

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
WITH RESPECT TO ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC.,
ARCTIC GLACIER INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED
IN SCHEDULE "A" HERETO

(collectively, the "APPLICANTS")

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

NOTICE OF MOTION
(Motion for Plan Sanction Order and Other Relief)

DATE OF HEARING: FRIDAY, SEPTEMBER 5, 2014, AT 10:00 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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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 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")

**NOTICE OF MOTION
(Motion for Sanction Order and Other Relief
Returnable September 5, 2014)**

The Applicants will make a motion before the Honourable Madam Justice Spivak on Friday, September 5, 2014 at 10:00 a.m., or as soon after that time as the motion can be heard, at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

THE MOTION IS FOR:

1. An order (the "**Sanction Order**"), substantially in the form attached hereto as Appendix "1", *inter alia*:
 - (a) if necessary, abridging the time for and validating service of the Notice of Motion and supporting materials such that the motion is properly returnable on September 5, 2014 at 10:00 a.m. and dispensing with further service thereof;
 - (b) extending the Stay Period, as defined in paragraph 30 of the Order of the Honourable Madam Justice Spivak made February 22, 2012 (the "**Initial Order**"), until November 28, 2014;

- (c) approving the Sixteenth Report of the Monitor dated August 7, 2014 (the “**Sixteenth Report**”), the Seventeenth Report of the Monitor dated August 26, 2014 (the “**Seventeenth Report**”), and the activities described in the Sixteenth Report and the Seventeenth Report;
- (d) declaring that the Creditors’ Meeting was deemed to have been duly called and held and that the Plan (as defined herein) has been approved unanimously by the Affected Creditors, and providing related relief;
- (e) declaring that the Unitholders’ Meeting was duly called and held and that the Plan has been approved by the Required Unitholder Majority, and providing related relief;
- (f) approving and sanctioning the amended and restated consolidated plan of compromise or arrangement dated August 26, 2014 (and as it may be further amended, restated, modified or supplemented from time to time in accordance with its terms) (the “**Plan**”) and providing for implementation of the Plan, including approving the releases contemplated therein;
- (g) declaring that, as of the Effective Time, the Monitor and the CPS shall be discharged and released from certain duties;
- (h) ordering certain rates of interest to be paid on, or included in, the Proven Claims, as applicable; and
- (i) granting such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

2. The provisions of the CCAA, and, in particular, Sections 6 and 11 thereof.
3. The inherent and equitable jurisdiction of this Honourable Court.
4. Queen's Bench Rules 2.03, 3.02(1), 16.04, 16.08, 37.07(1), and 37.08(2).

Background

5. Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.
6. On February 22, 2012, this Honourable Court granted protection to the Arctic Glacier Parties in the Initial Order pursuant to the CCAA.
7. On June 21, 2012, this Honourable Court granted an order, among other things, approving the Sale Transaction.
8. The Sale Transaction closed on July 27, 2012. After making required payments, and taking into account other receipts and disbursements, the Monitor is currently holding approximately US\$116 million in trust.
9. On September 5, 2012, this Honourable Court issued the Claims Procedure Order that approved the claims process. The vast majority of the Claims have been resolved.
10. On May 21, 2014, this Honourable Court issued the Meeting Order that authorized, *inter alia*: (i) the Arctic Glacier Parties to call the Creditors' Meeting; (ii) the

deemed vote of Affected Creditors in favour of a resolution to approve the Plan; and (iii) Arctic Glacier Income Fund to call, hold and conduct the Unitholders' Meeting.

Validating Service

11. The service effected and notice provided has been sufficient to bring these proceedings to the attention of the recipients and it is appropriate in the circumstances for this Honourable Court to validate service and proceed with the hearing.

Extending the Stay Period

12. The Applicants have acted and continue to act in good faith and with due diligence.

13. An extension of the Stay Period until November 28, 2014 is appropriate, as it will allow additional time for the Monitor, in consultation with the Arctic Glacier Parties, to continue working towards a resolution of the Unresolved Claims and to implement the process contemplated by the Meeting Order and the Plan.

Approving the Sixteenth Report, the Seventeenth Report and the Monitor's Activities

14. In accordance with the practice that has developed, the stakeholders will have had a reasonable opportunity to review and take issue with the Sixteenth Report, the Seventeenth Report and the activities described therein and, absent any significant objection, the Sixteenth Report, the Seventeenth Report and the activities described therein should be approved by this Honourable Court.

