

In re	:	Chapter 15
	:	
ARCTIC GLACIER INTERNATIONAL INC.,	:	Case No. 12-10605 (KG)
<i>et al.</i> , ¹	:	
	:	(Jointly Administered)
Debtors in a Foreign Proceeding.	:	
	:	Ref Docket Nos. 105 & 108

PLEASE TAKE NOTICE that Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor and authorized foreign representative (the “Monitor”) for the above-captioned debtors (collectively, the “Debtors”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Court of Queen’s Bench Winnipeg Centre, hereby files the *Affidavit of Keith McMahon*, sworn July 10, 2012 (the “McMahon Affidavit”), in support of *Monitor’s Motion, Pursuant to Sections 105(a), 363, 1501, 1520, and 1521 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, and 9014, for Entry of an Order (I) Recognizing and Enforcing the CCAA Vesting Order, (II) Authorizing and Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of Any and All Liens, Claims, Encumbrances, and Other Interests, (III) Authorizing Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief*. A copy of the McMahon Affidavit is annexed hereto as **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE that additional copies of the McMahon Affidavit are available: (a) by accessing the Court's internet website at <https://ecf.deb.uscourts.gov> (a login and a password to the Court's Public Access to Court Electronic Records ("Pacer") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>); (b) from the Monitor's website at <http://www.alvarezandmarsal.com/arcticglacier> or <http://www.kccllc.net/ArcticGlacier>

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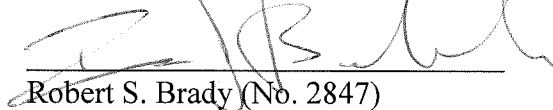


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(without cost); or (c) upon written request to the Monitor's counsel (by email or facsimile) addressed to: Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn.: Melissa Romano, e-mail, mromano@ycst.com or facsimile, 302-576-3450) (without cost).

Dated: July 13, 2012
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Robert S. Brady (No. 2847)
Matthew B. Lunn (No. 4119)
Ryan M. Bartley (No. 4985)
Ian J. Bambrick (No. 5455)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

- and -

WILLKIE FARR & GALLAGHER LLP

Marc Abrams
Mary K. Warren
Alex W. Cannon
787 Seventh Avenue
New York, New York 10019-6099
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

*Co-Counsel to the Monitor and
Foreign Representative*

EXHIBIT 1

McMahon Affidavit

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

**AFFIDAVIT OF KEITH MCMAHON,
SWORN JULY 10, 2012**

(Designated Purchaser and Transition Services Motion)
DATE OF HEARING: THURSDAY, JULY 12, 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

McCARTHY TÉTRAULT LLP
Barristers and Solicitors
Suite 5300, Box 48
Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6

Kevin McElcheran
Tel: (416) 601-7730
Fax: (416) 868-0673
Law Society No. 22119H

Heather L. Meredith
Tel: (416) 601-8342
Fax: (416) 868-0673
Law Society No. 48354R

**AIKINS, MacAULAY &
THORVALDSON LLP**
30th Floor – 360 Main Street
Winnipeg, MB R3C 4G1

G. Bruce Taylor
Tel: (204) 957-4669
Fax: (204) 957-4218

J.J. Burnell
Tel: (204) 957-4663
Fax: (204) 957-4285

File No.: 1103500

#11606432v7

File No. 10671373

Box No. 3

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")

**AFFIDAVIT OF KEITH MCMAHON,
SWORN JULY 10, 2012
(Designated Purchaser and Transition Services Motion)**

I, Keith McMahon, of The City of Winnipeg, in the Province of Manitoba,
businessman, MAKE OATH AND SAY:

1. I am the chief executive officer of the Applicant Arctic Glacier Inc. ("AGI"), and a director of AGI and the Applicant Arctic Glacier International Inc. ("AGII") As such, I have personal knowledge of the facts to which I depose.
2. I make this affidavit in support of a motion for an order, among other things:
 - (a) amending and restating the Canadian Vesting and Approval Order (defined below) to vest title to certain Assets (defined below) in Arctic Glacier U.S.A., Inc. ("**Arctic U.S.A.**") and Arctic Glacier Canada Inc. ("**Arctic Canada**"), respectively, each of which are affiliates of Arctic Glacier, LLC (formerly known as H.I.G. Zamboni, LLC) (the "**Original Purchaser**") who have been designated as "Designated Purchasers" by the Original Purchaser;

- (b) approving the Transition Services Agreement (defined below) and directing and authorizing the Applicants to complete the steps described therein;
- (c) expanding the powers of Alvarez & Marsal Canada Inc. in its capacity as court-appointed monitor in these proceedings (the “**Monitor**”) and the CPS (defined below) as described in the draft Order;
- (d) approving the Fifth Report of the Monitor and the Monitor’s activities as described therein; and,
- (e) granting such further and other relief as this Honourable Court may deem just.

OVERVIEW

- 3. On February 22, 2012, the Court granted protection to the Applicants and Glacier Valley Ice Company, L.P. (California) (the “**Arctic Glacier Parties**” or the “**Vendors**”) in an order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”).
- 4. In the Initial Order, among other things:
 - (a) The Court authorized and directed the Arctic Glacier Parties to commence a Sale and Investor Solicitation Process in the form attached thereto (the “**SISP**”);
 - (b) The Monitor was appointed monitor in connection with the CCAA, directed to act as foreign representative of the Applicants and apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the U.S. Bankruptcy Code, and granted certain powers, including

the right to have full and complete access to the premises, books, records, data and other financial documents of the Applicants; and

- (c) 7088418 Canada Inc. o/a Grandview Advisors was appointed as the Chief Process Supervisor (the “**CPS**”) pursuant to the terms of the engagement letter between the CPS and Arctic Glacier Inc. (the “**Engagement Letter**”) and was authorized to, among other things, work with the Arctic Glacier Parties to facilitate the SISP.
- 5. 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.
- 6. As I have described in earlier affidavits served in these proceedings, the Arctic Glacier Parties conducted the SISP pursuant to the Initial Order.
- 7. Following completion of the SISP, the Arctic Glacier Parties entered into an Asset Purchase Agreement (the “**Asset Purchase Agreement**”) with the Original Purchaser, made as of June 7, 2012.
- 8. On June 21, 2012, the Court granted an order (the “**Canadian Vesting and Approval Order**”), among other things, approving the transaction provided for in Asset Purchase Agreement (the “**Transaction**”) and vesting in the Original Purchaser the Arctic Glacier Parties’ right, title and interest in and to the assets described in the Asset Purchase Agreement (the “**Assets**”).

