

SHOULD YOU WISH TO REVIEW THE EVIDENCE AND OTHER DOCUMENTS
THAT WILL BE PRESENTED TO THE COURT AT THE HEARING OF THE
MOTION SET OUT BELOW, YOU MAY ACCESS THEM AT THE FOLLOWING WEB
ADDRESS:

<http://www.alvarezandmarsal.com/en/canada/ArcticGlacier> ^{Exhibit B} referred to in the

affidavit of Bruce Robertson

sworn before me, this 31

THE QUEEN'S BENCH day of October 2012

Winnipeg Centre


A COMMISSIONER FOR TAKING AFFIDAVITS

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
(Sale Approval Motion
Returnable June 21, 2012)

The Applicants will make a motion before the Honourable Madam Justice Spivak on
Thursday, June 21, 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) if necessary, abridging the time for service of the Notice of Motion such that the
motion is properly returnable on June 21, 2012 at 10:00 a.m. and dispensing with
further service thereof;

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- (b) approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Asset Purchase Agreement**") between the Applicants and Glacier Valley Ice Company, L.P. (California) (together, the "**Vendors**" or the "**Arctic Glacier Parties**"), as vendors, and H.I.G. Zamboni, LLC the "**Purchaser**"), as purchaser, made as of June 7, 2012;
- (c) vesting in the Purchaser the Vendors' right, title and interest in and to the assets described in the Asset Purchase Agreement (the "**Assets**") free and clear of any claims and encumbrances other than certain permitted encumbrances as set out in the draft Order;
- (d) assigning the rights and obligations of the Vendors under the Assigned Contracts (as defined in the Asset Purchase Agreement, the "**Assigned Contracts**");
- (e) directing the Monitor (defined below) to pay from the net proceeds of the sale of the Assets an amount sufficient to pay the Arctic Lenders (as defined in the Asset Purchase Agreement, the "**Arctic Lenders**") in respect of the Lender Claims (as defined in the SISF (defined below)) in full and in cash concurrently with, and as a condition precedent to, the closing of the Transaction, with the balance of the net proceeds to be held by the Monitor in accordance with the terms of the Order;
- (f) 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**"), and extended by further orders, until August 31, 2012;
- (g) approving the Third Report of the Monitor and the Fourth Report of the Monitor (the "**Fourth Report**") provided by Alvarez & Marsal Canada Inc. in its capacity

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

- (h) ordering that the Confidential Appendix to the Fourth Report be sealed, kept confidential and not form part of the public record; and
- (i) 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 protection to the Arctic Glacier Parties in the Initial Order pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").
2. 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.

SISP Conducted and Transaction Selected Pursuant Thereto

3. In the Initial Order, the Court, among other things approved a Sale and Investor Solicitation Process in the form attached to as Schedule "B" to the Initial Order (the "**SISP**").
4. The parties conducted the SISP in accordance with its terms, with the cooperation, assistance and/or oversight of the Vendors, the Monitor, TD Securities Inc. as financial advisor and the Chief Process Supervisor, 7088418 Canada Inc. o/a Grandview Advisors.
5. Three bids were received by the Phase 2 Bid Deadline of June 4, 2012 at 5:00 p.m. CT.
6. The bid submitted by the Purchaser was selected and approved, and the Asset Purchase Agreement was negotiated and settled, subject to approval of this Court, all in accordance with the SISP.

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7. The bid submitted by the Purchaser was the most favourable bid and met each of the criteria of a Qualified Bid set out at paragraph 24 of the SISP.
8. The bid submitted by the Purchaser was for the highest purchase price offered by any bidder and was subject to the least closing risk.
9. Key elements of the Asset Purchase Agreement include the following:
 - (a) The Purchaser has delivered a \$10,000,000 deposit;
 - (b) The purchase price is sufficient to satisfy all known creditor claims and, following payment in full of creditor claims, a distribution to the unitholders is expected;
 - (c) The Purchaser will purchase all assets and liabilities of the Vendors save and except for certain Excluded Assets and Excluded Liabilities as defined in the Asset Purchase Agreement;
 - (d) The Purchaser intends to offer employment to the current full-time and part-time employees of the Vendors on terms and conditions that are substantially the same as existing terms;
 - (e) The Asset Purchase Agreement is not conditional on unperformed due diligence or obtaining financing; and,
 - (f) Among the Assets purchased are Assigned Contracts in relation to which the Purchaser will assume liabilities for performance (or breach thereof) after the time of closing.
10. The Purchaser provided evidence that it will have sufficient funds on closing to complete the Transaction and satisfy all of the obligations of the Purchaser under the Asset Purchase Agreement.

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11. The parties expect closing to occur prior to July 31, 2012.

Authorization of the Sale Should be Granted

12. Application of the factors set out in section 36 of the CCAA demonstrates that the Transaction should be approved. Among other things, the process leading to the Transaction was the process set out in the Court-approved SISP and the Monitor and Arctic Lenders are supportive of the Transaction.

Assignment of Agreements Reasonable

13. The Transaction contemplates the assignment of certain Assigned Contracts pursuant to section 11.3 of the CCAA and the Asset Purchase Agreement.

14. Application of the factors set out in section 11.3 of the CCAA demonstrates that assignment of the Assigned Contracts is reasonable and should be approved. Among other things, the Monitor approved the proposed assignments, the Purchaser will be properly capitalized on closing to perform the obligations under the Assigned Contracts, and assigning the Assigned Contracts will allow the Purchaser to carry on the business of the Vendors with minimal interruption.

Conclusion: Sale Process

15. The completion of the Transaction, which includes the assignment of the Assigned Contracts, will fulfill the objectives of the CCAA. It represents the highest price realizable through the SISP and the best transaction in the circumstances for the benefit of the Vendors and their stakeholders.

Proposed Distribution

16. In the draft Order, Arctic Glacier seeks a direction to the Monitor to pay from the net proceeds of the sale of the Assets an amount sufficient to pay the Lender Claims in full and in cash, as specified in a pay-out letter to be provided by the Arctic Lenders on or before the

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closing of the Transaction. Such payment shall be made concurrently with, and as a condition precedent to, the closing of the Transaction. The balance of the net proceeds of the sale of the Assets shall be held by the Monitor in accordance with the terms hereof or any further order of the Court.

17. This direction is consistent with the SISP, which required all Qualified Bids to provide that no closing shall occur unless payment in full of the Lender Claims is made concurrently, and is appropriate since the Arctic Lenders have priority under the DIP Lenders' Charge created in the Initial Order (in relation to the interim financing provided by them), and have first and second ranking security in priority to the other Arctic Glacier creditors.

Sealing

18. The Confidential Exhibit to the Fourth Report containing the Asset Purchase Agreement with the purchase price unredacted, Commitment Letter delivered by the Purchaser, and a summary of the other bids received should be sealed since it contains commercially sensitive information. Production of such information is unnecessary as all material elements have been disclosed, and production may cause a negative impact in terms of market speculation (if the purchase price is disclosed) or a negative impact on the sale process (if the terms of the other bids were disclosed).

Stay Extension

19. The Stay Period in the Initial Order was extended by subsequent orders and presently expires on June 27, 2012.

20. The Applicants seek an extension of the Stay Period to August 31, 2012. This extension is necessary and appropriate in the circumstances, in particular to allow the Arctic Glacier Parties to close the Transaction and deal with any remaining issues following the closing.

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21. The Arctic Glacier Parties have sufficient liquidity to be able to continue to operate in the ordinary course during the requested Stay Period and the Monitor and Arctic Lenders are supportive of the requested extension.

22. The Applicants also rely on the following:

- (a) Sections 11.02, 11.3, 36 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court.
- (b) Rules 2.03, 3.02 and 37.02(1) of the Court of Queen's Bench Rules, Manitoba Reg. 553/88.
- (c) Section 77 of *The Court of Queen's Bench Act (Manitoba)*,
- (d) 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:

- 23. Affidavit of Keith McMahon sworn February 21, 2012;
- 24. Affidavit of Keith McMahon sworn March 9, 2012;
- 25. Affidavit of Keith McMahon sworn March 28, 2012;
- 26. Affidavit of Keith McMahon sworn June 13, 2012, and the exhibits attached thereto;
- 27. The Fourth Report of the Monitor, to be filed; and
- 28. Such further and other materials as counsel may advise and this Court may permit.

