereof and run off coverage in respect thereto), maintenance and security services;
- (b) payment for goods or services actually supplied to an Arctic Glacier Party prior to the date of this Order with the consent of the Monitor; and
- (c) payment for goods or services actually supplied to an Arctic Glacier Party following the date of this Order.

8. THIS COURT ORDERS that the Arctic Glacier Parties shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required

to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by an Arctic Glacier Party in connection with the sale of goods and services by the Arctic Glacier Parties, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada, or of any Province thereof or any political subdivision thereof or any other taxation authority (including taxation authorities in the United States) in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Arctic Glacier Parties.

9. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Arctic Glacier Parties shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Arctic Glacier Party and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears) or in accordance with the relevant lease, in the discretion of the Arctic Glacier Party. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein or required by the Commitment Letter or Definitive Documents, each of the Arctic Glacier Parties is

hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by such Arctic Glacier Party to any of its creditors as of this date, except in respect of interest, costs and expenses payable under the First Lien Debt (as defined in the McMahon Affidavit); (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. THIS COURT ORDERS that each of the Arctic Glacier Parties shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Commitment Letter or Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2 million in the aggregate, and complete any transactions provided for in the Commitment Letter or Definitive Documents, including the sale of the land and building located in Huntington, NY, permitted by the terms of the Commitment Letter or Definitive Documents, without reference to the foregoing dollar limits;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the applicable employer and such employee or, failing such agreement, to deal with the consequences thereof in accordance with applicable law;
- (c) in accordance with paragraphs 12 and 13, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord on such terms as may be agreed upon

between the relevant Arctic Glacier Party and such landlord or, failing such agreement, to deal with the consequences thereof in the Plan or otherwise;

- (d) repudiate such of its arrangements or agreements of any nature whatsoever, whether oral or written, as the Arctic Glacier Parties deem appropriate on such terms as may be agreed upon between the relevant Arctic Glacier Party and such counter-parties or, failing such agreement, to deal with the consequences thereof in the Plan or otherwise; and
- (e) in accordance with the SISP (as hereinafter defined), pursue all avenues of (i) refinancing and recapitalization and (ii) all purchase offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or recapitalization or any sale (except as permitted by subparagraph (a) of this section),

all of the foregoing to permit the Arctic Glacier Parties to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. THIS COURT ORDERS that an Arctic Glacier Party shall provide each of the relevant landlords with notice of the Arctic Glacier Party’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes an Arctic Glacier Party’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Arctic Glacier Party, or by further Order of this Court upon application by the Arctic Glacier Party on at least two (2) days notice to such landlord and any such secured creditors. If an Arctic Glacier Party disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Arctic Glacier Party's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Arctic Glacier Parties and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Arctic Glacier Parties in respect of such lease or leased premises and such landlord shall be entitled to notify the Arctic Glacier Parties of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **INTER-COMPANY BALANCES CHARGE**

14. THIS COURT ORDERS that, subject to the terms of the Commitment Letter and the Definitive Documents:

- (a) (i) AGI and AGIF (collectively “**Arctic Canada**”) are authorized to make loans, advances or transfers of funds to AGII, the Additional Applicants and Glacier LP (collectively “**Arctic U.S.**”) from time to time in accordance with the Cash Management System; and (ii) Arctic U.S. is hereby authorized to repay funds previously advanced to Arctic U.S. by Arctic Canada from time to time in accordance with the Cash Management System; and,
- (b) (i) Arctic U.S. is hereby authorized to make loans, advances or transfers of funds to Arctic Canada from time to time in accordance with the Cash Management System; and (ii) Arctic Canada is hereby authorized to repay funds previously advanced to Arctic Canada by Arctic U.S. from time to time in accordance with the Cash Management System.



15. THIS COURT ORDERS that Arctic Canada shall be entitled to the benefits of, and is hereby granted, a charge (the “**Canada Inter-Company Charge**”) on the Property of Arctic U.S. in an amount equal to but not exceeding the aggregate amounts actually outstanding at any given time based on advances made by Arctic Canada to Arctic U.S. pursuant to the authorization granted under sub-paragraph 14(a) herein from and after the date of this Order.