DESIGNATED PURCHASER AGREEMENT

- 9. The Asset Purchase Agreement provides in section 8.01 as follows:

“Prior to the Closing Date, the [Original] Purchaser shall be entitled to designate one or more Affiliates to (i) acquire specified Assets (including to act as nominee to hold legal title to any Assets); (ii) assume specified Assumed Liabilities; and/or (iii) employ specified Transferring Employees from the Time of Closing (each, a “Designated Purchaser”); provided each such Designated Purchaser agrees in writing to be bound jointly and severally with the [Original] Purchaser by the terms of this Agreement.”

10. The Canadian Vesting and Approval Order provided at section 3 that: “The Vendors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Assets to the Purchaser or such other person(s) as the [Original] Purchaser may direct and the Monitor may agree.” [emphasis added]
11. The Original Purchaser advised that it was interested in designating “Designated Purchasers” in accordance with section 8.01 of the Asset Purchase Agreement and section 3 of the Canadian Vesting and Approval Order. To effect that designation, the Arctic Glacier Parties, the Original Purchaser and two affiliates of the Original Purchaser – Arctic U.S.A. and Arctic Canada (the “**Purchaser Affiliates**”) - entered into an agreement dated July 10, 2012 (the “**Designated Purchaser Agreement**”) in which the Original Purchaser:
 - (a) Represented and warranted to the Vendors that each of the Purchaser Affiliates are Affiliates (as defined in the Asset Purchase Agreement) of the Original Purchaser;
 - (b) Designated the Purchaser Affiliates as Designated Purchasers (as defined in the Asset Purchase Agreement) to acquire the Assets,

assume the Assumed Liabilities (as defined in the Asset Purchase Agreement, the “**Assumed Liabilities**”) and make offers of employment to Employees (as defined in the Asset Purchase Agreement, the “**Employees**”) as follows:

- (i) Arctic U.S.A. to acquire all of the relevant Vendors’ right, title, benefit and interest in the Assets other than Assets owned by AGI (the “**U.S. Assets**”); to assume, fulfil, perform and discharge all Assumed Liabilities other than those to be assumed by Arctic Canada; and to make offers of employment to all Employees other than Employees of AGI in accordance with the Asset Purchase Agreement; and
 - (ii) Arctic Canada to acquire all of AGI’s right, title, benefit and interest in the Assets (the “**Canadian Assets**”); to assume, fulfil, perform and discharge all Assumed Liabilities that are Liabilities of AGI; and to make offers of employment to all Employees of AGI in accordance with the Asset Purchase Agreement.
- (c) Each of the Purchaser Affiliates agrees to be jointly and severally bound with the Original Purchaser under the Asset Purchase Agreement as if it was a party thereto.

Attached hereto as **Exhibit “A”** is a true copy of the Designated Purchaser Agreement.

12. In my view, the Designated Purchaser Agreement is consistent with the Asset Purchase Agreement and the business needs of the Original Purchaser that were communicated to me throughout the process of negotiating the Asset Purchase Agreement and thereafter. For these reasons, and because each of the Purchaser Affiliates agrees in the Designated Purchaser Agreement to be jointly and severally bound with the Original Purchaser under the Asset Purchase Agreement as if it was a party thereto, I believe it

is appropriate to vest the Assets in the Designated Purchasers as described therein (and summarized above).

13. The draft Amended and Restated Canadian Vesting and Approval Order in the form attached to the draft Order amends paragraph 4 to provide for the U.S. Assets to vest in Arctic U.S.A. and the Canadian Assets to vest in Arctic Canada, which accords with the Designated Purchaser Agreement, described above. The Purchaser has indicated that the amended and restated order will assist them in registration of the order by the Purchaser Affiliates.

TRANSITION SERVICES AGREEMENT

14. The Canadian Approval and Vesting Order provides for the purchase price to be paid by the Purchaser to the Monitor, which will then make a distribution to the secured lenders of the Arctic Glacier Parties in the amount of the Lender Claims (as defined in the SISP), with the remainder to be held by the Monitor in accordance with the terms of that Order.
15. Prior to a distribution of the balance of the funds held by the Monitor to the unsecured creditors of the Arctic Glacier Parties after payment in full of the Lender Claims, a claims process will be required to identify creditor claims against the Arctic Glacier Parties and adjudicate or resolve the claims filed.
16. Since the Asset Purchase Agreement provides for the Original Purchaser to purchase essentially all of the Arctic Glacier operating assets and to extend offers to hire all of the Arctic Glacier Employees, it is anticipated that the Arctic Glacier Parties will not have employees post-Closing to assist the Monitor, as may be required, with the claims process or other steps including any legal, regulatory, accounting, tax and auditing requirements

and the Monitor will not have any of the Assets, including books and records, that may be required for completion of such steps.

17. To ensure that the claims process and other steps required for the administration of the CCAA proceedings can be completed effectively and efficiently, the Arctic Glacier Parties, the Original Purchaser, the Purchaser Affiliates (together with the Original Purchaser, the “**Purchaser Group**”) and the Monitor have agreed to enter into a Transition Services Agreement (the “**Transition Services Agreement**”), subject to approval by the Court. Attached hereto as **Exhibit “B”** is a true copy of the form of Transition Services Agreement to be executed by the parties.
18. Key terms of the Transition Services Agreement in the form attached hereto are as follows (with capitalized terms not otherwise defined herein as defined in the Transition Services Agreement or in the Asset Purchase Agreement):
 - (a) Each member of the Purchaser Group is bound jointly and severally with the Original Purchaser for the performance of all duties and obligations of the Original Purchaser under the Transition Services Agreement;
 - (b) The Purchaser Group is to preserve Books and Records, Tax Returns and other information relating to accounting, Tax, business and financial matters that relate to the Purchased Businesses for the same period following the Closing Date for which the Original Purchaser agreed to keep documents delivered to it by the Vendors under section 6.04(1) of the Asset Purchase Agreement (the “**Post-Closing Period**”). Section 6.04(1) of the Asset Purchase Agreement provides

that the Original Purchaser is to preserve the Books and Records delivered to it by the Vendors for a period of six years from the Closing Date or such other period as required by any Applicable Law;