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June 14, 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.

Appendix "1"

THE QUEEN'S BENCH Winnipeg Centre

| | | |
|----------------------|---|--------------------|
| THE HONOURABLE MADAM |) | THURSDAY, THE 21st |
| |) | |
| JUSTICE SPIVAK |) | DAY OF JUNE, 2012 |

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.
AND 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., c. C-36, AS AMENDED

CANADIAN VESTING AND APPROVAL ORDER

THIS MOTION, made by the Applicants for an order, among other things, approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Asset Purchase Agreement**") between the Applicants and Glacier Valley Ice Company, L.P. (California) (together, the "**Vendors**"), as vendors, and H.I.G. Zamboni, LLC (the "**Purchaser**"), as purchaser, made as of June 7, 2012; vesting in the Purchaser the Vendors' right, title and interest in and to the assets described in the Asset Purchase Agreement (the "**Assets**"); and, extending the Stay Period defined in paragraph 30 of the Initial Order of the Honourable Madam Justice Spivak dated February 22, 2012 (the "**Stay Period**"), was heard this day at the Law Courts Building at 408 York Avenue, in The City of Winnipeg, in the Province of Manitoba.

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ON READING the Affidavit of Keith McMahon sworn June 13, 2012 (the "**Affidavit**"), and the Fourth Report of Alvarez & Marsal Canada Inc. (the "**Monitor**") dated June •, 2012 (the "**Fourth Report**"), and on hearing the submissions of counsel for the Monitor, the Applicants, the Purchaser and •, no one appearing for any other person on the service list, including the U.S. Department of Justice Antitrust Division and parties to Assigned Contracts that are being assigned pursuant to this Order, although properly served as appears from the affidavit of • sworn •, filed:

1. THIS COURT ORDERS that all capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Asset Purchase Agreement.

SERVICE

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

SALE TRANSACTION

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors may deem necessary. 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 Purchaser may direct and the Monitor may agree.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Assets described in the Asset Purchase Agreement, including, without limitation, the Vendors' rights, title and interest in and to any Assigned Contracts, including all leases of real property, shall vest, without further instrument of transfer or assignment, absolutely in the Purchaser or such other person(s) as the Purchaser may direct and the Monitor may agree, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs,

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mortgages, pledges, options, warrants, trusts or deemed trusts (whether contractual, statutory, or otherwise), encumbrances, obligations, liabilities, demands, guarantees, restrictions, contractual commitments, rights, including without limitation, rights of first refusal and rights of set-off, liens, executions, levies, penalties, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sales provisions exercisable to the date of closing, whether arising prior to or subsequent to the commencement of these CCAA Proceedings, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise, actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, complaint, suit, investigation, dispute, petition or proceeding by or before any Governmental Authority or person at law or in equity whether imposed by agreement, understanding, law, equity or otherwise, and any claim or demand resulting therefrom including but not limited to Antitrust proceedings commenced by the U.S. Department of Justice and various State's Attorney Generals (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Spivak dated February 22, 2012 and any subsequent charges created by the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Manitoba) or any other personal property registry system; (iii) Excluded Liabilities as defined in the Asset Purchase Agreement; and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D") and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Assets are hereby released, extinguished, expunged and discharged as against the Assets. However, notwithstanding anything contained in this order, nothing shall derogate from the obligations of the Purchaser (or such other person(s) as the Purchaser may direct and the Monitor may agree) to assume the Assumed Liabilities, including the Assumed Accounts Payable, and to perform its obligations under the Assigned Contracts, which Assigned Contracts shall not be or be deemed to be amended or modified by the terms of this Order.

5. THIS COURT ORDERS that upon the registration in the applicable land registry office or land titles office of a Transfer/Deed of Land or equivalent document, or of an application for registration of this vesting order in the applicable prescribed form, the applicable land registrar

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or equivalent official is hereby directed to enter the Purchaser (or such other person(s) as the Purchaser may direct and the Monitor may agree) as the owner of the subject real property in fee simple, and is hereby directed to delete and expunge from title to the Real Property any and all Claims and Encumbrances, including, without limitation, all of the Claims and Encumbrances listed in Schedule "C" hereto.

6. THIS COURT ORDERS that upon delivery of the Monitor's Certificate all of the rights and obligations of the Vendors under the Assigned Contracts (as defined in the Asset Purchase Agreement) shall be assigned to the Purchaser or such other person(s) as the Purchaser may direct and the Monitor may agree (the "Assignee") pursuant to section 2.12 of the Asset Purchase Agreement and pursuant to section 11.3 of the CCAA and remain in full force and effect for the benefit of the Purchaser in accordance with their respective terms.

7. THIS COURT ORDERS that the assignment of the rights and obligations of the Vendors under the Assigned Contracts to the Assignee pursuant to section 2.12 of the Asset Purchase Agreement and pursuant to this order is valid and binding upon all of the counterparties to the Assigned Contracts, without further documentation, as if the Assignee was a party to the Assigned Contracts, notwithstanding any restriction, condition or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

8. THIS COURT ORDERS that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from these CCAA proceedings or the insolvency of the Vendors, or any failure of the Vendors to perform a non-monetary obligation under the Assigned Contracts, or as a result of any actions taken pursuant to or as a result of the Asset Purchase Agreement. All notices of default and demands given in connection with any such defaults under, or non-compliance with the Assigned Contracts shall be deemed to have been rescinded and shall be of no further force or effect.

9. THIS COURT ORDERS that as a condition of the Closing, all existing monetary defaults in relation to the Assigned Contracts, other than those arising by reason of the Vendors' insolvency, the commencement of these CCAA Proceedings, or the Vendors' failure to perform

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a non-monetary obligation, shall be paid in accordance with section 2.12 of the Asset Purchase Agreement.

10. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. THIS COURT ORDERS that the Monitor shall, in accordance with the provisions of the SISP (as defined in the Affidavit), be authorized and directed to pay to the Arctic Lenders (as defined in the Asset Purchase Agreement) from the net proceeds of the sale of the Assets an amount sufficient to pay the Lender Claims (as defined in the SISP and as calculated on the closing of the Transaction) in full and in cash, as specified in a pay-out letter to be provided by the Arctic Lenders on or before the closing of the Transaction. Such payment shall be made concurrently with, and as a condition precedent to, the closing of the Transaction. The balance of the net proceeds of the sale of the Assets shall be held by the Monitor in accordance with the terms hereof or any further order of the Court.

12. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

13. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any equivalent legislation in any other jurisdiction applicable, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

14. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;

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- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of and of the Vendors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of and of the Vendors;

the vesting of the Assets in the Purchaser (or such other person(s) as the Purchaser may direct and the Monitor may agree) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent legislation in any other jurisdiction in which all or any part of the Assets are located.

STAY EXTENSION

16. THIS COURT ORDERS that the Stay Period is hereby extended until and including August 31, 2012.

MONITOR'S REPORT AND ACTIVITIES

17. THIS COURT ORDERS that the Third Report of the Monitor dated May 14, 2012 and the Fourth Report and the activities described therein are hereby approved.