16. THIS COURT ORDERS that Arctic U.S. shall be entitled to the benefits of, and is hereby granted, a charge (the “**U.S. Inter-Company Charge**”) on the Property of Arctic Canada in an amount equal to but not exceeding the aggregate amounts actually outstanding at any given time based on advances made by Arctic U.S. to Arctic Canada pursuant to the authorization granted under sub-paragraph 14(b) herein from and after the date of this Order. The Canada Inter-Company Charge and the U.S. Inter-Company Charge are referred to herein collectively as the “**Inter-Company Balances Charge**”. The Inter-Company Balances Charge shall have the priority set out in paragraph 57 hereof.

#### **KEY EMPLOYEE RETENTION PLAN**

17. THIS COURT ORDERS that the Key Employee Retention Plan, approved by the members of the board of trustees of AGIF on February 16, 2012 (the “**KERP**”), as attached as a confidential exhibit to the McMahon Affidavit, between AGI and certain key employees listed therein (the “**Key Employees**”) be and is hereby approved and given full force and effect in accordance with its terms, and AGI is hereby directed to make the payments provided for thereunder, when due.

18. THIS COURT ORDERS the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property, as security for all amounts now or hereafter owing to the Key Employees pursuant to the KERP to a total amount of C\$2,600,000. The KERP Charge shall have the priority set out in paragraph 57 hereof.

**MARKETING OF INVESTMENT OPPORTUNITY**

19. THIS COURT ORDERS AND DIRECTS the Arctic Glacier Parties to immediately commence a Sale and Investor Solicitation Process attached hereto as Schedule “B” to this Order (the “SISP”) for the purpose of offering the opportunity for potential investors to purchase or invest in the business and operations of the Arctic Glacier Parties as a going concern or to sponsor a Plan.
20. THIS COURT ORDERS that the SISP is hereby approved and the Arctic Glacier Parties, the Monitor, the Financial Advisor and the CPS (both as defined below) are hereby authorized and directed to perform each of their obligations thereunder.
21. THIS COURT ORDERS that the engagement of TD Securities Inc. as financial advisor to the Arctic Glacier Parties (the “**Financial Advisor**”) pursuant to an engagement letter dated September 16, 2010 between the Financial Advisor and AGIF, as amended and extended (collectively the “**Engagement Letter**”) attached as Confidential Exhibit 2 to the McMahon Affidavit, is hereby approved. AGIF is authorized, *nunc pro tunc*, to enter into the Engagement Letter and is directed to carry out and perform its obligations thereunder (including payment of amounts due to be paid pursuant to the terms of the Engagement Letter) and the Engagement Letter shall be binding upon AGIF.
22. THIS COURT ORDERS that all claims of the Financial Advisor pursuant to the Engagement Letter are not claims that may be compromised pursuant to the Plan, and shall be treated as unaffected in any Plan, any proposal under the *Bankruptcy and Insolvency Act* (the “**BIA**”) or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Financial Advisor pursuant to the terms of the Engagement Letter.
23. THIS COURT ORDERS that a charge (the “**Financial Advisor Charge**”) is hereby granted to the Financial Advisor in the maximum amount of US\$2,000,000 over the Property, which charge shall be security for all amounts due to be paid to the Financial Advisor pursuant to the terms of the Engagement Letter, but shall not secure any indemnity or any fees or expenses incurred by the Financial Advisor in connection

with any right of indemnity included in the Engagement Letter. The Financial Advisor Charge shall have the priority set out in paragraph 57 hereof.

24. THIS COURT ORDERS that the Financial Advisor, its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either its engagement by the Arctic Glacier Parties as Financial Advisor or any matter referred to in the Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Financial Advisor in performing its obligations under the Engagement Letter.

#### **APPOINTMENT OF CHIEF PROCESS SUPERVISOR**

25. THIS COURT ORDERS that 7088418 Canada Inc. o/a Grandview Advisors is hereby appointed as the Chief Process Supervisor (the “CPS”) of the Arctic Glacier Parties pursuant to the terms of the CPS Engagement Letter (as defined below). The CPS is responsible for overseeing and directing the SISP for the benefit of all parties affected by these proceedings, reporting to the Court concerning the SISP and otherwise performing the functions set out in the CPS Engagement Letter. The CPS shall not be or be deemed to be a trustee, director, officer or employee of any of the Arctic Glacier Parties and shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder and under the CPS Engagement Letter, be deemed to have taken possession or control of the Property, or any part thereof, or managed the Business.