- (c) The Purchaser Group is to provide the Monitor and its authorized representatives the same rights of access to such Books and Records, Tax Returns and other information as have been granted to the Vendors under section 6.04(1) of the Asset Purchase Agreement, but the Original Purchaser will not be responsible or liable to the Monitor for or as a result of any inadvertent loss or destruction of or inadvertent damage to any such documents. Section 6.04(1) of the Asset Purchase Agreement provides that the Original Purchaser will permit the Vendors and their authorized representatives reasonable access to such documents in connection with the affairs of the Vendors;
- (d) The Purchaser Group shall, until the earlier of the discharge of the Monitor or the expiry of the Post-Closing Period, make available to the Monitor during regular business hours at the Purchaser Group's head office in Winnipeg, up to a maximum of 5 Transferring Employees at a time, to be agreed between the Purchaser Group and the Monitor in a side letter, as are reasonably necessary to assist the Monitor with its duties and responsibilities under Court orders, including under any claims process order issued by the Canadian Court;
- (e) The Purchaser Group shall make available appropriate office premises and facilities for use by the Monitor and Vendors at their request;

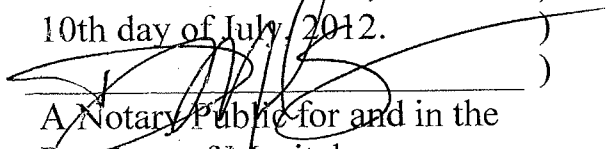
- (f) Each of the Vendors that is a corporation that uses the words “Arctic Glacier” in its legal name will change such legal name to a name that does not use such words (or a variation) within thirty Business Days following the Closing Date; however, the Vendors and Monitor shall have the right to use the words “Arctic Glacier”, certain business names (both with the qualifier “formerly known as” preceding all usages) and certain trademarks for the duration of the Post-Closing Period as are reasonably necessary for the Monitor to perform its duties and obligations under Court orders;
- (g) The Purchaser Group shall be reimbursed for reasonable out-of-pocket expenses incurred by them as a result of the provision of services under the Transition Services Agreement (but not for the use of facilities and equipment) and, with respect to personnel, the Purchaser Group is not entitled to compensation or reimbursement attributable solely to the use Transferring Employees by the Monitor during the 18 months following the date on which the Court grants a claims procedure order (if commenced no later than September 5, 2012)(the “**Fixed Access Period**”), provided that the maximum number of Transferring Employees is reduced from 5 to 3 after the first 12 months to the end of the Fixed Access Period. The provision of further services under the Transition Services Agreement after the Fixed Access Period is conditional upon the Purchaser Group and Monitor, each acting reasonably, agreeing on a side letter to reasonable compensation for any such services;

- (h) Requests for services under the Transition Services Agreement by the Vendors and Monitor shall not cause undue interference to the ordinary conduct of the operations of the Purchaser Group; and
 - (i) The Termination Services Agreement may be terminated at any time by mutual written consent of the parties thereto and shall terminate automatically upon the expiry of the Post-Closing Period.
19. In addition, the draft Order requested also proposes expanding the powers of the Monitor and CPS as follows:
- (a) Monitor: In addition to the powers granted by the Initial Order and other Orders of the Court, while the Applicants will remain in possession and control of its Property remaining post-Closing, the Monitor would be empowered to take such additional actions and execute such documents, in the name of and on behalf of the Applicants, as the Monitor considers necessary or desirable in order to perform its functions and fulfill its obligations under the Initial Order, other Orders of the Court and the Transition Services Agreement, or to assist in facilitating the administration of the CCAA proceedings; and
 - (b) CPS: In addition to the powers granted to the CPS in the Engagement Letter, the Initial Order or any other Court Order, the CPS would be empowered and authorized, but not required, to take additional actions as the Applicants or Monitor, as applicable, consider necessary or desirable to assist the Applicants in connection with administration of the CCAA proceedings and to assist the Monitor in performing its

functions, fulfilling its obligations under Court orders or in connection with the Transition Services Agreement.

20. I believe that the terms of the Transition Services Agreement and an expansion of powers for the Monitor and CPS are appropriate and will enable completion of the claims process and will facilitate the administration of the CCAA proceedings in an effective and efficient manner while allowing me and other key Employees to focus on the business itself following the restructuring.

SWORN BEFORE ME at The)
City of Winnipeg, in the)
Province of Manitoba, this)
10th day of July, 2012.)


A Notary Public for and in the
Province of Manitoba



KEITH MCMAHON

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.

This is Exhibit "A" referred to in the
Affidavit of Keith McMahon
SWORN before me this 10 day
of July, A.D. 2012

DESIGNATED PURCHASER AGREEMENT

THIS AGREEMENT is made as of July 10, 2012

BETWEEN

ARCTIC GLACIER, LLC (formerly known as H.I.G. Zamboni,
LLC), a limited liability company formed under the laws of
Delaware (the "**Purchaser**"),

— and —

ARCTIC GLACIER U.S.A., INC., a corporation incorporated
under the laws of Delaware ("**Arctic U.S.A.**"),

— and —

ARCTIC GLACIER CANADA INC., a corporation incorporated
under the laws of British Columbia ("**Arctic Canada**"),

— and —

ARCTIC GLACIER INCOME FUND, an unincorporated open-
ended mutual fund trust established under the laws of the Province
of Alberta (the "**Fund**"),

— and —

Each of the subsidiaries of the Fund listed in Schedule A hereto
(together with the Fund, the "**Vendors**" and each a "**Vendor**").

WHEREAS the Purchaser, the Fund and the Vendors entered into an asset purchase agreement dated as of June 7, 2012 (the "**Asset Purchase Agreement**"), pursuant to which each of the Vendors agreed to sell, assign and transfer to the Purchaser, and the Purchaser agreed to purchase and assume, the Assets and the Assumed Liabilities from each of the Vendors, upon the terms and conditions set forth therein;

AND WHEREAS, pursuant to Section 8.01 of the Asset Purchase Agreement, the Purchaser is entitled to designate one or more Affiliates to (i) acquire specified Assets; (ii) assumed specified Assumed Liabilities; and/or (iii) employ specified Transferring Employees from the Time of Closing (each, a "**Designated Purchaser**"); provided each such Designated Purchaser agrees in writing to be bound jointly and severally with the Purchaser by the terms of the Asset Purchase Agreement;

AND WHEREAS, pursuant to the terms of this Agreement, the Purchaser wishes to designate Arctic U.S.A. and Arctic Canada, both of whom are Affiliates of the Purchaser, as Designated Purchasers;

NOW THEREFORE in conjunction with and in consideration of the completion of the transactions to be effected at the Time of Closing as contemplated by the Asset Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Vendors and the Purchaser agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 **Definitions**

Unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Asset Purchase Agreement.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to, this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "including" means "including without limiting the generality of the foregoing".