SEALING

18. THIS COURT ORDERS that the Confidential Exhibit to the Fourth Report shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a

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notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

19. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including the United States Bankruptcy Court for the District of Delaware, to give effect to this Order and to assist 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

20. THIS COURT ORDERS that this Order shall have full force and effect in all provinces and territories in Canada.

June 21, 2012

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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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Schedule B – Form of Monitor's Certificate

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

(collectively, the "Applicants")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Spivak of the Manitoba Court of Queen's Bench (the "**Court**") dated February 22, 2012, Alvarez & Marsal Canada Inc. was appointed as the monitor (the "**Monitor**") in the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

B. Pursuant to an Order of the Court dated June 21, 2012 (the "**Canadian Vesting and Approval Order**"), the Court approved an asset purchase agreement made as of June 7, 2012 (the "**Asset Purchase Agreement**") between the Applicants and Glacier Valley Ice Company, L.P. (California) (together, the "**Vendors**"), as vendors, and H.I.G. Zamboni, LLC (the "**Purchaser**"), as purchaser, and provided for the vesting in the Purchaser of all of the Vendors' right, title and interest in and to the Assets described in the Asset Purchase Agreement, including, without limitation, the Vendors' rights, title and interest in and to any Assigned Contracts (as defined therein), including all leases of real property, which vesting is to be effective with respect to the Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii)

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that the conditions to Closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendors and the Purchaser, respectively; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Vendors have received the Purchase Price for the Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to Closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Vendors and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor, and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

Schedule C – Claims to be deleted and expunged

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Reservations, limitations, provisos and conditions expressed in any original grant from any Governmental Authority.
2. Liens for Taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
3. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, other agreements, building and other restrictions, easements, servitudes, rights of way and licences affecting the use or value of the Lands which do not materially impair the use or value of the Lands affected thereby as presently used.
4. Defects or irregularities in title to the Lands affecting the use or value of the Lands which do not materially impair the use or value of the Lands affected thereby as presently used.
5. Any matters which might be revealed by (i) an up-to-date survey of any Lands; or (ii) an inspection and/or site investigation of any owned Lands together with any errors in the survey, which do not materially impair the use or value of the Lands affected thereby as presently used.
6. Any rights of expropriation, access or use, or any other similar rights conferred or reserved by or in any statute of Canada or any province or territory thereof or of the United States or any state, jurisdiction, territory or possession thereof.
7. Undetermined, inchoate or statutory Liens (including the Liens of public utilities, workers, suppliers of materials, builders, contractors, architects and unpaid vendors of moveable property) incidental to the current operation of the Lands which relate to obligations not yet due or delinquent and which have not been registered in accordance with Applicable Law.

File No. CI 12-01-76323

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. AND 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

CANADIAN VESTING AND APPROVAL ORDER
DATE OF HEARING: THURSDAY, JUNE 21, 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

McCARTHY TÉTRAULT LLP

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File No.: 1103500

Doc#11394117v11

File No. CI 12-01-76323

**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

(Sale Approval)

DATE OF HEARING: THURSDAY, JUNE 21, 2012 AT 10 A.M.
BEFORE THE HONOURABLE MADAM JUSTICE SPIVAK

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File No.: 1103500

#11523781 v8

File No. 10671373

Box No. 3

This is Exhibit C referred to in the
 affidavit of Bruce Robertson
 sworn before me, this 31
 day of October, 2012

THE QUEEN'S BENCH

Winnipeg Centre

A COMMISSIONER FOR TAKING AFFIDAVITS

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 JUNE 13, 2012
 (Sale Motion)**

I, Keith McMahon, of The City of Winnipeg, in the Province of Manitoba,

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. In this affidavit, I will refer to the Applicants (which term includes the Additional Applicants listed on Schedule "A" hereto) and Glacier Valley Ice Company, L.P. collectively as "**Arctic Glacier**", the "**Arctic Glacier Parties**" or the "**Vendors**".

OVERVIEW

3. In this affidavit, I provide a description of the restructuring proceedings of the Arctic Glacier Parties, the sale process conducted pursuant to Court-ordered process, and the selection of the sale transaction (the "**Transaction**") contemplated

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by the Asset Purchase Agreement (the “**Asset Purchase Agreement**”) dated as of June 7, 2012 made between Arctic Glacier and H.I.G. Zamboni, LLC (the “**Purchaser**”). Attached hereto and marked as **Exhibit “A”** to this my affidavit is a true copy of the Asset Purchase Agreement, save and except that the purchase price and related schedules have been redacted therefrom.

4. As set out herein, the Transaction represents both the highest and the best offer identified in the extensive, Court-supervised sale process. Not only was the purchase price for the assets that would be transferred to the Purchaser in the Transaction (the “**Assets**”) the highest price of any offer received in the sale process but also the completion of the Transaction will result in many other benefits to Arctic Glacier stakeholders, including the following:

- (a) For Arctic Glacier employees, suppliers, customers, landlords and other stakeholders: the Transaction contemplates that the Purchaser, which is purchasing essentially all of the Arctic Glacier operating assets, including its land, plants and equipment (as described further herein and set out at sections 2.01 and 2.02 of the Asset Purchase Agreement), and extending offers to hire all of the Arctic Glacier Employees (as described below and defined in the Asset Purchase Agreement), will continue the business uninterrupted following the closing; and,
- (b) For Arctic Glacier creditors and equity holders: the Transaction contemplates payment of the secured lenders (as defined in the Asset Purchase Agreement, the “**Arctic Lenders**”) in full and provides sufficient proceeds to pay all other known creditors. Following a claims process to identify and adjudicate unknown claims, the

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proceeds of the Transaction may be sufficient to make a distribution to unit holders of Arctic Glacier Income Fund (the “**Fund**”).

5. The completion of the Transaction would represent the culmination of the objectives of the Applicants in bringing these proceedings. As set out in my affidavit filed in support of the Applicants’ request for an Initial Order in these proceedings, the objectives included ensuring a fair, effective and transparent process for the sale of the business as a going concern, generating fresh interest in a refinancing or sale solution for Arctic Glacier, and helping to reverse the detrimental effect on Arctic Glacier’s business of the uncertainty caused by the Covenant Defaults (as defined therein), including reassuring our employees and alleviating the cloud of uncertainty in the marketplace.

INITIAL ORDER AND US RECOGNITION

6. On February 22, 2012, the Court granted the initial order in these proceedings (the “**Initial Order**”). In the Initial Order, the Court, among other things:

- (a) granted a stay of proceedings as against the Arctic Glacier Parties (the “**Stay Period**”) to March 23, 2012 (which Stay Period was extended by subsequent orders and presently expires on June 27, 2012);
- (b) authorized and empowered the Arctic Glacier Parties to obtain and borrow under a credit facility from the Arctic Lenders;
- (c) approved a Sale and Investor Solicitation Process in the form attached as Schedule “B” to the Initial Order (the “**SISP**”);

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- (d) ordered and directed the Vendors to immediately commence the SISP for the purpose of offering the opportunity for potential investors to purchase or invest in the business and operations of the Vendors as a going concern or to sponsor a plan of compromise or arrangement;
- (e) appointed Alvarez & Marsal Canada Inc. as the monitor (the “**Monitor**”) and directed the Monitor to act as a foreign representative of the Arctic Glacier Parties and apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*;
- (f) approved the engagement of TD Securities Inc. as financial advisor (the “**Financial Advisor**”) to the Vendors; and
- (g) appointed 7088418 Canada Inc. o/a Grandview Advisors as Chief Process Supervisor (the “**CPS**”), responsible for overseeing and directing the SISP for the benefit of all parties affected by the proceedings and reporting to the Court concerning the SISP, among other things.

7. On February 23, 2012, the United States Bankruptcy Court for the District of Delaware entered an Order under Chapter 15 of title 11 of the United States Code granting provisional relief upon a motion by the Monitor, in its capacity as foreign representative of the Applicants, for an order recognizing and enforcing the Initial Order in the United States on a provisional basis.

8. 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. If the Asset Purchase Agreement is

approved by the CCAA Court, the Monitor will seek recognition of such Order in the U.S. Chapter 15 proceedings.

SISP CONDUCTED AND TRANSACTION SELECTED PURSUANT THERETO

9. The SISP involved two phases. Phase 1 involved the solicitation of non-binding indications of interest in the form of non-binding letters of intent (“LOI’s”) from prospective strategic or financial parties to acquire the assets of the Arctic Glacier Parties or to invest in Arctic Glacier Parties or its business.

10. As the Monitor previously reported, a number of LOIs were submitted by the Phase 1 bid deadline of 5:00 p.m. (CST) on March 28, 2012. Of the LOIs that were submitted, nine bids were qualified for inclusion in Phase 2 in accordance with the terms of the SISP.

11. Phase 2 of the SISP involved granting further access to the bidders qualified to participate in Phase 2 to such due diligence materials and information as the Financial Advisor, in consultation with the Monitor, the CPS and the Applicants determined.