Declaring that the Plan has Been Approved Unanimously by the Affected Creditors

15. Pursuant to the Meeting Order, the Creditors' Meeting was deemed to have been duly called and held on August 11, 2014, for the purpose of voting on a resolution to approve the Plan. Pursuant to the Meeting Order, every Affected Creditor was deemed to have voted unanimously in favour of the resolution to approve the Plan at the Creditors' Meeting and this deemed vote is binding on all Affected Creditors.

Declaring that the Plan has been approved by the Required Unitholder Majority

16. Pursuant to the Meeting Order, the Trustees were deemed to have called a special meeting of Unitholders that was held and conducted on August 11, 2014 for the purpose of considering and voting on a resolution to, *inter alia*, approve the Plan. The Plan was supported by 99.81% of the Unitholders who voted in person or by proxy at the Unitholders' Meeting.

Approving and Sanctioning the Plan

17. The Plan includes a framework that will, in combination with the Claims Procedure Order: (i) facilitate the settlement and/or determination of all Affected Claims; (ii) provide for the distribution of a sufficient amount of the Available Funds to holders of Proven Claims to satisfy such Proven Claims in full, plus any applicable interest calculated in accordance with the Sanction Order; (iii) provide for the distribution of remaining Available Funds to Unitholders on a *pro rata* basis free and clear of any Claims of Affected Creditors; and (iv) effect the wind-up and dissolution of certain Arctic Glacier Parties pursuant to and in accordance with the timing and manner set out in the Plan.

18. The Plan was deemed to be supported by 100% of the Affected Creditors.

19. The Plan was supported by Unitholders significantly in excess of the Required Unitholder Majority.

20. Nothing has come to the attention of the Monitor that would suggest that the Arctic Glacier Parties have not complied with the Orders of this Court or the CCAA.

21. The Plan is fair and reasonable in the circumstances, and the Monitor has stated that it also believes that the Plan is fair and reasonable in the circumstances.

Discharge of the Monitor and the CPS

22. The Monitor and the CPS have duly and properly satisfied, discharged and performed their respective obligations, liabilities, responsibilities and duties as Monitor and CPS, respectively, in the CCAA Proceedings in compliance and in accordance with all Orders of this Honourable Court, the CCAA and otherwise, other than those remaining obligations, duties and responsibilities pursuant to the Sanction Order, if granted.

Declaring the Rate of Interest to be Paid on or as Part of the Proven Claims

23. There is no specific provision in the CCAA governing the interest rate applicable to creditor claims. The Monitor and the Arctic Glacier Parties therefore propose to use the current Manitoba Court of Queen's Bench interest rate of 1.5% as the interest rate to be paid on Proven Claims (other than the Deemed Proven Claims, the Canadian Direct

Purchaser Proven Claim and the Indirect Purchaser Proven Claim). This rate is reasonable and is consistent with the Affected Creditors' reasonable expectations.

24. It is just and convenient and in the interests of the Arctic Glacier Parties and their respective stakeholders that the Sanction Order sought be granted.

25. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

26. The pleadings and proceedings herein;

27. The Fifteenth Report of the Monitor dated May 14, 2014; the Sixteenth Report; and the Seventeenth Report; and

28. Such further and other materials as counsel may advise and this Honourable Court may permit.

August 26, 2014

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TO: THE ATTACHED SERVICE LIST

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.

APPENDIX 1

THE QUEEN'S BENCH
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ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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

(collectively, the "APPLICANTS")

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

SANCTION ORDER

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THE HONOURABLE)	FRIDAY, THE 5TH
)	
MADAM JUSTICE SPIVAK)	DAY OF SEPTEMBER, 2014

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
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(collectively, the "APPLICANTS")

ORDER
(Plan Sanction)

THIS MOTION made by the Applicants for an Order (the "**Sanction Order**"):

(i) approving and sanctioning the amended and restated consolidated plan of compromise or arrangement dated August 26, 2014 (and as it may be further amended, restated, modified or supplemented from time to time in accordance with its terms) (the "**Plan**"), attached as Schedule "B" to this Sanction Order; and (ii) extending the stay of proceedings (the "**Stay Period**") under the Order of the Honourable Madam Justice Spivak made February 22, 2012 (the "**Initial Order**") 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 Notice of Motion, the Sixteenth Report of the Monitor dated August 7, 2014 (the “**Sixteenth Report**”) and the Seventeenth Report of the Monitor dated August 26, 2014 (the “**Seventeenth Report**”), and on hearing the submissions of counsel for the Applicants and Glacier Valley Ice Company, L.P. (together, the “**Arctic Glacier Parties**”), counsel for the Monitor and ●, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Sanction Order shall have the meanings ascribed to them in the Plan.