ARTICLE 2 – DESIGNATED PURCHASERS

2.01 **Designated Purchasers; Agreement to be Bound**

- (a) The Purchaser hereby (i) represents and warrants to the Vendors that Arctic U.S.A and Arctic Canada are Affiliates of the Purchaser; and (ii) designates Arctic U.S.A and Arctic Canada as Designated Purchasers to acquire the Assets, assume, fulfill, perform and discharge the Assumed Liabilities and make offers of employment to Employees as set forth in Sections 2.01(b) and 2.01(c) hereof.
- (b) The Purchaser hereby designates:
 - (i) Arctic U.S.A., to acquire all of the relevant Vendors' right, title, benefit and interest in the Assets other than any Assets that are owned by Arctic Glacier Inc.; and

- (ii) Arctic Canada, to acquire all of Arctic Glacier Inc.'s right, title, benefit and interest in the Assets.
- (c) The Purchaser hereby designates:
 - (i) Arctic U.S.A. to (x) assume, fulfil, perform and discharge all Assumed Liabilities other than the Assumed Liabilities to be assumed by Arctic Canada in Section 2.01(c)(ii) hereof; and (y) make offers of employment to all Employees other than Employees of Arctic Glacier Inc. in accordance with the terms of the Asset Purchase Agreement; and
 - (ii) Arctic Canada to (x) assume, fulfil, perform and discharge all Assumed Liabilities that are Liabilities of Arctic Glacier Inc.; and (y) make offers of employment to all Employees of Arctic Glacier Inc. in accordance with the terms of the Asset Purchase Agreement.
- (d) Each of Arctic U.S.A and Arctic Canada hereby accepts the designations set forth in Section 2.01(b) and Section 2.01(c) hereof and agrees to be jointly and severally bound with the Purchaser under the Asset Purchase Agreement as if it was a party thereto.

ARTICLE 3- GENERAL

3.01 Liability of the Trustees and Unitholders

The parties hereto acknowledge that where Arctic Glacier Inc. is signing on behalf of the Fund, it is entering into this Agreement solely on behalf of the Fund and the obligations of the Fund hereunder shall not be personally binding upon any trustee of the Fund or any registered or beneficial holder of units of the Fund or any annuitant under a plan of which the holder of units of the Fund acts as a trustee or carrier, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder or arising in connection with or from the matters to which this Agreement relates, and recourse shall be limited to, and satisfied only out of, the assets of the Fund.

3.02 Further Assurances

Each of the Vendors, the Purchaser, Arctic U.S.A. and Arctic Canada will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.03 Time of the Essence

Time is of the essence of this Agreement.

3.04 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

3.05 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

3.06 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To the Vendors:

c/o Arctic Glacier Income Fund

Address: 625 Henry Avenue, Winnipeg, Manitoba R3A 0V1

Fax No.: 204-783-9857

Attention: Keith McMahon, President and Chief Executive Officer

With copies to (which will not constitute notice)

Aikins, MacAulay & Thorvaldson LLP
Barristers & Solicitors

Address: 30th Floor Commodity Exchange Tower
360 Main Street, Winnipeg, Manitoba, Canada
R3C 4G1

Fax No.: 204-957-4437

Attention: Hugh A. Adams and Dale R. Melanson

McCarthy Tétrault LLP

Address: 66 Wellington Street West
Suite 5300
Toronto, Ontario Canada
M5K 1E6

Fax No.: 416-868-0673

Attention: Kevin McElcheran and Jonathan Grant

To the Purchaser, Arctic U.S.A. and Arctic Canada:

Address: 1450 Brickell Avenue
31st Floor
Miami, FL 33131

Fax No.: 305-379-2013

Attention: Bret Wiener and Brian McMullen

With copies to (which will not constitute notice):

Stikeman Elliott LLP, Canadian counsel to the Purchaser

Address: 5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Fax No.: 416-947-0866

Attention: Jeffrey Singer and Martin Langlois

- and to -

Ropes & Gray LLP, U.S. counsel to the Purchaser

Address: 1211 Avenue of the Americas
New York, NY
10036-8704

Fax No.: 212-596-9090

Attention: Carl P. Marcellino

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth (5th) Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such

normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

3.07 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

3.08 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Manitoba and the courts of the Province of Manitoba will have jurisdiction to entertain any action arising under this Agreement. Each of the parties hereto attorns to the jurisdiction of the courts of the Province of Manitoba.

3.09 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

3.10 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

3.11 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties.

[The balance of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

ARCTIC GLACIER, LLC

By: H.I.G. BAYSIDE DEBT & LBO FUND II, L.P.
Its: Sole Member

By: H.I.G. BAYSIDE ADVISORS II, LLC
Its: General Partner

By: H.I.G.-GPII, INC.
Its: Manager

By: _____

Richard Siegel, General Counsel

ARCTIC GLACIER U.S.A., INC.

Per: _____

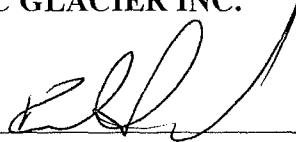
ARCTIC GLACIER CANADA INC.

Per: _____

ARCTIC GLACIER INCOME FUND, by its
attorney, ARCTIC GLACIER INC.

Per: 

ARCTIC GLACIER INC.

Per: 

ARCTIC GLACIER INTERNATIONAL INC.

Per: 

ARCTIC GLACIER TEXAS INC.

Per: 

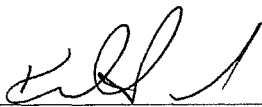
ARCTIC GLACIER CALIFORNIA INC.

Per: 

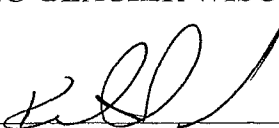
ARCTIC GLACIER MICHIGAN INC.

Per: 

ARTIC GLACIER NEBRASKA INC.

Per: 

ARCTIC GLACIER WISCONSIN INC.

Per: 

ARCTIC GLACIER MINNESOTA INC.

Per: 

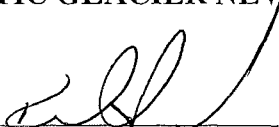
ARCTIC GLACIER NEW YORK INC.

Per: 

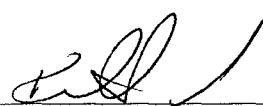
ICE PERFECTION SYSTEMS INC.

Per: 

ARCTIC GLACIER NEWBURGH INC.

Per: 

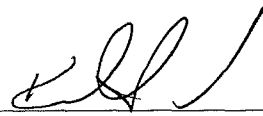
ARCTIC GLACIER PENNSYLVANIA INC.

Per: 

ARCTIC GLACIER OREGON INC.

Per: 

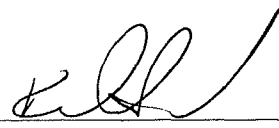
ARCTIC GLACIER SERVICES INC.