12. As part of this process, my management team and I personally met with all nine of the bidders who had been qualified in Phase 2 to conduct management presentations, answering questions arising from their due diligence. Eight of the qualified bidders also participated in facility tours of the Mississauga facility. Additionally, all of the qualified bidders and their advisors signed appropriate confidentiality agreements, reviewed the information provided in the data rooms and submitted supplemental due diligence information requests to management. With the assistance of the Monitor, Financial Advisor and counsel, Arctic

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management and staff spent countless hours retrieving and presenting data in response to continuing due diligence requests from bidders in Phase 2.

13. One of the bidders qualified to enter Phase 2 was Reddy Ice Holdings, Inc. (“**Reddy**”). In the context of its own reorganization under Chapter 11 of the U.S. Bankruptcy Code, Reddy announced publicly that it had been accepted as a qualified bidder in Phase 2 of the SISP. Because Reddy is a competitor of Arctic Glacier, it was necessary to regulate the information available to Reddy and its advisors in order to ensure compliance with Anti-trust legislation in the United States. Accordingly, Arctic Glacier, with the advice of its U.S. Anti-trust counsel, Jones Day, prepared data rooms for Reddy, its advisors and its potential financiers, providing to each such group an appropriate level of information and restricting access to competitively sensitive information.

14. On May 11 2012, having previously informed qualified bidders that, in accordance with the SISP, the deadline for Phase 2 had been extended to 60 days from the original 45 day period, the Financial Advisor sent a letter (the “**Process Letter**”) to the six bidders then participating in Phase 2 of the SISP, among other things setting out the process by which Final Bids (as defined in the SISP) were to be submitted and considered by Arctic Glacier. Along with the Process Letter, the bidders were provided with a proposed form of asset purchase agreement (the “**Pro Forma APA**”), which had been prepared by Arctic Glacier and its counsel in consultation with the Monitor and the CPS. Each participant was urged to submit comments on the Pro Forma APA by May 25, 2012. Attached hereto as **Exhibit “B”** is the sample of the Process Letter with attached Pro Forma APA.

15. Mark-ups of the Pro Forma APA were received on May 25th from three bidders. After reviewing the mark ups, our advisors convened a meeting with the

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Monitor, each of the bidders and their respective counsel on Wednesday, May 30, 2012 to provide feedback on the mark ups and, through dialogue with each bidder, to narrow the business and legal issues raised by the mark ups and propose solutions where appropriate.

16. One product of the discussions with bidders about their mark ups is the inclusion of a Material Adverse Effect or "MAE" condition (defined below) in the APA. An MAE was not contained in the Pro Forma APA; however, I am advised by McCarthy Tétrault LLP that a reasonable MAE is a common commercial term in agreements such as the Asset Purchase Agreement. In meetings with the bidders, each of them raised the issue that the requirement in the SISP that the bidder arrange committed financing had brought forward the concern of all potential lenders that their financing commitment be subject to an MAE condition.

17. Arctic Glacier considered the issue with our counsel and in order to facilitate the negotiation of an asset purchase agreement on reasonable commercial terms, we instructed our counsel to prepare an MAE condition that reasonably protected the Purchaser and its committed lender in the event that a material adverse event in relation to Arctic Glacier's business occurred between execution of the Asset Purchase Agreement and the closing of the Transaction. Accordingly, our counsel prepared a draft MAE condition that is limited in scope to, in effect, material and adverse changes, events, circumstances and developments to Arctic Glacier's business or assets or Arctic Glacier's inability to complete the Transaction. This draft MAE condition was provided to each of the three bidders who had submitted mark ups to the Pro Forma APA.

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18. As will be discussed below, the MAE proposed by Arctic Glacier expressly does not include changes to general economic or political conditions, among other things and was accepted by the Purchaser virtually unchanged.

19. Based on my participation in the process, it is my view that the SISP was conducted in accordance with its terms, with the cooperation, assistance and/or oversight of the Vendors, the Monitor, the Financial Advisor and the CPS.

20. Three bids were received by the Phase 2 Bid Deadline of June 4, 2012 at 5:00 p.m. CT (the “**Phase 2 Bid Deadline**”).

21. The Monitor, in consultation with the Financial Advisor, the CPS and management at Arctic Glacier, including myself, reviewed each bid in accordance with the evaluation and selection criteria set out in the SISP.

22. Based on our review of the bids submitted, I am advised by Art Chipman and Atif Zia of the Financial Advisor that our Financial Advisor was in contact with each of the bidders to discuss certain aspects of their bids.

23. I am advised by Kevin McElcheran of McCarthy Tétrault LLP, counsel to Arctic Glacier, that following the receipt of the offers, in accordance with the settlement agreement reached with the direct purchaser plaintiffs in Case No. 08-MDL-01952 in the United States District Court, Eastern District of Michigan, South Division (the “**Direct Purchaser Plaintiffs**”) and the Order of this Court made on May 15, 2012, our counsel, the Monitor and Monitor’s counsel conducted separate conference calls with the Arctic Lenders and the legal counsel to the Direct Purchaser Plaintiffs. Each such constituent was advised that we had received a very favourable qualified Final Bid in accordance with the SISP, which would be recommended to the Special Committee (the committee established by

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the Trustees of Arctic Glacier Income Fund, which supervised the implementation of the SISP (the “**Special Committee**”). We also advised them that the Final Bid of the Purchaser was for the highest price of the offers received, was supported by committed financing, was subject to a “market” MAE provision related only to Arctic Glacier’s performance between signing and closing and provided sufficient proceeds to pay the Secured Lender’s claims in full in cash and to satisfy all known creditor claims.

24. The Monitor, following consultation with the Financial Advisor, the CPS and the Vendor, recommended to the Special Committee that the Final Offer submitted by the Purchaser, as it had been amended by subsequent discussion, be selected.

25. The Special Committee accepted the Monitor’s recommendation and the parties settled the Asset Purchase Agreement, subject to approval of this Court, all in accordance with the SISP. On June 8, 2012, Arctic Glacier issued a press release regarding the Transaction, which press release is attached hereto as **Exhibit “C”**.

26. In keeping with the requirements of the SISP, the Transaction contemplated by the Asset Purchase Agreement and ancillary or related documents includes the following elements that are necessary components of a Qualified Bid set out in paragraph 24 of the SISP (the description of the Asset Purchase Agreement herein is for ease of reference and does not modify or amend the terms of the Asset Purchase Agreement as attached at Exhibit A hereto):

- (a) It is not subject to a financing condition and was provided with a written commitment letter executed by the Purchaser’s lender

evidencing an irrevocable commitment to lend sufficient funds to complete the Transaction (the “**Commitment Letter**”);

- (b) It was also supported by a letter committing H.I.G. Capital to provide equity investment for the Purchaser to permit it to complete the transaction and to provide sufficient capital to support the operation of its business following closing;
- (c) It provides for the purchase of substantially all of the business, undertaking and assets of the Vendors save and except for certain Excluded Assets as defined in the Asset Purchase Agreement.
- (d) The Excluded Assets are limited to items such as cash, tax refunds, shares of any Vendor, claims to reimbursements and pre-paid amounts, and a single redundant property that is no longer used in the business;
- (e) It provides that the Purchaser shall offer employment to the current full-time and part-time employees of the Vendors on terms and conditions that are substantially the same as existing terms;
- (f) It provides that, in addition to paying the cash portion of the purchase price, the Purchaser has agreed to assume certain current liabilities of the Vendors (the Assumed Liabilities as defined in the Asset Purchase Agreement) and to pay such liabilities in the ordinary course;
- (g) It is not conditional on financing or due diligence;
- (h) It states that the acquisition will occur through the Purchaser, which is a newly formed acquisition vehicle, being an affiliate of H.I.G.

