

**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

(Motion for Leave to Continue Class Proceeding)

DATE OF HEARING: THURSDAY, April 24, 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

FILED APR 20 2012 10:00.00

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HERETO (collectively, the "APPLICANTS")

NOTICE OF MOTION
(Motion for Leave to continue Class Proceeding
Returnable April 24, 2012)

The Applicants will make a motion before the Honourable Madam Justice Spivak on
April 24, 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 as Appendix 1:
 - (a) abridging the time for service of the Notice of Motion such that the motion is properly returnable on April 24, 2012 and dispensing with further service thereof;
 - (b) granting leave pursuant to the Initial Order dated February 22, 2012 (the "**Initial Order**"), as extended by Orders dated March 15, 2012 and April 3, 2012 respectively, to continue a certain class action against AGIF (as defined below), its trustees, AGI (as defined below) and its directors and certain officers commenced in the Ontario Superior Court (the "**Ontario Securities Class Action**") solely for the purpose of taking such steps as may be necessary to

complete a settlement of the Ontario Securities Class Action, including a motion for approval of the settlement; and

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

THE GROUNDS FOR THE MOTION ARE:

Background:

2. On February 22, 2012, the Honourable Madam Justice Spivak granted the Initial Order, which included a stay of proceedings as against the Arctic Glacier Parties (as defined in the Initial Order).
3. On March 15, 2012, by Order of this Court, the Stay Period (the “**Stay Period**”), as defined in paragraph 30 of the Initial Order, was extended to April 5, 2012.
4. On March 16, 2012, the U.S. Bankruptcy Court granted an order recognizing these CCAA proceedings as a foreign main proceeding and enforcing the Initial Order in the United States on a final basis.
5. On April 3, 2012, by Order of this Court, the Stay Period was extended to June 27, 2012.
6. The Initial Order contains stay provisions for the benefit of the Applicants and their directors, officers and trustees. In the case of the Applicants, proceedings may be continued with the consent of the Applicants and the Monitor or leave of the Court. However, proceedings against the directors, officers and trustees may only be continued with leave of the Court.

7. Accordingly, the Applicants seek leave of this Court to continue the Ontario Securities Class Action solely for the purpose of completing a settlement of the action, including a motion for approval of the settlement.

The Ontario Securities Class Action

8. In October, 2008, the Ontario Securities Class Action was commenced against Arctic Glacier Income Fund (“**AGIF**”), its trustees, Arctic Glacier Inc. (“**AGI**”) and its directors and certain officers (the “**Defendants**”).

9. The proposed class were people or entities that acquired units of AGIF between March 13, 2002 and September 16, 2008. The Plaintiffs alleged the Defendants failed to make full and timely disclosure to its investors.

10. On March 1, 2011, the Plaintiffs obtained an Order (the “**Certification Order**”): (i) granting leave to amend the claim to add a statutory cause of action for secondary market misrepresentation, and to add two former officers of AGI as additional Defendants, and (ii) certifying the action as a class proceeding.

11. The Defendants sought leave to appeal the Certification Order.

12. On February 1, 2012, leave to appeal was granted due to significant legal issues underlying the Plaintiffs’ common law claims, and to appeal the certification of the action as a class proceeding.

13. On February 2, 2012, an agreement was reached, through mediation, to settle the action at a total cost of \$13.75 million dollars, including compensation to class members and legal fees (the “**Settlement**”).

14. The settlement funds will be paid in full by the insurers (the “**Insurers**”) of AGI’s officers and directors named as defendants.

15. The Settlement of the Ontario Securities Class Action requires approval by the Ontario Superior Court.

16. As outlined above, pursuant to the Initial Order, leave of this Court is required to continue proceedings against the directors, officers and trustees of the Applicants.

17. Accordingly, the Applicants seek leave to allow the continuation the Ontario Securities Class Action against all Defendants solely for the purpose of taking such steps as necessary to complete the Settlement of the action.

18. The Monitor supports the relief sought in this motion.

19. Granting leave to continue the Ontario Securities Class Action is appropriate and equitable in the circumstances as it is expected to end the Ontario Securities Class Action litigation. Since the settlement funds will be provided in full by the insurers of AGI’s officers and directors named in the action, it will not prejudice the Applicants or creditors of the Applicants. The Settlement will also eliminate a potential liability of the Applicants at no cost to the Applicants’ estates.

20. Section 11 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

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

22. 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:

1. Affidavit of Keith McMahon sworn February 21, 2012;
2. Such further and other materials as counsel may advise and this Court may permit.

April 20, 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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AND ARCTIC GLACIER INTERNATIONAL INC. and the
ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A"
HERETO"

(collectively, the "Applicants")

APPLICATION UNDER THE *COMPANIES' CREDITORS*
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ORDER

DATE OF HEARING: TUESDAY, APRIL 24 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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File No.: 1103500

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THE HONOURABLE MADAM)
)
JUSTICE SPIVAK) TUESDAY, THE 24th
) DAY OF APRIL, 2012

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(collectively, the "Applicants")

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

ORDER

THIS MOTION, made by the Applicants, for an Order pursuant to the Initial Order of the Honourable Madam Justice Spivak dated February 22, 2012 (the "Initial Order"), as extended by Orders dated March 15, 2012 and April 3, 2012 respectively, granting leave to the parties to a certain class action against Arctic Glacier Income Fund ("AGIF"), its trustees, Arctic Glacier Inc. ("AGI") and its directors and certain officers commenced in the Ontario Superior Court (the "Ontario Securities Class Action") to continue the Ontario Securities Class Action for the sole purpose of taking such steps as may be necessary to complete a settlement of the action 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, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, no one appearing for any other party although duly served as appears from the affidavit of service,

SERVICE

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

LEAVE TO CONTINUE THE CLASS PROCEEDING

1. THIS COURT ORDERS that capitalized terms herein shall have the meaning ascribed thereto in the Applicants Notice of Motion dated April 20, 2012.

2. THIS COURT ORDERS that pursuant to the Initial Order, as extended by Orders dated March 15, 2012 and April 3, 2012 respectively, the parties to the Ontario Securities Class Action are hereby granted leave to continue the Ontario Securities Class Action for the sole purpose of completing the Settlement and are authorized to take such steps as may be necessary to complete the Settlement, including a motion for approval of the Settlement that involves payment of all settlement funds by the Insurers and enforcing such Settlement only against the Insurers and not against any present or future assets of the Applicants.

SPIVAK, J.

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.
ICEurance 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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as of April 10, 2012

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