Per: 

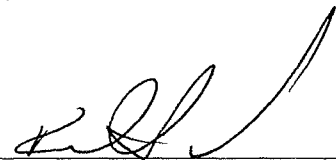
ARCTIC GLACIER VERNON INC.

Per: 

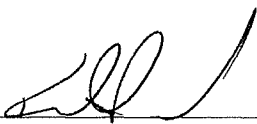
ARCTIC GLACIER ROCHESTER INC.

Per: DIAMOND ICE CUBE COMPANY
INC.Per: 

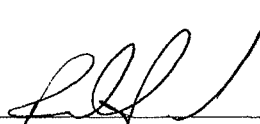
ARCTIC GLACIER LANSING INC.

Per: 

ARCTIC GLACIER GRAYLING INC.

Per: 

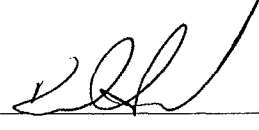
ARCTIC GLACIER PARTY TIME INC.

Per: 

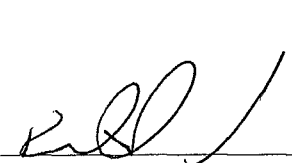
WONDERLAND ICE, INC.

Per: 

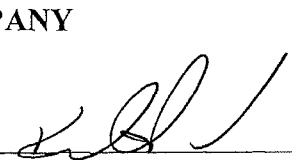
R&K TRUCKING, INC.

Per: 

KNOWLTON ENTERPRISES, INC.

Per: 

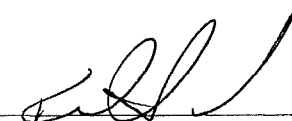
WINKLER LUCAS ICE AND FUEL
COMPANY

Per: 

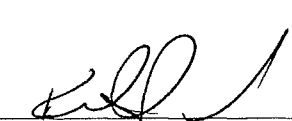
JACK FROST ICE SERVICE, INC.

Per: 

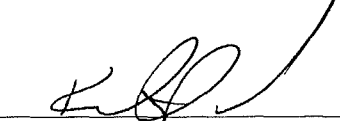
GLACIER ICE COMPANY, INC.

Per: 

MOUNTAIN WATER ICE COMPANY

Per: 

DIAMOND NEWPORT CORPORATION

Per: 

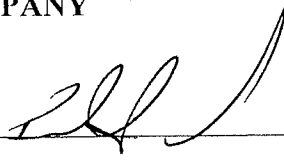
ICESURANCE INC.

GLACIER VALLEY ICE COMPANY, L.P.,
by its general partner, MOUNTAIN WATER
ICE COMPANY

Per: _____



Per: _____



SCHEDULE A

Subsidiaries of the Fund

1. Arctic Glacier Inc. (Alberta)
2. Arctic Glacier International Inc. (Delaware)
3. Arctic Glacier Texas Inc. (Texas)
4. Arctic Glacier California Inc. (California)
5. Arctic Glacier Michigan Inc. (Michigan)
6. Arctic Glacier Nebraska Inc. (Iowa)
7. Arctic Glacier Wisconsin Inc. (Wisconsin)
8. Arctic Glacier Minnesota Inc. (Minnesota)
9. Arctic Glacier New York Inc. (New York)
10. Ice Perfection Systems Inc. (Delaware)
11. Arctic Glacier Newburgh Inc. (New York)
12. Arctic Glacier Pennsylvania Inc. (Delaware)
13. Arctic Glacier Oregon Inc. (Oregon)
14. Arctic Glacier Services Inc. (Delaware)
15. Arctic Glacier Vernon Inc. (California)
16. Arctic Glacier Rochester Inc. (New York)
17. Diamond Ice Cube Company Inc. (New York)
18. Arctic Glacier Lansing Inc. (Michigan)
19. Arctic Glacier Grayling Inc. (Michigan)
20. Arctic Glacier Party Time Inc. (Michigan)
21. Wonderland Ice, Inc. (Michigan)
22. R&K Trucking, Inc. (Michigan)

23. Knowlton Enterprises, Inc. (Michigan)
24. Winkler Lucas Ice and Fuel Company (Michigan)
25. Jack Frost Ice Service, Inc. (California)
26. Glacier Ice Company, Inc. (California)
27. Mountain Water Ice Company (California)
28. Diamond Newport Corporation (California)
29. Glacier Valley Ice Company, L.P. (California)
30. ICEsurance Inc. (Delaware)

ARCTIC GLACIER, LLC

- and -

ARCTIC GLACIER U.S.A., INC.

- and -

ARCTIC GLACIER CANADA INC.

- and -

ARCTIC GLACIER INCOME FUND

- and -

**THE DIRECT AND INDIRECT SUBSIDIARIES OF
ARCTIC GLACIER INCOME FUND
Listed in Schedule A Hereto**

- and -

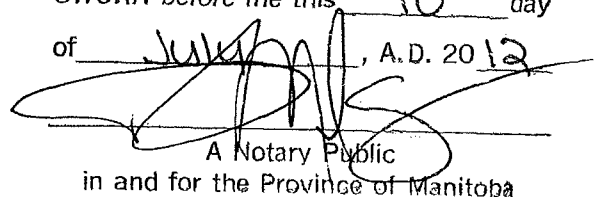
**ALVAREZ & MARSAL CANADA INC.,
as Court-Appointed Monitor**

TRANSITION SERVICES AGREEMENT

July ●, 2012

This is Exhibit " B " referred to in the
Affidavit of Keith McMahon

SWORN before me this 10 day
of July, A.D. 20 12


A Notary Public
in and for the Province of Manitoba

THIS TRANSITION SERVICES AGREEMENT is made as of July ●, 2012

BETWEEN:

ARCTIC GLACIER, LLC, a limited liability company formed under the laws of the State of Delaware,

(the “**Original Purchaser**”)

- and -

ARCTIC GLACIER U.S.A, INC., a corporation formed under the laws of the State of Delaware,

(“**Designated Purchaser 1**”)

- and -

ARCTIC GLACIER CANADA INC., a corporation formed under the laws of the Province of British Columbia,

(“**Designated Purchaser 2**” and, together with the Original Purchaser and Designated Purchaser 1, the “**Purchaser Group**”)

- and -

ARCTIC GLACIER INCOME FUND, an unincorporated open ended mutual fund trust established under the laws of the Province of Alberta,

(the “**Fund**”)

- and -

Each of the direct and indirect subsidiaries of the Fund listed in Schedule A hereto,

(together with the Fund, the “**Applicants**”)

- and -

ALVAREZ & MARSAL CANADA INC., in its capacity as court-appointed monitor of the Applicants and not in its corporate or other personal capacity,

(the “**Monitor**”).

