

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
(Stay Extension & Geysir Claim)

DATE OF HEARING: TUESDAY, NOVEMBER 25, 2014, AT 10:00 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO
(collectively, the "APPLICANTS")

**NOTICE OF MOTION
(Motion for Stay Extension
Returnable November 25, 2014)**

Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Applicants (the "**Monitor**") will make a motion before the Honourable Madam Justice Spivak on Tuesday, November 25, 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, 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 November 25, 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 June 15, 2015;
- (c) approving the Supplement to the Seventeenth Report dated October 15, 2014 (the “**Seventeenth Report Supplement**”), the Twentieth Report of the Monitor dated November 18, 2014 (the “**Twentieth Report**”), and the activities described in the Seventeenth Report Supplement and the Twentieth Report; and
- (d) granting such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

- 2. The provisions of the *Companies’ Creditors Arrangement Act* (“**CCAA**”), and, in particular, Section 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 Twentieth Report.
- 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\$114.7 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 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 (iii) Arctic Glacier Income Fund to call, hold and conduct the Unitholders' Meeting.

11. 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.

12. On September 5, 2014, this Honourable Court issued the Sanction Order approving and sanctioning the Plan.

Validating Service

13. 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

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

15. An extension of the Stay Period until June 15, 2015 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 as well as to implement the process contemplated by the Plan, including (i) working to satisfy or waive the remaining conditions precedent to the implementation of the Plan; and (ii) implementing the Plan.

Approving the Disallowance of the Claim filed by Geysir Sales Corporation, Inc.

16. On October 29, 2012, Geysir Sales Corporation, Inc. (the “**Geysir Claim**”) filed a Proof of Claim for \$324,705 in respect of property damage allegedly caused by an ammonia leak in one of the Applicants’ facilities.

17. On May 14, 2013, the Monitor delivered a Notice of Disallowance, disallowing the Geysir Claim in full.

18. On September 12, 2013, Geysir Sales Corporation, Inc. filed a Notice of Dispute.

19. The Geysir Claim is covered by the Applicants' environmental insurance policy and the underlying litigation filed in the Supreme Court of the State of New York (the "**New York Action**") was being dealt with by the Applicants' insurer in the ordinary course.

20. On December 4, 2013, the U.S. Court granted an Order lifting the stay and permitting the New York Action to proceed.

21. On September 23, 2014, the Supreme Court of the State of New York issued an Order granting summary judgment against Geysir Sales Corporation, Inc. and dismissing the New York Action. That decision was not appealed and is now final and binding.

22. The substance of the Geysir Claim has been dismissed by a Court of competent jurisdiction. In accordance with paragraph 33(c)(ii) of the Claims Procedure Order, the Monitor seeks this Honourable Court's approval of the Monitor's disallowance of the Geysir Claim in full.

Approving the Seventeenth Report Supplement, the Twentieth Report and the Monitor's Activities

23. In accordance with the practice that has developed, the stakeholders will have had a reasonable opportunity to review and take issue with the Seventeenth Report Supplement, the Twentieth Report and the activities described therein and, absent any

significant objection, the Seventeenth Report Supplement, the Twentieth Report and the activities described therein should be approved by this Honourable Court.

24. It is just and convenient and in the interests of the Arctic Glacier Parties and their respective stakeholders that the 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 Seventeenth Report Supplement; the Nineteenth Report of the Monitor dated November 7, 2014 (not including the confidential exhibits, which are subject to a request for a sealing order from the U.S. Court); and the Twentieth Report; and

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

November 18, 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

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ORDER
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counsel for the Monitor, counsel for the Applicants and Glacier Valley Ice Company, L.P. (together, the “**Arctic Glacier Parties**”), and ●, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of this Motion and the Nineteenth, Twentieth and Supplement to the Seventeenth Reports is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period is hereby extended until June 15, 2015.

APPROVAL OF GEYSIR CLAIM RESOLUTION

3. **THIS COURT ORDERS** that the Monitor’s disallowance in full of the Claim filed by Geysir Sales Corporation, Inc. is approved as contemplated by paragraph 33(c)(ii) of the Claims Procedure Order.

MONITOR’S ACTIVITIES AND REPORTS

4. **THIS COURT ORDERS** that the Supplement to the Seventeenth Report dated October 15, 2014; the Twentieth Report dated November 18, 2014; and the activities described therein are hereby approved.

GENERAL PROVISIONS

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, including the United States Bankruptcy Court for the district of Delaware, or in any other foreign jurisdiction, 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 the 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.

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.