SERVICE

2. **THIS COURT ORDERS** that the time for service of this Motion and the Sixteenth and Seventeenth Report be and is hereby abridged and validated, such that this Motion is properly returnable today and hereby dispenses with further service thereof.

THE CREDITORS’ MEETING AND THE UNITHOLDERS’ MEETING

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service and delivery of the Meeting Order and the documents referred to in the Meeting Order, including the Notice to Affected Creditors and Notice to Unitholders.

4. **THIS COURT DECLARES** that the Creditors' Meeting was deemed to have been duly called and held in accordance with the Orders of this Court in the CCAA Proceedings, including the Meeting Order.

5. **THIS COURT ORDERS AND DECLARES** that the Unitholders' Meeting was duly called and held in accordance with the Orders of this Court in the CCAA Proceedings, including the Meeting Order.

MONITOR'S ACTIVITIES AND REPORTS

6. **THIS COURT ORDERS** that the Sixteenth Report and the Seventeenth Report, and the activities described therein, are hereby approved.

7. **THIS COURT ORDERS** that the activities and conduct of the Monitor and the CPS in relation to the Arctic Glacier Parties and the CCAA Proceedings, and of the Monitor in conducting and administering the Unitholders' Meeting on August 11, 2014 (as more particularly described in the Seventeenth Report) be and are hereby ratified and approved.

SANCTION OF THE PLAN

8. **THIS COURT ORDERS AND DECLARES** that:

- (a) pursuant to the Meeting Order, the Plan has been approved unanimously by the Affected Creditors;

- (b) the Plan has been approved by the Required Unitholder Majority, in conformity with the Meeting Order;
- (c) the activities of the Arctic Glacier Parties have complied with the provisions of the CCAA and the Orders of this Court made in the CCAA Proceedings in all respects;
- (d) the CCAA Court is satisfied that the Arctic Glacier Parties have acted, and are acting, in good faith and with due diligence, and have complied with the provisions of the CCAA and the Orders of this Court made in the CCAA Proceedings in all respects;
- (e) the CCAA Court is satisfied that the Arctic Glacier Parties have not done or purported to do anything that is not authorized by the CCAA; and
- (f) the Plan, all terms and conditions thereof, and the matters and the transactions contemplated thereby, are fair and reasonable.

9. **THIS COURT ORDERS AND DECLARES** that the Plan (including, without limitation, the transactions, arrangements, reorganizations, assignments, cancellations, compromises, settlements, extinguishments, discharges, injunctions and releases set out therein) is hereby sanctioned and approved pursuant to the CCAA.

PLAN IMPLEMENTATION

10. **THIS COURT ORDERS** that at the Effective Time, the Plan and all associated steps, compromises, settlements, extinguishments, cancellations, transactions,

assignments, injunctions, arrangements, releases, reorganizations and discharges effected thereby shall be binding and effective upon, and shall enure to the benefit of, the Arctic Glacier Parties; all Affected Creditors; the Directors, Officers, Unitholders and Trustees; the Releasees; and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

11. **THIS COURT ORDERS** that at the Effective Time, the Plan and all associated steps, compromises, settlements, extinguishments, cancellations, transactions, assignments, arrangements, injunctions, releases, reorganizations and discharges effected thereby shall be, and are hereby deemed to be:

- (a) implemented, in accordance with the provisions of the Plan; and
- (b) effected in the sequential order and at the times contemplated by Section 8.3 of the Plan, without any further act or formality, on the Plan Implementation Date beginning at the Effective Time.