RECITALS:

- A. On February 22, 2012, the Applicants obtained protection from their creditors and certain other relief pursuant to an initial order (the “**Initial Order**”) made by the Manitoba Court of Queen’s Bench (the “**Canadian Court**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**” and the proceedings thereunder, the “**CCAA Proceedings**”).
- B. Pursuant to the Initial Order, the Canadian Court appointed the Monitor as the monitor in connection with the CCAA Proceedings and directed the Monitor to act as foreign representative of the Applicants and apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the U.S. Bankruptcy Code. Among other things, the Initial Order directed and empowered the Monitor to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA and as set forth in the Initial Order, including the right to have full and complete access to the Applicants’ property (including the premises, books, records, data and other financial documents of the Applicants), to the extent necessary to assess the business and financial affairs of the Applicants or to perform the Monitor’s duties arising under the Initial Order.
- C. On March 15, 2012, the Canadian Court granted an extension of the stay of proceedings as against the Applicants until and including April 5, 2012 and such stay of proceedings was subsequently further extended until September 14, 2012 (inclusive).
- D. Pursuant to the Initial Order, the Canadian Court approved, among other things, a Sale and Investor Solicitation Process (the “**SISP**”), the purpose of which was to seek sale proposals and investment proposals from qualified bidders and to implement one or a combination of such proposals in respect of the Assets, the Purchased Businesses and/or the Applicants.
- E. Following completion of the SISP, the Applicants and the Original Purchaser (under its former name H.I.G. Zamboni, LLC) entered into an Asset Purchase Agreement dated as of June 7, 2012 (the “**Purchase Agreement**”), pursuant to which each of the Applicants (as applicable) agreed to transfer to the Original Purchaser, and the Original Purchaser agreed to purchase and assume, including, to the extent applicable, pursuant to the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order, the Assets and the Assumed Liabilities from each of the Applicants.
- F. As contemplated by the Purchase Agreement, the Original Purchaser has designated each of Designated Purchaser 1 and Designated Purchaser 2 as a “Designated Purchaser”, in accordance with Section 8.01 thereof.
- G. In order to facilitate the transition of the Purchased Businesses and the completion of the Applicants’ restructuring process, including any claims process to be ordered by the Canadian Court and any potential distribution to unitholders of the Fund, the parties hereto (each, a “**Party**”, and together, the “**Parties**”) have agreed that during the Post-Closing Period (as defined below) the Purchaser Group shall provide or cause to be provided to the Applicants and the Monitor as reasonably requested: (i) access to information related to the Applicants and the Purchased Businesses; (ii) services of

certain Transferring Employees; and (iii) use of certain of its assets (all of the foregoing collectively and as more particularly described in Article 2 hereof, the “**Transition Services**”), on the terms and subject to the conditions set forth in this transition services agreement (the “**Agreement**”).

IN CONSIDERATION of the covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed by each Party), the Parties agree as follows:

ARTICLE 1 RECITALS, DEFINITIONS AND GENERAL MATTERS

1.1 Recitals

The Recitals shall form part of this Agreement.

1.2 Definitions

Any capitalized term used, but not defined, in this Agreement shall have the meaning ascribed thereto in the Purchase Agreement. As used in this Agreement, the terms “**Vendors**” means, collectively, the Fund together with all of the trustees of the Fund and the other Applicants together with all of their respective directors.

1.3 Court Approval

Notwithstanding that the Parties have executed this Agreement, this Agreement shall become effective and legally binding, without any further act or formality on behalf of the Parties, immediately upon the completion of the sale and purchase of the Assets and the assumption of the Assumed Liabilities in accordance with the terms of the Purchase Agreement, but subject to the issuance by the Canadian Court of an order, in form and substance satisfactory to the Parties (each acting reasonably), approving this Agreement.

1.4 Purchaser Group Bound

Each member of the Purchaser Group acknowledges and confirms that it is bound jointly and severally with the Original Purchaser for the performance of the Original Purchaser’s obligations under this Agreement.

1.5 Reporting

Following the Closing Date, the Monitor shall periodically (and at least once every quarter) update the Purchaser Group on the status of the Monitor’s activities pursuant to this Agreement until the discharge of the Monitor.

ARTICLE 2 TRANSITION SERVICES

2.1 Retention of Information and Access to Records

The Purchaser Group shall preserve and keep all Books and Records, Tax Returns and all other information relating to the accounting, Tax, business and financial matters that relate to the Purchased Businesses for the same period following the Closing Date for which the Original Purchaser agreed to keep the documents delivered to it by the Vendors under Section 6.04(1) of the Purchase Agreement (such Period, the “**Post-Closing Period**”), and the Purchaser Group hereby grants to the Monitor and its authorized representatives the same rights of access to such Books and Records, Tax Returns and the other information as have been granted to the Vendors under Section 6.04(1) of the Purchase Agreement for the purposes of performing the Monitor’s duties and responsibilities pursuant to, and exercising any authority given to the Monitor under, the Initial Order, the Canadian Approval and Vesting Order, the U.S. Sale Recognition Order, any order issued by the Canadian Court with respect to this Agreement, any claims process order issued by the Canadian Court and any other order of the Canadian Court or the U.S. Bankruptcy Court, but the Purchaser Group will not be responsible or liable to the Monitor for or as a result of any inadvertent loss or destruction of, or inadvertent damage to, any such documents.

2.2 Employee Services

Subject to Section 2.5, the Purchaser Group shall, until the earlier of (i) the discharge of the Monitor or (ii) the expiry of the Post-Closing Period, make available to the Monitor during regular business hours at the Purchaser Group’s head office in Winnipeg, Manitoba (or at such other location as the Purchaser Group and the Monitor may agree) up to a maximum of five (5) Transferring Employees at a time, to be agreed upon between the Purchaser Group and the Monitor in a side letter (recognizing that the identities of the Transferring Employees with such group may change from time to time depending on the needs of the Monitor and that the side letter may be amended, supplemented, replaced or otherwise modified by the parties thereto to reflect such changing needs), as are reasonably necessary to assist the Monitor from time to time in the performance of their respective duties and responsibilities pursuant to, and in the exercise of any authority given to them under, Applicable Law, the Purchase Agreement, the Initial Order, the Canadian Approval and Vesting Order, the U.S. Sale Recognition Order, any claims process order issued by the Canadian Court, any order issued by the Canadian Court with respect to this Agreement, and any other order of the Canadian Court or the U.S. Bankruptcy Court, or in connection with transitional banking arrangements involving the Vendors, their bank accounts and authorized banking signatories.

