

**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 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 MOTION

(Stay Extension)

DATE OF HEARING: THURSDAY, MARCH 15, 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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File No.: 1103500

#11256027v4

File No. 10671373

Box No. 3

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**NOTICE OF MOTION
(Stay Extension Motion
Returnable March 15, 2012)**

The Applicants will make a motion before Madam Justice Spivak on March 15, 2012 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, substantially in the form attached hereto:
 - (a) abridging the time for service of the Notice of Motion such that the motion is properly returnable March 15, 2012 and dispensing with further service thereof;
 - (b) extending the Stay Period (the "**Stay Period**") as defined in paragraph 30 of the Initial Order of the Honourable Madam Justice Spivak dated February 22, 2012 (the "**Initial Order**") until April 5, 2012;
 - (c) approving the Pre-Filing Report of the Proposed Monitor and the First Report of the Monitor (the "**First Report**") provided by Alvarez & Marsal Canada Inc. in its

capacity as monitor of the Applicants (the "**Monitor**") and the Monitor's activities as described therein; and

(d) granting such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On February 22, 2012, the Court granted the Initial Order, which included a stay of proceedings as against the Arctic Glacier Parties (as defined in the Initial Order). The Stay Period currently expires on March 23, 2012.
2. On February 23, 2012, the United States Bankruptcy Court for the District of Delaware granted provisional relief under Chapter 15 of title of the United States Code recognizing and enforcing the Initial Order of the Canadian Court on an interim basis.
3. A hearing is scheduled before the U.S. Bankruptcy Court on March 16, 2012 for recognition of these CCAA proceedings as a foreign main proceeding and enforcement of the Initial Order in the United States on a final basis (the "**US Recognition Motion**").
4. The Applicants have acted in good faith and with due diligence since the granting of the Initial Order, including that the Applicants have commenced the Sale and Investor Solicitation Process attached to the Initial Order (the "**SISP**") and have been working with the Monitor and the Financial Advisor and Chief Process Supervisor (as each term is defined in the Initial Order) in relation thereto.
5. At this time, the Applicants seek only a very short extension of the Stay Period to April 5, 2012. The extension is sought at this time largely as a procedural matter to ensure that the stay

of proceedings continues until such time as the parties may appear together before the Court in early April, a short time after the US Recognition Motion is heard and a decision granted.

6. An extension of the Stay Period to April 5, 2012 is necessary and appropriate in the circumstances, in particular to allow the Arctic Glacier Parties to continue to implement the SISF in accordance with the Initial Order.

7. The Applicants have sufficient liquidity to be able to continue operating in the ordinary course during the requested Stay Period.

8. The Monitor and the secured lenders are supportive of the requested extension of the Stay Period.

9. Section 11.02 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

10. Rules 2.03, 3.02 and 37.02(1) of the Court of Queen's Bench Rules, Manitoba Reg. 553/88; and

11. 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:

12. Affidavit of Keith McMahon sworn February 21, 2012;

13. Affidavit of Keith McMahon sworn March 9, 2012, and the exhibits attached thereto;

14. The First Report of the Monitor, to be filed; and

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

March 9, 2012

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Solicitors for the Applicants

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.

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SERVICE LIST
as of March 9, 2012

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File No.: 1103500

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