12. **THIS COURT ORDERS** that the Arctic Glacier Parties, the Monitor and the CPS, as the case may be, are hereby authorized and directed to take all steps and actions necessary or appropriate to implement the Plan in accordance with and subject to its terms and conditions, and enter into, adopt, execute, deliver, complete, implement and consummate all of the steps, compromises, settlements, transactions, assignments, arrangements, reorganizations, distributions, payments, deliveries, allocations, instruments, agreements and releases contemplated by, and subject to the terms and conditions of, the Plan, and all such steps and actions are hereby approved. Further, to the

extent not previously given, all necessary approvals to take such actions shall be and are hereby deemed to have been obtained from the Directors, Officers, or Trustees, as applicable, including the deemed passing by any class of shareholders or unitholders of any resolution or special resolution, and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated in the Plan shall be effective or have an force or effect.

13. **THIS COURT ORDERS** that on and after the Plan Implementation Date, the Monitor shall be at liberty to engage such Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the Plan, the Sanction Order or any other Order of this Court and to facilitate the completion of the CCAA Proceedings, and that the fees and costs incurred in respect of such engagement shall constitute an Administrative Reserve Cost within the meaning of the Plan.

14. **THIS COURT ORDERS** that none of the Arctic Glacier Parties, the Monitor and/or the CPS shall incur any liability as a result of acting in accordance with the terms of the Plan or this Sanction Order.

15. **THIS COURT ORDERS AND DECLARES** that the Applicants, the CPS and the Monitor are hereby authorized and empowered to exercise all consent and approval rights provided for in the Plan in the manner set forth in the Plan, whether before, after or on the Plan Implementation Date.

16. **THIS COURT ORDERS** that the Monitor, the Transfer Agent and any other Person required to make any distributions, payments, deliveries or allocations or take any steps or actions related thereto pursuant to the Plan are hereby authorized and directed to complete such distributions, payments, deliveries or allocations and to take any such related steps or actions, as the case may be, in accordance with the terms of the Plan, and such distributions, payments, deliveries and allocations, and the steps and actions related thereto, are hereby approved.

17. **THIS COURT ORDERS** that subject to payment of any amounts secured by the Charges, each of the Charges shall be terminated, discharged and released upon the filing by the Monitor with this Court of the certificate contemplated by Section 8.2 of the Plan.

EFFECT OF PLAN IMPLEMENTATION

18. **THIS COURT ORDERS** that, from and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Arctic Glacier Parties then existing or previously committed by the Arctic Glacier Parties or caused by the Arctic Glacier Parties or any of the provisions of the Plan or this Sanction Order or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, real property lease, personal property lease or other agreement, written or oral, and any amendments or supplements thereto, existing between such Person and the Arctic Glacier Parties. Any and all notices of default, acceleration of

payments and demands for payments under any instrument, or other notices, including without limitation, any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been rescinded and withdrawn.

19. **THIS COURT ORDERS** that, as of the Plan Implementation Date, each Affected Creditor and Unitholder shall be deemed to have consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each Affected Creditor and Unitholder shall be deemed:

- (a) to have granted, executed and delivered to the Monitor and the Arctic Glacier Parties all documents, consents, releases, assignments, waivers or agreements, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions of the Plan and the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor or Unitholder and the Arctic Glacier Parties as of the Plan Implementation Date, the provisions of the Plan take precedence and priority, and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

20. **THIS COURT ORDERS** that, subject to the Claims Procedure Order including the powers of the Monitor set out in paragraph 5 therein, any Affected Claim for which a Proof of Claim has not been filed by the Claims Bar Date or the DO&T Indemnity Claims Bar Date, as applicable, shall be forever barred and extinguished.

21. **THIS COURT ORDERS** that, on the Plan Implementation Date, following completion of the steps in the sequence set forth in Section 8.3 of the Plan, all debentures, notes, bills of exchange, certificates, agreements, invoices and other instruments evidencing Affected Claims shall not entitle the holder thereof to any compensation or participation and shall be and are hereby deemed to be cancelled and shall be and are hereby deemed to be null and void, and the obligations of the Arctic Glacier Parties thereunder or in any way related thereto shall be satisfied and discharged.