Capital, and that no other parties will be sponsoring or participating in the bid. The Purchaser has indicated that it may direct that the Canadian business be transferred to a Canadian affiliate and the U.S. business be transferred to a U.S. affiliate. To address this possibility, the draft Order provides that the Assets vest in the Purchaser or such other person(s) as the Purchaser may direct and the Monitor may agree;

- (i) It states that the Purchaser is of the view that no regulatory approval will be required under the Competition Act (Canada) in connection with the Transaction and that it does not anticipate any issues under the Hart-Scott Rodino Act in the U.S.. It also states that all required internal, corporate or other approvals and consent have been obtained by the Purchaser in order to close the transaction;
- (j) It includes in the Assets to be purchased the Assigned Contracts, which is defined therein and includes all Contracts entered into by a Vendor in respect of its assets or the business, including all leases of real property, excluding the Excluded Contracts;
- (k) The Asset Purchase Agreement further provides that the Purchaser will assume liabilities of the Vendors in connection with the performance of any Assigned Contracts (or breach thereof) after the time of closing, and that the Purchaser will be responsible for Cure Costs in respect of the Assigned Contracts to the extent that such Cure Costs have been reflected in the Working Capital Statement as Assumed Liabilities (capitalized terms as defined in the Asset Purchase Agreement);

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- (l) In its offer letter, the Purchaser has stated its commitment to allocating sufficient resources to closing the transaction on an expedited basis, and in any event by no later than July 31, 2012, and stated that the Purchaser believes the only milestones to closing are receiving an approval order, in a form satisfactory to the Purchaser, for the successful bid from this Court and recognition from the US bankruptcy court, in each case in compliance with applicable notice requirements;
- (m) In its offer letter, the Purchaser states that all required internal, corporate or other approvals and consents have been obtained in order to close the transaction and that the H.I.G. Investment Committee has already approved the bid, including the necessary equity commitment from their investment fund;
- (n) The Purchaser has delivered a \$10,000,000 deposit;
- (o) The Purchaser cooperated with the Financial Advisor, in consultation with the Monitor, the CPS and the Vendors and responded to their reasonable requests;
- (p) It was received by the Phase 2 Bid Deadline;
- (q) The purchase price is sufficient to pay the Lender Claims (as defined in the SISP), in full and in cash, and provides that it is a condition of closing that an order be obtained directing that the Lender Claims be paid in full either directly by the Purchaser (if such order is obtained prior to closing and a direction is delivered to the Purchaser by the

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Vendor) or by the Vendors from the net proceeds of the purchase price; and

- (r) Section 3.02(4)(c) contains an acknowledgement that, the Purchaser “in determining whether to enter into this Agreement (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets to be acquired and obligations and liabilities to be assumed in entering into this Agreement; and (ii), except for the representations and warranties set out in Section 3.01 [of the Asset Purchase Agreement], did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of Applicable Law or otherwise) from or by any of the Vendors, or the Monitor or any of their partners, employees, agents, advisors or representatives or any employee, officer, director, accountant, financial, legal or other representative of any of the Vendors or the Monitor, regarding the Assets to be acquired or the Liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated herein” (with capitalized terms as defined in the Asset Purchase Agreement).

27. The majority of the key terms of the Transaction have been set out above in the description of the manner in which the Transaction qualified as a “Qualified Bid” pursuant to the SISP. Other important terms to highlight are as follows:

- (a) ***Assets Assumed and Excluded:*** The Purchaser is purchasing all Assets (including land, plants, building, machinery, inventory, supplies, accounts receivable, intellectual property and other items set

out in section 2.01 of the Asset Purchase Agreement) except for Excluded Assets (which include items such as cash, tax refunds, shares of any Vendor, claims to reimbursements and pre-paid amounts and other items set out in section 2.02 of the Asset Purchase Agreement);

- (b) ***Liabilities Assumed and Excluded:*** The Purchaser is assuming all current liabilities of the Vendors (including trade account payables, liability for wages or other employee benefits and other current liabilities as described in section 2.03 of the Asset Purchase Agreement) except for the Excluded Liabilities (which include certain Excluded Current Liabilities, liabilities related to active or inactive litigation, anti-trust investigations, liabilities relating to the Brandywine Ice Company Defined Benefit Pension Plan (as defined in the Asset Purchase Agreement), and other liabilities as set out in section 2.04 of the Asset Purchase Agreement).

Among the active and inactive litigation and anti-trust investigation proceeding excluded and expressly not assumed by the Purchaser are: the proceedings and amounts owing pursuant to the plea agreement entered into between the Department of Justice and AGII in which AGII agreed to pay US\$9 million over 5 years (of which \$2 million was paid prior to filing); the amounts owing pursuant to an agreement to settle the direct purchaser class actions in the U.S. by payment of US\$12.5 million (of which US\$2.5 million was paid prior to filing); the class action in Ontario by retail purchasers for which an agreement was reached requiring AGI to pay C\$2 million (for which no formal settlement was executed or approved by the Court), and anti-trust

investigations by the Department of Justice and various State Attorney Generals. Other claims may exist that fit into the category of Excluded Liabilities, which will not be assumed by the Purchaser. It is intended that a claims process will be initiated to identify such claims prior to making a distribution to unsecured creditors and/or unit holders;

- (c) ***Conditionality and Material Adverse Effect:*** Other than court approval in Canada and recognition of such order in the U.S., the only significant condition to closing (which conditions are set out in section 5.01 and 5.02 of the Asset Purchase Agreement) is that no Material Adverse Effect (as defined in the Asset Purchase Agreement, the “MAE”) will have occurred from the date of the Asset Purchase Agreement through to the time the Transaction closes. The MAE contains essentially the same terms proposed by Arctic Glacier. Also, as discussed below, the same MAE condition is included in the Purchaser’s financing commitment; and,
- (d) ***Committed Financing:*** The Purchaser provided evidence of committed financing from its lender. As described above, the financing is committed and irrevocable with the only meaningful condition being the MAE clause in addition to standard market conditions. The MAE clause in the Commitment Letter has the same terms and scope as the MAE in the Asset Purchase Agreement such that the limited circumstances in which the MAE clause may be invoked apply both to the Purchaser and its lenders and avoids any inconsistency. The financing commitment also describes that a marketing process will be undertaken to market the opportunity to

others to participate in a lending syndicate; however, financing (and, by extension, the Transaction) is not contingent on the success of that marketing process. In addition, the timing of the marketing process, which will occur prior to closing, is consistent with completion of such process prior to July 31, 2012.

28. I understand that the Monitor will be filing a separate report recommending approval of the Transaction by this Honourable Court.

AUTHORIZATION OF THE SALE SHOULD BE GRANTED

29. The following factors, among others, support the approval of the Transaction contemplated by the Asset Purchase Agreement:

- (a) The process leading to the proposed Transaction was reasonable. Indeed, the sale process was conducted in accordance with the Court-approved SISP;
- (b) The Monitor recommended approval of the SISP to the Court, participated in its execution and recommends the approval of the Transaction. The Monitor will be filing a report setting out its opinion of the benefits of the Transaction compared to a sale or disposition under a bankruptcy;
- (c) The Arctic Lenders participated in the development of the SISP and are supportive of the proposed Transaction; and,
- (d) The Transaction, if approved, would provide sufficient proceeds and/or provides for the assumption by the Purchaser to: (i) pay the Arctic Lenders in full; (ii) pay outstanding amounts under the court-ordered charges; (iii) pay any amounts that would have been required

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under paragraphs 6(4)(a) and (5)(a) of the CCAA; (iv) pay post-filing obligations (v) pay any liabilities or obligations arising from the completion of the Transaction; and, (vi) is expected to pay all the claims of all other known creditors in full.

30. I expect that, following the completion of a claims procedure to identify and adjudicate all unknown claims against the Arctic Glacier Parties, the proceeds provided by the Transaction may be sufficient to make a distribution to unit holders of the Fund.

31. The Purchase Price as set out in the Asset Purchase Agreement was the highest price offered by any of the participants in the SISP. The completion of the Transaction is subject to few closing conditions – fewer closing conditions, in fact, than the other bids submitted in Phase 2 of the SISP. The Transaction represents the highest price realizable through the SISP and the best transaction in the circumstances for the benefit of the Vendors and their stakeholders.

ASSIGNMENT OF AGREEMENTS REASONABLE

32. The Transaction contemplates the assignment of certain Assigned Contracts pursuant to section 11.3 of the CCAA and the Asset Purchase Agreement notwithstanding any restriction or prohibition contained in such Assigned Contracts relating to the assignment thereof, including any provision requiring consent of any party to the assignment.

33. Most of the Assigned Contracts, by far, are real property leases for production and distribution centres in Canada and the United States. These leases are essential to the continuation of the business of the Vendors by the Purchaser. Attached to this affidavit as **Exhibit “D”** is a list of the leases that are included in the Assigned Contracts.