26. THIS COURT ORDERS that the terms of the CPS’ engagement shall be those set out in the engagement letter between the CPS and AGI attached to the McMahon Affidavit as Exhibit “A” (the “CPS Engagement Letter”) and the CPS Engagement Letter shall be binding upon AGI. The CPS Engagement Letter shall not be amended without prior approval of this Court.

27. THIS COURT ORDERS that the CPS is hereby authorized to file periodic reports concerning the SISP, shall make recommendations to the Arctic Glacier Parties as it may consider appropriate and work together with the Arctic Glacier Parties, the Financial Advisor and the Monitor to facilitate the SISP. Subject to paragraph 43(d) hereof, the Agent may consult with the CPS. The CPS may apply to the Court for directions as it considers appropriate in the conduct of its duties hereunder. The CPS is hereby authorized to retain counsel.

28. THIS COURT ORDERS that the fees, expenses and any other amount payable to the CPS under and pursuant to the CPS Engagement Letter are secured by the Administration Charge (as defined below) and that any claims of the CPS under the CPS Engagement Letter are not claims that may be compromised pursuant to the Plan, and shall be treated as unaffected in any Plan, any proposal under the BIA or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Chief Process Supervisor pursuant to the terms of the CPS Engagement Letter.

29. THIS COURT ORDERS that the CPS shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of either its appointment as CPS or any matter referred to in the CPS Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the CPS in performing its obligations under the CPS Engagement Letter or this Order. In particular, the CPS shall incur no liability, whether statutory or otherwise, as a trustee, director or officer of the Arctic Glacier Parties.

**NO PROCEEDINGS AGAINST THE ARCTIC GLACIER PARTIES OR THE PROPERTY**

30. THIS COURT ORDERS that until and including March 23, 2012, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of any of the Arctic Glacier Parties or the Monitor, or affecting the Business

or the Property, except with the written consent of the Arctic Glacier Parties and the Monitor, or with leave of this Court, and any and all such Proceedings currently under way against or in respect of the Arctic Glacier Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

31. THIS COURT ORDERS that during the Stay Period, all rights and remedies 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”) against or in respect of the Arctic Glacier Parties or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Arctic Glacier Parties and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Arctic Glacier Parties to carry on any business which they are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS**

32. THIS COURT ORDERS that during the Stay Period, 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 Arctic Glacier Parties, except with the written consent of the Arctic Glacier Parties and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

33. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Arctic Glacier Parties 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 Business or the Arctic

Glacier Parties, 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 Arctic Glacier Parties, and that each of the Arctic Glacier Parties shall be entitled to the continued use of its current premises, 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 Arctic Glacier Parties in accordance with normal payment practices of the Arctic Glacier Parties or such other practices as may be agreed upon by the supplier or service provider and each of the Arctic Glacier Parties and the Monitor, or as may be ordered by this Court.

### **CRITICAL SUPPLIERS**

34. THIS COURT ORDERS AND DECLARES that each of the entities listed in Schedule “C” hereto is a critical supplier to AGI as contemplated by Section 11.4 of the CCAA (each, a “**Critical Supplier**”).

35. THIS COURT ORDERS that each Critical Supplier shall continue to supply AGI with goods and/or services on terms and conditions that are consistent with existing arrangements and past practices. No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of goods and/or services to AGI after the date of this Order.

36. THIS COURT ORDERS that each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the “**Critical Supplier Charge**”) on the Property of AGI in an amount equal to the value of the goods and services supplied by such Critical Supplier and received by AGI after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services. The Critical Supplier Charge shall have the priority set out in paragraph 57 hereof.