22. **THIS COURT ORDERS** that, pursuant to and in accordance with the Plan, any and all Affected Claims shall be forever compromised, discharged, settled and released, and the ability of any Person to proceed against the Arctic Glacier Parties in respect of or relating to any Affected Claims shall be forever barred, discharged, enjoined and restrained, and all proceedings in respect of such Affected Claims are hereby permanently stayed, subject only to (i) the right of Affected Creditors with Unresolved Claims to continue pursuing such Unresolved Claims in accordance with the Claims Procedure Order, the Claims Officer Order and the Plan; and (ii) the right of Affected Creditors to receive payments and distributions pursuant to the Plan.

INTEREST

23. **THIS COURT ORDERS** that the rate of interest to be paid on each Proven Claim (other than the Deemed Proven Claims, the Canadian Direct Purchaser Proven Claim and the Indirect Purchaser Proven Claim) from and after the Claims Bar Date is 1.5%.

24. **THIS COURT ORDERS** that the DOJ Claim shall include interest at the United States federal post-judgment interest rate of 0.34%, compounding annually until the date of payment of such DOJ Claim, as provided for in the *Stipulation and Order Among the Monitor, Debtors, and the United States Attorney's Office for the Southern District of Ohio Regarding March 2010 Criminal Judgment of Arctic Glacier International Inc.*, dated July 17, 2012, as entered by the U.S. Bankruptcy Court in the Chapter 15 Proceedings.

25. **THIS COURT ORDERS** that the Direct Purchaser Claim shall include interest at the rate of 0.3% calculated commencing on April 2, 2012.

STAY EXTENSION

26. **THIS COURT ORDERS** that the Stay Period is hereby extended until November 28, 2014.

27. **THIS COURT ORDERS** that any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including, without limitation, administrative hearings and orders, declarations or assessments, commenced taken or proceeded with or that may be commenced, taken or proceeded with against any Releasee in respect of all Claims and any matter which is released pursuant to the Plan.

RELEASES AND INJUNCTIONS

28. **THIS COURT ORDERS AND DECLARES** that the releases contemplated by the Plan are approved.

29. **THIS COURT ORDERS** that all Persons shall be permanently and forever barred, estopped, stayed and enjoined, from and after the Effective Time, in respect of any and all Releasees, from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Releasees; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Releasees or their respective property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law or in equity, for breach of trust or breach of fiduciary duty, under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Releasees; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Releasees or their respective property; or (v) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

ORDERS IN THE CCAA PROCEEDINGS

30. **THIS COURT ORDERS** that the Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or are inconsistent with this Sanction Order or any further Order of this Court.

THE MONITOR AND CHIEF PROCESS SUPERVISOR

31. **THIS COURT ORDERS AND DECLARES** that the Monitor and the CPS have satisfied all of their obligations up to and including the date of this Sanction Order, and that: (i) in carrying out the terms of this Sanction Order and the Plan and in performing their respective duties as Monitor and CPS, as applicable, in the CCAA Proceedings, the Monitor and the CPS shall have all the protections given to each of them by the CCAA, the Initial Order, the Meeting Order, the Claims Procedure Order and any other Order of this Court and as officers of the Court, including the stay of proceedings in their favour; (ii) the Monitor and the CPS shall incur no liability or obligation for any act or omission as a result of carrying out the provisions of this Sanction Order and the Plan and in performing their duties as Monitor and CPS, respectively, in the CCAA Proceedings, save and except for any gross negligence or wilful misconduct on their parts; and (iii) the Monitor and the CPS shall not be liable for any claims or damages resulting from any errors or omissions in the books and records of the Arctic Glacier Parties and any information provided by the Arctic Glacier Parties, including with respect to reliance thereon by any Person, save and except for any gross negligence or wilful misconduct on the Monitor's or CPS's part, as the case may be. Subject to the foregoing,

and in addition to the protections in favour of the Monitor under the CCAA, and the protections in favour of the Monitor and the CPS as set out in the Orders of this Court, any claims against the Monitor or the CPS in connection with the performance of their respective duties are hereby released, stayed, extinguished and forever barred and the Monitor and the CPS shall have no liability in respect thereof.