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34. The only other material Assigned Contracts (in addition to real property leases) listed in the Asset Purchase Agreement are: i) leases for leased machinery and equipment; and ii) a Bag Supply Agreement with Norcan Flexible Packaging Inc. dated as of September 1, 2010. Arctic Glacier is a party to other agreements; however, they are not material agreements.

35. The Purchaser (or such assignee as directed by the Purchaser pursuant to the draft Order) has agreed to assume, after the time of closing, all of the Assumed Liabilities (as defined in the Asset Purchase Agreement) in respect of the Assigned Contracts, including the real property leases, in accordance with the existing terms of the Assigned Contracts. The Vendors are in the process of contacting each landlord to advise them of the Transaction and to seek their consent to the assignment of their leases.

36. It is appropriate to assign the rights and obligations under the Assigned Contracts to the Purchaser since the Purchaser is, in essence, acquiring all assets of the Vendors and intends to carry on the business of the Vendors after closing. Providing for the assignment of the Assigned Contracts will allow the Purchaser to carry on the business of the Vendors with minimal interruption. The Transaction will only proceed if the Assigned Contracts are effectively assigned to the Purchaser.

37. I am not aware of any prejudice to the counter-parties to the Assigned Contracts in assigning such contracts to the Purchaser. In its bid letter, the Purchaser provided evidence that, on closing of the Transaction, it will be properly capitalized with committed debt (including a revolving line of credit and term debt and a substantial equity investment) such that it will be able to perform the obligations under the Assigned Contracts. In addition, as set out above, the Asset

Purchase Agreement provides that the Purchaser will assume liabilities of the Vendors in connection with the performance of any Assigned Contracts (or breach thereof) after the time of closing.

38. Further, as a condition of the closing of the Transaction, all existing monetary defaults in relation to the Assigned Contracts - other than those arising by reason of the Vendors' insolvency, the commencement of the CCAA proceedings, or the Vendors' failure to perform a non-monetary obligation (in relation to which the counterparty is prohibited from exercising remedies) – must be paid in accordance with the Asset Purchase Agreement.

39. I believe the assignment of the Assigned Contracts is reasonable and the Monitor has indicated that it approves such assignments.

PROPOSED DISTRIBUTION TO LENDERS AND OTHERS

40. The draft Order contemplates that upon the closing of the Transaction, if approved, the purchase price will be paid to the Monitor, which will then make a distribution to the Arctic Lenders in the amount of their secured claim, with the remainder to be held by the Monitor pending completion of a claims process to identify and adjudicate all remaining claims.

41. Distribution to the Arctic Lenders is a requirement of a Qualified Bid under the SISP. The SISP required all Qualified Bids to provide that no closing shall occur unless payment in full of the Lender Claims (as defined in the SISP) is made concurrently.

42. The Arctic Lenders have priority under the DIP Lenders' Charge created in the Initial Order (in relation to the interim financing provided by them), and they also have first and second ranking security.

SEALING

43. Exhibit "A" hereto is a true copy of the Asset Purchase Agreement, save and except that the purchase price and related schedules have been redacted. Similarly, Exhibit "D" is a true copy of the Commitment Letter save and except that pricing information has been redacted. Disclosure of the exact purchase price is commercially sensitive. It is also not necessary to publicly disclose the exact price since all of the other terms of the Asset Purchase Agreement have been disclosed, the evidence supporting the conclusion that the SISP has been complied with in all respects has been disclosed and the Purchase Price set out in the Asset Purchase Agreement is the highest price offered by any participant in the SISP. If the Transaction is completed, the Purchase Price is sufficient: (i) to satisfy all known creditor claims; and, (ii) subject to the completion of a claims process and the payment of any obligations arising from the completion of the Transaction, to make a distribution to equity holders.

44. In light of the many contingencies as to the amount and the timing of any distributions (other than payment of the Arctic Lenders' claims), disclosure of the Purchase Price at this time, before more information is obtained concerning such contingencies is available, would be misleading to unit holders and other stakeholders and would lead to harmful speculation.

45. The Monitor will be filing with the Court a Confidential Appendix including the unredacted Asset Purchase Agreement and Commitment Letter and a summary of the other bids received in the SISP. As with disclosure of the purchase price, disclosure of the other bids is commercially sensitive prior to the closing of the Transaction. Moreover, it is not necessary since the fact that the bid of the Purchaser was the highest value bid received has already been disclosed.

STAY EXTENSION APPROPRIATE

46. Arctic Glacier has acted in good faith and with due diligence in these proceedings including that it, among other things, has continued to operate the business and pay for goods and services in the normal course, and has worked closely with the Financial Advisor, CPS and the Monitor to execute the SISP, including assisting in responding to voluminous due diligence requests, which resulted in the successful completion of the SISP and the identification of the proposed Transaction.

47. The stay of proceedings is essential for continued operations of the business as Arctic Glacier moves towards execution of the Transaction, if approved by this Court.

48. An extension of the Stay Period to August 31, 2012 is necessary and appropriate in the circumstances, in particular to allow the Arctic Glacier Parties to complete the Transaction, if approved, and to deal with any remaining issues following the closing.

49. As indicated in cash flow projections prepared by management with the assistance of the Monitor to be attached to the Fourth Report of the Monitor, the Arctic Glacier Parties have sufficient working capital to fund operations during the Stay Period (assuming the closing of the Transaction).

50. The Monitor and Arctic Lenders have each expressed their support for the extension of the Stay Period as requested.

RELIEF REQUESTED

51. Accordingly, I swear this affidavit in support of a motion for an order, among other things:

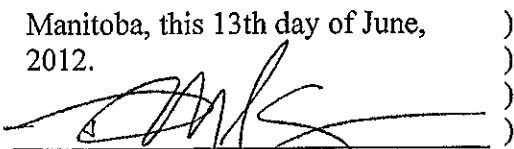
- 22 -

- (a) if necessary, abridging the time for service of the Notice of Motion such that the motion is properly returnable on June 21, 2012 and dispensing with further service thereof;
- (b) approving the Transaction contemplated by the Asset Purchase Agreement;
- (c) vesting in the Purchaser the Vendors' right, title and interest in and to the Assets free and clear of any claims and encumbrances other than certain permitted encumbrances as set out in the draft Order;
- (d) directing the Monitor to pay from the net proceeds of the Transaction the amount necessary to repay the Arctic Lenders in full, with the balance of the net proceeds to be held by the Monitor in accordance with the terms of the Order;
- (e) assigning the rights and obligations of the Vendors under the Assigned Contracts;
- (f) extending the Stay Period until August 31, 2012;
- (g) ordering that the Confidential Appendix to the Fourth Report be sealed, kept confidential and not form part of the public record;
- (h) approving the Third Report of the Monitor and Fourth Report of the Monitor and the Monitor's activities as described therein; and
- (i) granting such further and other relief as this Honourable Court may deem just.

SWORN BEFORE ME at The City)
 of Winnipeg, in the Province of)

- 23 -

Manitoba, this 13th day of June,
2012.

A handwritten signature in black ink, appearing to be 'MKS', written over a horizontal line.

A Notary for and in the Province of
Manitoba

A handwritten signature in black ink, appearing to be 'KEITH MCMAHON', written over a horizontal line.

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.

REMOVED EXHIBIT "A"
ASSET PURCHASE AGREEMENT

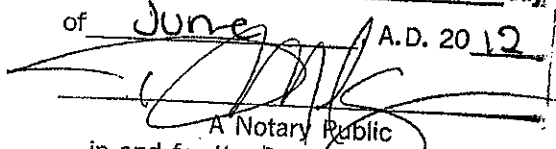

Securities

TD Securities Inc.
 TD Tower
 66 Wellington Street West, 8th Floor
 Toronto, Ontario M5K 1A2

Strictly Private and Confidential

May 11, 2012

H.I.G. Middle Market, LLC
 1450 Brickell Avenue, 31st Floor
 Miami, FL 33131

This is Exhibit "B" referred to in the
 Affidavit of Keith McMahon
 SWORN before me this 13 day
 of June A.D. 20 12

 A Notary Public
 in and for the Province of Manitoba

Attention: Brian McMullen

Re: Arctic Glacier Income Fund – Submission of Final Bid

Dear Sirs and Mesdames:

We appreciate your continued interest in Arctic Glacier Income Fund ("AGIF"). As you are aware, on February 22, 2012 AGIF and its subsidiaries (collectively, "Arctic Glacier" or the "Company") were granted an initial order (the "Initial Order") pursuant to the Companies' Creditors Arrangement Act ("CCAA") from the Manitoba Court of Queen's Bench (the "Court") that, among other things, authorized the Company to conduct a sale and investor solicitation process (the "SISP") to solicit offers to acquire, restructure or recapitalize the Company. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed as the monitor ("Monitor") of the Company to oversee its CCAA proceeding and the SISP, and TD Securities Inc. ("TD Securities") was appointed as Arctic Glacier's financial advisor to assist the Company with the implementation of the SISP. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the SISP.