2.3 Use of Facilities

The Purchaser Group shall, for the duration of the Post-Closing Period, make available during regular business hours for use by the Vendors or the Monitor, together with their respective authorized representatives, office premises and facilities of the Purchaser Group (including, without limitation, those forming part of the Assets) of such nature and scale as are reasonably necessary for facilitating the performance by the Vendors and the Monitor of their respective duties, obligations and authority as described in this Agreement and, in any event, at least comparable to those facilities provided to the Monitor during the course of the CCAA Proceedings prior to the date of this Agreement.

2.4 Use of Trademarks

- (a) Subject to Section 2.4(b), as soon as practicable following the Closing Date (but in any event within thirty (30) Business Days following the Closing Date), each of the Vendors that is a corporation and that uses the words "Arctic Glacier" (or variation of such words) in its legal name will change such legal name to a name that does not use such words (or variation). To the extent the Purchaser Group notifies the Monitor and the Vendors in writing that it wishes any other legal name, registered business name, trademark or trade name, of any of the Vendors to be changed on the basis that it causes confusion with the Purchaser Group's use of such name(s) or mark(s), the Monitor and the relevant Vendor will, promptly upon receipt of the notification, cease the use of such name(s) or mark(s) and thereafter, the applicable Vendor shall change such name(s) or mark(s) in accordance with the requirements of Applicable Law.
- (b) Notwithstanding Section 2.4(a), the Vendors and the Monitor shall, for the duration of the Post-Closing Period, have the right to use the words "Arctic Glacier" and certain business names (both with the qualifier "formerly known as" preceding all usages) and trademarks identified in Schedule B hereto as are reasonably necessary for the Monitor to perform its duties and obligations pursuant to, and to exercise any authority given to the Monitor under, Applicable Law, the Purchase Agreement or the Initial Order, the Canadian Approval and Vesting Order, the U.S. Sale Recognition Order, any claims process order issued by the Canadian Court, any order issued by the Canadian Court with respect to this Agreement, and any other order of the Canadian Court or the U.S. Bankruptcy Court, provided that no other business shall be carried on under such names and trademarks.

2.5 No Undue Interference, Expenses and Compensation

- (a) Notwithstanding any other provision of this Agreement but subject to Section 2.5(c), requests for Transition Services by any of the Vendors or the Monitor, and the delivery of Transition Services by the Purchaser Group hereunder, shall not cause undue interference to the ordinary conduct of the operations of the Purchaser Group, and the Purchaser Group shall have no obligation to provide any services under this Agreement in the event such undue interference has occurred and continues following written notice thereof from the Purchaser Group. Subject to Section 2.5(b), the Purchaser Group shall be reimbursed for reasonable out-of-pocket expenses incurred by the Purchaser Group as a result of the provision of Transition Services hereunder, provided, however, that there shall be no reimbursement attributable solely to the use of facilities and equipment by the Vendors or the Monitor.
- (b) The Purchaser Group shall not be entitled to any compensation or reimbursement attributable solely to the use of Transferring Employees by the Monitor during the period (the "**Fixed Access Period**") of eighteen (18) months following the date on which the Canadian Court grants a claims procedure order in the CCAA Proceedings, provided that such order is granted on or before September 5, 2012, in which case the Fixed Access Period shall start on that date; and provided, further, that after the first twelve (12) months of the Fixed Access Period and until its expiry, the maximum number of Transferring Employees to be made available by the Purchaser Group pursuant to Section 2.2 will be reduced from an aggregate of five (5) at a time to an aggregate of three (3) at a time. From and after the expiry of the Fixed Access Period, the provision of any

Transition Services by the Purchaser Group to the Monitor pursuant to this Agreement will be conditional upon the Purchaser Group and the Monitor, each acting reasonably, first having agreed in a side letter to reasonable compensation for any future Transition Services to be so provided.

- (c) Notwithstanding Section 2.5(b), in the event that the provision of Transition Services to the Monitor is delayed due to the unavailability or refusal of the agreed Transferring Employees to perform such services as contemplated by Section 2.2, the Fixed Access Period will be automatically increased by the number of days equal to the number of days during which the Transferring Employees were unavailable, or refused, to perform such Transition Services. For the avoidance of doubt, the Monitor acknowledges that nothing in this Agreement limits the ability of the Purchaser Group to prioritize the operation of its business as it sees fit over the provision of Transition Services under this Agreement.

ARTICLE 3 RELATIONSHIPS AND LIABILITY

3.1 Independent Contractor Relationship

In requesting or providing the Transition Services hereunder, each Party and its employees, agents and other representatives shall operate as and have the status of independent contractors. No Party's employees shall be considered employees or agents of any other Party. Nothing contained in this Agreement shall be deemed or construed to create a joint venture or partnership between any of the Parties. No Party shall have any power to control the activities or operations of any other Party.

3.2 Monitor's Liability

The Purchaser Group and the Vendors acknowledge and agree that the Monitor, acting in its capacity as the monitor of the Vendors in the CCAA Proceedings, will have no Liability in connection with this Agreement whatsoever, in its capacity as Monitor, in its personal capacity or otherwise, except for claims related to gross negligence or wilful misconduct.

3.3 Vendors' Liability

The Monitor and the Purchaser Group acknowledge and agree that the Vendors will have no Liability in connection with this Agreement whatsoever, except for claims related to gross negligence or wilful misconduct.

3.4 Purchaser Group's Liability

The Vendors and the Monitor acknowledge and agree that the Purchaser Group will have no Liability in connection with any services performed by the Purchaser Group and their respective directors, officers, employees, affiliates, shareholders and agents under this Agreement, except for claims related to gross negligence or wilful misconduct.

3.5 Liability of the Trustees and Unitholders

The Parties acknowledge that where Arctic Glacier Inc. is signing on behalf of the Fund, it is entering into this Agreement solely on behalf of the Fund and the obligations of the Fund

hereunder shall not be personally binding upon any trustee of the Fund or any registered or beneficial holder of units of the Fund or any annuitant under a plan of which the holder of units of the Fund acts as a trustee or carrier, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder or arising in connection with or from the matters to which this Agreement relates, and recourse shall be limited to, and satisfied only out of, the assets of the Fund.

ARTICLE 4 TERMINATION

4.1 Termination

Except as otherwise provided in this Article 4, this Agreement shall terminate automatically upon the expiry of the Post-Closing Period.

4.2 Early Termination

This Agreement may be terminated at any time by the mutual written consent of the Parties.