32. **THIS COURT ORDERS** that that the Monitor and the CPS shall not incur any liability under the Tax Statutes as a result of the completion of the steps or transactions contemplated by the Plan, including in respect of its making any payments or distributions ordered or permitted under the Plan or the Sanction Order and including any steps or transactions contemplated by Sections 8.3 or 8.4 of the Plan, and that the Monitor and the CPS are released, remised and discharged from any claims against them under or pursuant to the Tax Statutes or otherwise at law, arising in respect of the completion of the steps or transactions contemplated by the Plan, including in respect of making any payments or distributions ordered or permitted under the Plan or the Sanction Order and including any steps or transactions contemplated by Sections 8.3 or 8.4 of the Plan, and that any claims of such a nature are forever barred and extinguished

33. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor or the CPS in any way arising from or related to their respective capacities or conduct as Monitor or CPS, except with prior leave pursuant to an Order of this Court made on prior written notice to the Monitor and the CPS and provided any such Order granting leave includes a term granting the Monitor or the CPS, as applicable, security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and

appropriate. In addition, this Court orders that it has exclusive jurisdiction over any action or other proceeding commenced against the Monitor or the CPS in any way arising from or related to their respective capacities or conduct as Monitor or CPS.

34. **THIS COURT ORDERS AND DECLARES** that, in addition to the Monitor's prescribed rights under the CCAA, and the powers granted by this Court to the Monitor and the CPS, as the case may be, the powers granted to the Monitor and the CPS are expanded as may be required, and the Monitor and the CPS are empowered and authorized on and after the Plan Implementation Date, to take such additional actions and execute such documents, in the name of and on behalf of the Arctic Glacier Parties, as the Monitor and the CPS consider necessary or desirable in order to perform their respective functions and fulfill their respective obligations under the Plan, the Sanction Order and any Order of this Court in the CCAA Proceedings and to facilitate the implementation of the Plan and the completion of the CCAA Proceedings, including to: (i) take measures to attempt to satisfy or waive the conditions precedent under the Plan; (ii) administer and distribute the Available Funds; (iii) establish, hold, administer and distribute the Administrative Costs Reserve, the Insurance Deductible Reserve, the Unresolved Claims Reserve, the Affected Creditors' Distribution Cash Pool and the Unitholders' Distribution Cash Pool; (iv) resolve any Unresolved Claims; (v) effect payments in respect of Proven Claims to Affected Creditors and effect distributions to the Transfer Agent in respect of distributions to be made to Unitholders; (vi) take such steps, if and as may be necessary, to address Excluded Claims in accordance with the Plan, the Claims Procedure Order and the Claims Officer Order; and (vii) take such steps as are necessary to effect the post-Plan Implementation Date steps and transactions set out in Section 8.4 of the Plan; and, in

each case where the Monitor or the CPS, as the case may be, takes such actions or steps, they shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons including the Arctic Glacier Parties, and without interference from any other Person.

35. **THIS COURT ORDERS** that on or following the Plan Implementation Date, the Monitor shall be and is hereby authorized and directed to make payments out of the Administrative Costs Reserve, on behalf of the Arctic Glacier Parties, in respect of the payment of Administrative Reserve Costs by way of cheque (sent by prepaid ordinary mail to the Monitor's last known address for such recipient Persons) or wire transfer (in accordance with wire transfer instructions, if provided by such recipient Persons to the Monitor at least three (3) Business Days prior to the payment date set by the Monitor).

36. **THIS COURT ORDERS** that on or following the Plan Implementation Date, the Monitor shall be and is hereby authorized and directed to administer and make payments out of Insurance Deductible Reserve and Unresolved Claims Reserve pursuant to and in accordance with the Plan.

37. **THIS COURT ORDERS** that all payments and distributions by or at the direction of the Monitor, the Transfer Agent, and any other Persons required to make payments or distributions, in each case on behalf of the Arctic Glacier Parties or Arctic Glacier Income Fund ("AGIF"), as applicable, under the Plan are for the account of the Arctic Glacier Parties or AGIF, as applicable, and the fulfillment of their obligations under Plan.

38. **THIS COURT ORDERS** that on the Plan Implementation Date or on any Distribution Date, as the case may be, the Monitor shall be and is hereby authorized and directed to make distributions out of the Affected Creditors' Distribution Cash Pool, on behalf of the Arctic Glacier Parties, to each Affected Creditor in the amount of such Affected Creditor's Distribution Claim by way of cheque (sent by prepaid ordinary mail to the address for such Affected Creditor specified in the Proof of Claim filed by such Affected Creditor).