Pursuant to your execution of the non-disclosure agreement (the "Non-Disclosure Agreement") and your Phase 1 LOI, you were invited to Phase 2 of the SISP to continue with further business investigation activities leading to the submission of a final, binding proposal for the acquisition of the Company ("Final Bid") in accordance with the requirements of the SISP. Your Final Bid shall constitute an irrevocable and binding offer, subject only to the conditions stated therein.

Enclosed with this letter you have received a draft of the proposed form of the definitive asset purchase agreement (the "Definitive Agreement"). The Company shall provide the forms of the schedules to the Definitive Agreement through the virtual dataroom. Any proposed revisions to the Definitive Agreement should reflect the exact language for the change you propose. A mark-up of the Definitive Agreement, including a blackline reflecting all changes you seek to complete the transaction, and a complete list of your remaining due diligence items should be submitted electronically no later than **12:00 p.m. (noon) Central Time on Friday, May 25, 2012** to the attention of Atif Zia at TD Securities (atif.zia@tdsecurities.com) and Adam Zalev at the Monitor

(azalev@alvarezandmarsal.com). The Company, the Monitor, their respective legal advisors and TD Securities will review your submission and, where appropriate, have discussions with you and provide feedback on your revisions to the Definitive Agreement.

Your Final Bid must be submitted in writing by no later than **5:00 p.m. Central Time on Monday, June 4, 2012** ("Phase 2 Bid Deadline") and addressed as follows:

Art Chipman
Managing Director, Group Head
 TD Securities, Special Situations
 Tel: (416) 308 3099
art.chimpan@tdsecurities.com

Atif Zia
Vice President and Director
 TD Securities, Mergers & Acquisitions
 Tel: (416) 307 9921
atif.zia@tdsecurities.com

Richard A. Morawetz
Managing Director
 Alvarez & Marsal Canada Inc
 Tel: (416) 847 5151
rmorawetz@alvarezandmarsal.com

Adam Zalev
Senior Director
 Alvarez & Marsal Canada Inc
 Tel: (416) 847 5154
azalev@alvarezandmarsal.com

Your Final Bid should reflect your best and final offer and you should not assume that you will be given an opportunity to rebid, renegotiate, or improve any terms of your Final Bid. Your Final Bid must include a fully executed (by you) copy of the Definitive Agreement, as described below in further detail, and a letter that includes, without limitations, the following:

1. **Transaction Summary:** A description of the proposed transaction contemplated in your Final Bid, including a clear indication of whether the Final Bid is offering to acquire all, substantially all or portions of Arctic Glacier, including a description of the assets and/or business operations to be purchased and liabilities to be assumed;
2. **Purchase Price and Form of Consideration:** The enterprise value, expressed in U.S. dollars, that you would be prepared to offer to purchase all or that portion of the Company which is contemplated in your Final Bid, on a debt-free, cash-free basis (the "Purchase Price"), as well as the proposed form of consideration. Your Final Bid should provide for a fixed amount of consideration that is a single number and not a range of values.

Your Final Bid should include a sources and uses table and clearly show the build-up of Purchase Price, including:

- I. The enterprise value, expressed in U.S. dollars, on a debt-free, cash-free basis, based on an average level of non-cash working capital for the business, which the Company estimates to be approximately \$26.1 million ("Working Capital Benchmark");
- II. The working capital adjustment (the "Working Capital Adjustment") to reflect the working capital surplus, as compared to the Working Capital Benchmark, that will be transferred to the Successful Bidder upon closing of the transaction. For purposes of calculating the Working

Capital Adjustment, your Final Bid should be on the basis that the working capital at closing on July 31, 2012 shall be \$45.6 million (same as July 2011) (the "Estimated Working Capital") and therefore the Working Capital Adjustment shall be \$19.5 million; and

III. Any adjustments for liabilities that will be assumed under your Final Bid.

3. Identity and Contact Information: The identity of all parties that will be sponsoring or participating in the Final Bid (collectively, the "Purchaser") including the names, titles and contact information of key individuals from your organization with respect to the transaction. To the extent you will be relying on external sources of financing, provide a list of contacts and contact information for each such source with whom financing arrangements and commitment letters can be discussed and authorize TD Securities, the Monitor and the respective counsel to the Company and the Monitor to have such discussions;
4. Sources of Financing: Your Final Bid must not be conditional upon obtaining financing and should be made on the basis that you have secured adequate and irrevocable financing to complete the transaction. If you will be relying on internally generated funds, provide evidence of sufficiency of funds to complete the transaction. If you intend to access external financing (debt and/or equity), your Final Bid must be accompanied by fully executed copies of commitment letters from parties evidencing the irrevocable commitment of such parties to invest or lend sufficient funds to complete the transaction and satisfy all of the obligations of the Purchaser under the Definitive Agreement;
5. Definitive Agreement: Your Final Bid shall include a fully executed copy (by you) of the Definitive Agreement. Your Final Bid should also include a mark-up of the Definitive Agreement including a blackline of all changes you have made to the version enclosed with this letter and separately to the version you submit on May 25, 2012. Any questions or clarifications regarding terms in the draft Definitive Agreement should be directed to Arctic Glacier's counsel. Please contact TD Securities if you believe that it would be helpful to discuss aspects of the draft Definitive Agreement with Arctic Glacier's counsel prior to your first submission on May 25, 2012 and TD Securities will arrange appropriate contact;
6. Due Diligence: The Company has provided you with a significant amount of confidential information. The Company will consider and facilitate additional due diligence requests you deem necessary prior to submission of your Final Bid. It is expected that you will have completed all of your due diligence investigation by the Phase 2 Bid Deadline and that your Final Bid will not be conditional on any further due diligence. In addition, to the extent you will be relying on external sources of financing, your Final Bid must confirm that such financing is not conditional upon completion of further due diligence;
7. Conditionality: The level of conditionality will be a material consideration in evaluating Final Bids received. Your Final Bid should have no conditions to closing other than those in the Definitive Agreement and must not be subject to a financing or due diligence condition;
8. Regulatory Approvals: Your Definitive Agreement should identify all required regulatory approvals or other consents under applicable laws that must be obtained or complied by you prior to closing of the transaction and include a detailed discussion of the expected timing and process

for obtaining such approvals or consents to permit closing and any anticipated impediments for obtaining such approval or consents.

Your Final Bid must also include an explanation of any regulatory approvals required as a result of the circumstances of your organization, and the expected process and timing thereof. In addition, from a competition law / anti-trust perspective, your Final Bid should also include a description of all interests (e.g. voting / non-voting, board representations, or any other business interests) that could potentially raise an issue under these laws in any relevant jurisdiction;

9. Other Approvals: All required internal, corporate or other approvals and consents should be obtained prior to submitting your Final Bid. Please include a statement in your Final Bid confirming that all such consents and approvals necessary to permit you to close the transaction have been obtained prior to submitting the Final Bid;
10. Expected Timing of Closing: Your Final Bid must include a description of the expected time frame to complete the transaction, including key milestones as well as any other relevant information which may influence your ability to consummate the transaction by the Outside Date contemplated in the SISP, being July 31, 2012;
11. Employees: Provide details of any contemplated changes to the current terms and conditions of employment for continuing employees;
12. Expiration: Your Final Bid must remain open for acceptance by the Company and be irrevocable until the earlier of: (a) the approval by a court of competent jurisdiction of a Successful Bid and (b) 45 days following the Phase 2 Bid Deadline, provided that if you are selected as the Successful Bidder, your Final Bid will remain irrevocable until the earlier of the closing of the transaction with you and the termination of the Definitive Agreement in accordance with its terms; and
13. Other: Any other factors you believe may be relevant to the Monitor, the Company or TD Securities in evaluating your Final Bid.