4.3 Survival

For greater certainty, the provisions contained in Section 2.1 of this Agreement shall survive and continue in full force and effect until the expiry of the Post-Closing Period.

ARTICLE 5 MISCELLANEOUS

5.1 Notices

All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made pursuant to Section 8.11 of the Purchase Agreement.

5.2 Entire Agreement

Except for those matters provided for in the Purchase Agreement as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

5.3 Non-Waiver

The failure of any of the Parties to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of or non-compliance with this Agreement shall be held to be a waiver of any other subsequent breach or non-compliance. No waiver of any provision of this Agreement shall be effective unless made in writing by the Party against which the waiver is to be effective.

5.4 Assignment

No Party may assign this Agreement or any of the benefits, rights or obligations under this Agreement without the prior written consent of the other Parties, which consent may be withheld in such Parties' sole discretion.

5.5 Enurement

Subject to Section 1.4 hereof, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

5.6 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by all Parties.

5.7 Governing Law

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

5.8 Counterparts

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or other electronic means of transmission (e.g., portable document format), and all such counterparts and facsimiles shall together constitute one and the same agreement.

[Remainder of the page intentionally left blank. Signature pages follow.]

IN WITNESS OF WHICH the Parties have executed this Agreement as of the date first written above.

ARCTIC GLACIER, LLC

By: H.I.G. BAYSIDE DEBT & LBO FUND II,
L.P., Its Sole Member

By: H.I.G. BAYSIDE ADVISORS II, LLC, Its
General Partner

By: H.I.G.-GP II, INC., Its Manager

By:

Name: Richard Siegel
Title: General Counsel

ARCTIC GLACIER U.S.A., INC.

By:

Name:
Title:

ARCTIC GLACIER CANADA INC.

By:

Name:
Title:

**ARCTIC GLACIER INCOME FUND, by its
attorney, ARCTIC GLACIER INC.**

By:

Name:
Title:

ARCTIC GLACIER INC.

By: _____

Name:
Title:

**ARCTIC GLACIER INTERNATIONAL
INC.**

By: _____

Name:
Title:

ARCTIC GLACIER TEXAS INC.

By: _____

Name:
Title:

ARCTIC GLACIER CALIFORNIA INC.

By: _____

Name:
Title:

ARCTIC GLACIER MICHIGAN INC.

By: _____

Name:
Title:

ARCTIC GLACIER NEBRASKA INC.

By: _____

Name:
Title:

ARCTIC GLACIER WISCONSIN INC.

By: _____

Name:
Title:

ARCTIC GLACIER MINNESOTA INC.

By: _____

Name:
Title:

ARCTIC GLACIER NEW YORK INC.

By: _____

Name:
Title:

ICE PERFECTION SYSTEMS INC.

By: _____

Name:
Title:

ARCTIC GLACIER NEWBURGH INC.

By: _____

Name:
Title:

ARCTIC GLACIER PENNSYLVANIA INC.

By: _____

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Title:

ARCTIC GLACIER OREGON INC.

By: _____

Name:

Title:

ARCTIC GLACIER SERVICES INC.

By: _____

Name:

Title:

ARCTIC GLACIER VERNON INC.

By: _____

Name:

Title:

ARCTIC GLACIER ROCHESTER INC.

By: _____

Name:

Title:

**DIAMOND ICE CUBE COMPANY
INC.**

By: _____

Name:

Title:

ARCTIC GLACIER LANSING INC.

By: _____

Name:

Title:

ARCTIC GLACIER GRAYLING INC.

By: _____

Name:

Title:

ARCTIC GLACIER PARTY TIME INC.

By: _____

Name:

Title:

WONDERLAND ICE, INC.

By: _____

Name:

Title:

R&K TRUCKING, INC.

By: _____

Name:

Title:

KNOWLTON ENTERPRISES, INC.

By: _____

Name:

Title:

**WINKLER LUCAS ICE AND FUEL
COMPANY**

By: _____

Name:

Title:

JACK FROST ICE SERVICE, INC.

By: _____

Name: _____

Title: _____

GLACIER ICE COMPANY, INC.

By: _____

Name: _____

Title: _____

MOUNTAIN WATER ICE COMPANY

By: _____

Name: _____

Title: _____

DIAMOND NEWPORT CORPORATION

By: _____

Name: _____

Title: _____

ICESURANCE INC.

By: _____

Name: _____

Title: _____

**GLACIER VALLEY ICE COMPANY, L.P.,
by its general partner, MOUNTAIN WATER
ICE COMPANY**

By: _____

Name: _____

Title: _____

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Monitor and not in its
corporate or other personal capacity**

By: _____

Name: _____

Title: _____

SCHEDULE A
SUBSIDIARIES OF THE FUND

1. Arctic Glacier Inc. (Alberta)
2. Arctic Glacier International Inc. (Delaware)
3. Arctic Glacier Texas Inc. (Texas)
4. Arctic Glacier California Inc. (California)
5. Arctic Glacier Michigan Inc. (Michigan)
6. Arctic Glacier Nebraska Inc. (Iowa)
7. Arctic Glacier Wisconsin Inc. (Wisconsin)
8. Arctic Glacier Minnesota Inc. (Minnesota)
9. Arctic Glacier New York Inc. (New York)
10. Ice Perfection Systems Inc. (Delaware)
11. Arctic Glacier Newburgh Inc. (New York)
12. Arctic Glacier Pennsylvania Inc. (Delaware)
13. Arctic Glacier Oregon Inc. (Oregon)
14. Arctic Glacier Services Inc. (Delaware)
15. Arctic Glacier Vernon Inc. (California)
16. Arctic Glacier Rochester Inc. (New York)
17. Diamond Ice Cube Company Inc. (New York)
18. Arctic Glacier Lansing Inc. (Michigan)
19. Arctic Glacier Grayling Inc. (Michigan)
20. Arctic Glacier Party Time Inc. (Michigan)
21. Wonderland Ice, Inc. (Michigan)
22. R&K Trucking, Inc. (Michigan)
23. Knowlton Enterprises, Inc. (Michigan)
24. Winkler Lucas Ice and Fuel Company (Michigan)
25. Jack Frost Ice Service, Inc. (California)
26. Glacier Ice Company, Inc. (California)
27. Mountain Water Ice Company (California)
28. Diamond Newport Corporation (California)
29. Glacier Valley Ice Company, L.P. (California)
30. ICEsurance Inc. (Delaware)

SCHEDULE B
BUSINESS NAMES AND TRADEMARKS

[NTD: Business names and trademarks necessary for the transition to be set out here.]