39. **THIS COURT ORDERS** that on the Plan Implementation Date or on any Distribution Date, as the case may be, the Monitor shall be and is hereby authorized and directed to make distributions out of the Unitholders' Distribution Cash Pool, on behalf of the Fund, to the Transfer Agent pursuant to and in accordance with the Plan.

40. **THIS COURT ORDERS** that none of the Monitor, the CPS, the Trustees, the Arctic Glacier Parties, or any individuals related thereto shall incur any liability as a result of payments and distributions to the Unitholders, in each case on behalf of AGIF, once such distribution or payment has been made by the Monitor to, and confirmation of receipt has been received by the Monitor from, the Transfer Agent.

41. **THIS COURT ORDERS** that the Monitor and CPS are hereby authorized to, in the name of and on behalf of the Arctic Glacier Parties, prepare and file the Arctic Glacier Parties' tax returns based solely upon information provided by the Arctic Glacier Parties and on the basis that the Monitor and the CPS shall incur no liability or obligation to any Person with respect to such returns or related documentation.

42. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to, on and after the Plan Implementation Date, (i) complete the claims process established in the Claims Procedure Order and Claims Officer Order; and (ii) take such further steps and seek such amendments to the Claims Procedure Order, Claims Officer Order or other Orders of this Court as the Monitor considers necessary or appropriate in order to fully determine, resolve or deal with any Claims.

43. **THIS COURT ORDERS** that as of the Effective Time, the Monitor and the CPS shall be discharged and released from their respective duties, other than those obligations, duties and responsibilities (i) necessary or required to give effect to the terms of the Plan and this Sanction Order, (ii) in relation to the claims process and all matters relating thereto as set out in the Claims Procedure Order and the Claims Officer Order, and (iii) in connection with the completion by the Monitor and the CPS of all other matters for which they are respectively responsible in connection with the Plan or pursuant to the Orders of this Court made in the CCAA Proceedings.

44. **THIS COURT ORDERS** that upon completion by the Monitor and the CPS of their duties in respect of the Arctic Glacier Parties pursuant to the CCAA and any Orders in the CCAA Proceedings, including, without limitation, the Monitor's and the CPS' duties in respect of the claims process and distributions made by the Monitor in accordance with the Plan, the Monitor may file with this Court a certificate of Plan termination stating that all of its duties and the duties of the CPS in respect of the Arctic Glacier Parties pursuant to the CCAA, the Plan and the Orders in the CCAA Proceedings have been completed and thereupon (i) Alvarez & Marsal Canada Inc. shall be deemed to be discharged from its duties as Monitor of the Arctic Glacier Parties and released from

all claims relating to its activities as Monitor; and (ii) 7088418 Canada Inc., operating as Grandview Advisors shall be deemed to be discharged from its duties as the CPS of the Arctic Glacier Parties and released from all claims relating to its activities as CPS.

45. **THIS COURT ORDERS** that to the extent that and at the time that the Monitor and the CPS are discharged pursuant to paragraph 39 or 40, as the case may be, any claims against the Monitor or the CPS in respect of their respective capacities or conduct in these CCAA Proceedings or the performance of their duties as Monitor or CPS, as applicable, are released, stayed, extinguished and forever barred and the Monitor and the CPS shall have no liability in respect thereof, save and except for any gross negligence or wilful misconduct on the Monitor's or the CPS' part.

GENERAL PROVISIONS

46. **THIS COURT ORDERS** that the Arctic Glacier Parties, the CPS and the Monitor may apply to this Court for advice and direction in respect of any matters arising from or under the Plan.

EFFECT, RECOGNITION AND ASSISTANCE

47. **THIS COURT ORDERS** that this Sanction Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons to whom it may apply.

48. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the

United States or elsewhere to give effect to this Sanction Order and to assist the Arctic Glacier Parties, the Monitor and their respective agents in carrying out the terms of this Sanction 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 Sanction 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 Sanction Order.

49. **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, or regulatory or administrative body, wherever located, for the recognition of this Sanction Order and for assistance in carrying out the terms of this Sanction Order, and that the Monitor is authorized and empowered to act as a representative in respect of the CCAA Proceedings for the purpose of having the CCAA Proceedings recognized in a jurisdiction outside Canada.