### **NON-DEROGATION OF RIGHTS**

37. THIS COURT ORDERS that, subject to paragraphs 34 to 36 above relating to Critical Suppliers, no Person other than a Critical Supplier shall be prohibited from

requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person other than a Critical Supplier be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Arctic Glacier Parties. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

38. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future trustees, directors or officers of the Arctic Glacier Parties with respect to any claim against such trustees, directors or officers that arose before the date hereof and that relates to any obligations of the Arctic Glacier Parties whereby such trustees, directors or officers are alleged under any law to be liable in their capacity as trustees, directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Arctic Glacier Parties, if one is filed, is sanctioned by this Court or is refused by the creditors of the Arctic Glacier Parties or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

39. THIS COURT ORDERS that the Arctic Glacier Parties shall indemnify their trustees, directors and officers against obligations and liabilities that they may incur as trustees, directors or officers of the Arctic Glacier Parties after the commencement of the within proceedings, except to the extent that, with respect to any trustee, officer or director, the obligation or liability was incurred as a result of the trustee's, the director's or the officer's gross negligence or wilful misconduct.

40. THIS COURT ORDERS that the trustees, directors and officers of the Arctic Glacier Parties shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate

amount of US\$2,700,000, as security for the indemnity provided in paragraph 39 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 herein.

41. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the trustees, directors and officers of the Arctic Glacier Parties shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 39 of this Order.

#### **APPOINTMENT OF MONITOR**

42. THIS COURT ORDERS that Alvarez & Marsal Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Arctic Glacier Parties with the powers and obligations set out in the CCAA or set forth herein and that the Arctic Glacier Parties and their unit holders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Arctic Glacier Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

43. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Arctic Glacier Parties' receipts and disbursements;
- (b) perform its obligations under the SISF;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the SISF and such other matters as may be relevant to the proceedings herein;



- (d) assist the Arctic Glacier Parties, to the extent required by the Arctic Glacier Parties, in their dissemination to the Agent and its counsel of financial and other information, which may be used in these proceedings, including reporting on the basis specified in the Commitment Letter or Definitive Documents (each as defined below), and consult with the Agent as the Monitor deems advisable (subject to the restrictions set out herein), and for greater certainty, the Monitor, the Financial Advisor, the CPS and the Arctic Glacier Parties shall not provide information to the Agent or the DIP Lenders concerning the SISP except in accordance with the SISP;
- (e) assist the Arctic Glacier Parties in the preparation of Cash Flow Projections (as defined below);
- (f) assist the CPS in the performance of its duties as set out in this Order and the CPS Engagement Letter;
- (g) advise the Arctic Glacier Parties in their preparation of the Arctic Glacier Parties' cash flow statements and reporting required by the Agent, which information shall be reviewed with the Monitor and delivered to the Agent and its counsel as specified in the Commitment Letter or Definitive Documents (each as defined herein);
- (h) advise the Arctic Glacier Parties in the development of the Plan and any amendments to the Plan;
- (i) assist the Arctic Glacier Parties, to the extent required by the Arctic Glacier Parties, with the holding and administering of creditors' meetings and other required stakeholder meetings, if any, for voting on the Plan;
- (j) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Arctic Glacier Parties, to the extent that is necessary to adequately assess the business and financial affairs of the Arctic Glacier Parties or to perform its duties arising under this Order;

- (k) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

44. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

45. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property or any property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Sites Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba), regulations thereunder or any other similar, municipal, federal, provincial or state law of any jurisdiction where the Arctic Glacier Parties carry on business or have assets (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property or any other property within the meaning of any Environmental Legislation, unless it is actually in possession.

46. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Arctic Glacier Parties with information provided by the Arctic Glacier Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Arctic Glacier Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Arctic Glacier Parties may agree.

47. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

48. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the Agent, counsel to the trustees of AGIF, counsel to the directors and officers of the Arctic Glacier Parties, and counsel to the Arctic Glacier Parties shall be paid their reasonable fees and disbursements, in each case at their standard rates or at the rates and charges agreed by the Arctic Glacier Parties, by the Arctic Glacier Parties as part of the costs of these proceedings. The Arctic Glacier Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Agent and counsel for the Arctic Glacier Parties on weekly or a bi-weekly basis and, in addition, the Arctic Glacier Parties are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Arctic Glacier Parties, retainers in the amounts of \$125,000, \$125,000 and \$350,000 , respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

49. THIS COURT ORDERS that at the request of the Arctic Glacier Parties, the Agent, any other party in interest or this Court, the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor

and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

50. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the CPS, counsel to the trustees of AGIF, counsel to the directors and officers of the Arctic Glacier Parties, and counsel to the Arctic Glacier Parties shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US\$2,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 57 hereof. The beneficiaries of the Administration Charge, at the request of the Monitor, shall be required to provide the Monitor with bi-weekly updates regarding the unpaid amounts owing to them that are secured by the Administration Charge.

#### **DIP FINANCING**

51. THIS COURT ORDERS that the Arctic Glacier Parties are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Loan**") from the Secured Lenders (the Secured Lenders in their capacity as lenders under the credit facility hereby authorized are called the "**DIP Lenders**") in order to finance the Arctic Glacier Parties' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed a combined total of C\$26,000,000 and US\$24,000,000 unless permitted by further Order of this Court.

52. THIS COURT ORDERS that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Arctic Glacier Parties and the Agent dated as of February 21, 2012 (the "**Commitment Letter**"), filed.

53. THIS COURT ORDERS that the Arctic Glacier Parties are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the

“**Definitive Documents**”), as are contemplated by the Commitment Letter or as may be reasonably required by the Agent pursuant to the terms thereof, and the Arctic Glacier Parties are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Agent under and pursuant to the Commitment Letter and the Definitive Documents for the benefit of the DIP Lenders as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

54. THIS COURT ORDERS that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lenders’ Charge shall have the priority set out in paragraphs 57 hereof.

55. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the Agent may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lenders’ Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lenders’ Charge, the Agent, upon 4 days’ notice to the Arctic Glacier Parties and the Monitor, may exercise any and all of its rights and remedies against the Arctic Glacier Parties or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lenders’ Charge, including without limitation, to cease making advances to the Arctic Glacier Parties and set off and/or consolidate any amounts owing by the Agent to the Arctic Glacier Parties against the obligations of the Arctic Glacier Parties to the Agent under the Commitment Letter, the Definitive Documents, the Credit Agreements (as defined herein) or the DIP Lenders’ Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Arctic Glacier Parties and for the appointment of a trustee in bankruptcy of the Arctic Glacier Parties; and

- (c) the foregoing rights and remedies of the Agent shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Arctic Glacier Parties or the Property.

56. THIS COURT ORDERS AND DECLARES that the claims of the DIP Lenders in relation to the DIP Loan are not claims that may be compromised pursuant to the Plan, and shall be treated as unaffected in any Plan, any proposal under the BIA or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the DIP Lenders pursuant to the terms of the Commitment Letter and the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

57. THIS COURT ORDERS that the priorities of the Administration Charge, Financial Advisor Charge, Directors' Charge, DIP Lenders' Charge, KERP Charge, Critical Supplier Charge, and Inter-Company Balances Charge (collectively, the "Charges"), as among them, shall be as follows:

First – The Administration Charge (to the maximum amount of US\$2,000,000) and the Financial Advisor Charge (to the maximum amount of an additional US\$2,000,000) on a *pari passu* basis;

Second – The Directors' Charge (to the maximum amount of US\$2,700,000);

Third – The Critical Supplier Charge (to the maximum amount of C\$1,000,000, only as against the assets of AGI)

Fourth - The DIP Lenders' Charge (to the maximum amount of C\$28,600,000 plus US\$26,400,000);

Fifth – The KERP Charge (to the maximum amount of C\$2,600,000) and the Critical Supplier Charge (for any amounts above C\$1,000,000) on a *pari passu* basis (with the Critical Supplier Charge as against the assets of AGI only); and,

Sixth – The Inter-Company Balances Charge.

58. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

59. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment, except for (i) any validly perfected purchase money security interest in favour of a secured creditor, (ii) any statutory Encumbrance existing on the date of this Order in favour of any Person which is a “secured creditor”, as defined in the CCAA, in respect of any amounts under the Wage Earners’ Protection Program that are subject to a super priority claim under the BIA, including source deductions from wages, employer health tax, workers compensation, vacation pay and banked overtime for employees, or (iii) the TD LC Security, as defined in the McMahon Affidavit.

60. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Arctic Glacier Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Arctic Glacier Parties also obtain the prior written consent of the Monitor, the Agent and the Chargees (as defined below) or further Order of this Court.

61. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any

federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Arctic Glacier Parties, and notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by any Arctic Glacier Party of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Arctic Glacier Parties entering into the Commitment Letter, the creation of the Charges or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Arctic Glacier Parties pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

62. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Arctic Glacier Parties’ interest in such real property.

**DOCUMENTS TO BE SEALED**

63. THIS COURT ORDERS that the KERP, the Financial Advisor Engagement and the DIP Fee Letter, which are attached as Confidential Exhibits 1, 2 and 3, respectively, to the McMahon Affidavit, shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these



proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

### **SERVICE AND NOTICE**

64. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe and Mail, the Winnipeg Free Press and The Wall Street Journal (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any Arctic Glacier Party of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

65. THIS COURT ORDERS that the Arctic Glacier Parties and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Arctic Glacier Parties' creditors or other interested parties at their respective addresses as last shown on the records of the Arctic Glacier Parties and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

66. THIS COURT ORDERS that counsel for the Arctic Glacier Parties shall prepare and keep current a service list ("**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or email address) for service to: the Arctic Glacier Parties; the Monitor; and each creditor or other interested Person who has sent a request, in writing, to counsel for the Arctic Glacier Parties to be added to the Service List. The Service List shall indicate whether each Person on the Service List has elected to be served by email or facsimile, and failing such election the Service List shall indicate service by email. The Service List shall be

posted on the website of the Monitor at the address indicated in paragraph 67 herein. For greater certainty, creditors and other interested Persons who have received notice in accordance with paragraph 64(b) of this Order and/or have been served in accordance with paragraph 65 of this Order, and who do not send a request, in writing, to counsel for the Arctic Glacier Parties to be added to the Service List, shall not be required to be further served in these proceedings.

67. THIS COURT ORDERS that the Arctic Glacier Parties, the Monitor, and any party on the Service List may serve any court materials in these proceedings by facsimile or by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at [www.alvarezandmarsal.com/arcticglacier](http://www.alvarezandmarsal.com/arcticglacier). Service shall be deemed valid and sufficient if sent in this manner.

#### **GENERAL**

68. THIS COURT ORDERS that any of the Arctic Glacier Parties or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

69. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Arctic Glacier Parties, the Business or the Property.

70. 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 Arctic Glacier Parties, the Monitor and their respective 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 Arctic Glacier Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the

Arctic Glacier Parties and the Monitor and their respective agents in carrying out the terms of this Order.

71. THIS COURT ORDERS that each of the Arctic Glacier Parties and the Monitor 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 Monitor 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.

72. THIS COURT ORDERS that the Monitor is hereby directed, as a foreign representative of the Arctic Glacier Parties, to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

73. THIS COURT ORDERS that any interested party (including the Arctic Glacier Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

74. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Central Standard/Daylight Time on the date of this Order.

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**SCHEDULE "A" - Additional Applicants**

Arctic Glacier California Inc.  
Arctic Glacier Grayling Inc.  
Arctic Glacier Lansing Inc.  
Arctic Glacier Michigan Inc.  
Arctic Glacier Minnesota Inc.  
Arctic Glacier Nebraska Inc.  
Arctic Glacier Newburgh Inc.  
Arctic Glacier New York Inc.  
Arctic Glacier Oregon Inc.  
Arctic Glacier Party Time Inc.  
Arctic Glacier Pennsylvania Inc.  
Arctic Glacier Rochester Inc.  
Arctic Glacier Services Inc.  
Arctic Glacier Texas Inc.  
Arctic Glacier Vernon Inc.  
Arctic Glacier Wisconsin Inc.  
Diamond Ice Cube Company Inc.  
Diamond Newport Corporation  
Glacier Ice Company, Inc.  
Ice Perfection Systems Inc.  
ICESurance Inc.  
Jack Frost Ice Service, Inc.  
Knowlton Enterprises, Inc.  
Mountain Water Ice Company  
R&K Trucking, Inc.  
Winkler Lucas Ice and Fuel Company  
Wonderland Ice, Inc.

**SCHEDULE "B" - Sale and Investor Solicitation Process**

**SCHEDULE "C" - Critical Suppliers**

**THE QUEEN'S BENCH**  
Winnipeg Centre

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN  
OF COMPROMISE OR ARRANGEMENT OF WITH RESPECT TO  
ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER  
INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON  
SCHEDULE "A" HERETO (collectively, the "APPLICANTS")**

**APPLICATION UNDER THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

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**SERVICE LIST**  
**as of February 21, 2012**

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