Notwithstanding anything to the contrary, your Final Bid and Definitive Agreement must comply with requirements of the SISP including, without limitation, the requirements set forth in paragraph 24 of the SISP.

As mentioned above, your Final Bid should reflect your best and final offer and you should not assume that you will be given an opportunity to rebid, renegotiate, or improve any terms of your Final Bid. Final Bids that, among other factors, maximize value for Arctic Glacier's stakeholders, satisfy the Lender Claims in full and in cash upon completion of the transaction, are submitted in accordance with the requirements of the SISP, provide for execution certainty and speed (including any regulatory approvals required to close the transaction), have minimal conditionality and demonstrate an ability and willingness to complete the transaction in an expeditious manner will be favoured.

Following June 4, 2012, the Monitor, in consultation with TD Securities, the Chief Process Supervisor and Arctic Glacier, will evaluate the Final Bids received and determine the process by which the Company moves forward in accordance with the SISP and Initial Order.

Arctic Glacier will not have any liability or obligation whatsoever to any interested party in connection with the SISP, including, but not limited to, as a result of the rejection of any or all of the Final Bids, the acceptance of another interested party's Final Bid or the termination of the SISP. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter, as such procedures may be modified from time to time. No broker's fees, finder's fees, commissions, expenses or other compensation will be paid by the Company, the Monitor or TD Securities to agents, consultants, advisors or other intermediaries of any party. The Company and TD Securities reserve the right to amend any information which has been made available to interested parties whether by way of addition, deletion, amendment or otherwise.

In submitting a Final Bid, a prospective purchaser acknowledges that it is relying solely on its own investigation and evaluation of the Company and its business. Arctic Glacier, the Monitor and TD Securities expressly disclaim any and all liability for representations, warranties or statements contained in this letter or in any other written material furnished or information orally transmitted to a potential purchaser, except only those particular representations and warranties of the Company made to the actual purchaser in the Definitive Agreement when, as and if such Definitive Agreement is ultimately executed by AGIF and the Vendors (as defined in the Definitive Agreement) and subject to such limitations and restrictions as may be contained therein. Until a Definitive Agreement is executed by AGIF and the Vendors, none of the Company, the Vendors, the Monitor or TD Securities will have any obligations whatsoever to any potential purchaser.

The terms and content of this letter are subject to the terms of the Non-Disclosure Agreement previously executed by you, which, among other things, prohibits disclosure to third parties of any confidential information related either to the Company or to your interest or lack thereof in a transaction with the Company. Pursuant to the Non-Disclosure Agreement, under no circumstances are you permitted to contact any of the Company's executives, employees, directors, trustees, unitholders, lenders, customers, or suppliers with respect to the SISP unless such contact has been pre-arranged with and approved by TD Securities. All communications or inquiries regarding the SISP or any other matters relating to this letter should be directed to either Art Chipman (416) 308-3099 or Atif Zia at (416) 307-9921.

Once again, we appreciate your interest in Arctic Glacier and look forward to receiving your Final Bid.

Yours truly,



Atif Zia

ASSET PURCHASE AGREEMENT
BETWEEN
ARCTIC GLACIER INCOME FUND
AND
THE OTHER ENTITIES IDENTIFIED HEREIN AS VENDORS
AND
[PURCHASER]
MADE AS OF
•, 2012

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of ●, 2012

BETWEEN

[PURCHASER], a **[corporation incorporated]** under the laws of
● (the “**Purchaser**”),

- 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, on February 22, 2012 the Vendors 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**”) (the proceedings thereunder hereinafter referred to as the “**CCAA Proceedings**”);

AND WHEREAS, pursuant to the Initial Order, the Canadian Court appointed Alvarez & Marsal Canada Inc. as “**Monitor**” (the “**Monitor**”) in connection with the CCAA Proceedings and directed the Monitor to act as foreign representative of the Vendors and apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the U.S. Bankruptcy Code;

AND WHEREAS, on February 23, 2012, the Monitor commenced ancillary proceedings in the U.S. Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) under Chapter 15 of the U.S. Bankruptcy Code seeking recognition of the CCAA Proceedings as foreign main proceedings and to give effect to the Initial Order in the United States (the “**Chapter 15 Proceedings**”), and was granted certain provisional relief pursuant to an order recognizing and enforcing the Initial Order in the United States;

AND WHEREAS, on March 15, 2012, the Canadian Court granted an extension of the stay of proceedings as against the Vendors until and including April 5, 2012 and such stay of proceedings was further extended on April 3, 2012 until and including June 27, 2012;

AND WHEREAS, on March 16, 2012, the U.S. Bankruptcy Court granted, among other things, the Monitor’s petitions for recognition of the CCAA Proceedings as a foreign main proceeding, the enforcement of the Initial Order in the United States on a final basis and a stay of proceedings against the assets of the Vendors effective in the United States;

AND WHEREAS 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 Vendors;

AND WHEREAS, each of the Vendors (as applicable) has agreed to transfer to the Purchaser, and the Purchaser has 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 Vendors, upon the terms and conditions set forth hereinafter;

AND WHEREAS, in accordance with the SISP, the Purchaser has delivered to the Monitor a deposit in the amount of \$10,000,000 (the “Deposit”).

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Accounts Payable Period**” means the period from the Closing Date until the date that is thirty (30) days from the Closing Date.

“**Advance Ruling Certificate**” means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement.

“**Affiliate**” means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Applicable Law**” means

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and
- (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.

“Arctic Credit Facilities” means, collectively, the first lien, second lien and debtor-in-possession credit facilities provided by the Arctic Lenders to the Vendors.

“Arctic Lender Claims” has the meaning set out in the definition of “Lender Claims” in the SISP.

“Arctic Lenders” means, collectively, CPPIB Credit Investments Inc., West Face Long Term Opportunities Limited Partnership, West Face Long Term Opportunities (USA) Limited Partnership, West Face Long Term Opportunities Master Fund L.P., and West Face Long Term Opportunities Global Master L.P., and each of the foregoing parties’ respective assignees in respect of the Arctic Lender Claims.

“Assets” has the meaning set out in Section 2.01.

“Assigned Contracts” means all Contracts entered into by a Vendor in respect of any Assets and the Purchased Businesses, including all leases of real property, all non-disclosure agreements entered into by a Vendor in connection with the SISP or otherwise, all unfilled orders received by any of the Vendors in connection with the Purchased Businesses and all forward commitments to any of the Vendors for supplies, materials or capital equipment entered into in the usual and ordinary course of the Purchased Businesses for use in the Purchased Businesses whether or not there are any written agreements with respect thereto, excluding the Excluded Contracts.

“Assumed Accounts Payable” has the meaning set out in Section 2.03(2).

“Assumed Liabilities” has the meaning set out in Section 2.03(1).

“Assumption Agreement” means an agreement between the Vendors and the Purchaser substantially in the form attached hereto as Schedule 1.01A.

“Bankruptcy Courts” means the Canadian Court and the U.S. Bankruptcy Court.

“Bankruptcy Laws” means the CCAA, the U.S. Bankruptcy Code and any other applicable bankruptcy, insolvency, administration or similar laws to which any of the Vendors is or becomes subject.

“Bankruptcy Orders” has the meaning set out in Section 3.01(1)(a).

“Bankruptcy Proceedings” means the CCAA Proceedings and the Chapter 15 Proceedings.

“Books and Records” means all books, books of account, research and development information, information relating to sales, marketing or maintenance and support relating to the Assets, records and documents and data bases recorded or stored by means of any device, including in electronic form, relating to the Assets and those employees who are, pursuant to the provisions of this Agreement, to be employed by the Purchaser, including, all plans and specifications relating to the plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Lands, including all such electrical, mechanical and

structural drawings related thereto, in each case to the extent in the possession or under the control of any of the Vendors on the Closing Date.

"Business Day" means a day (other than a Saturday, Sunday or statutory holiday) on which banks are generally open for business in Winnipeg, Manitoba; Toronto, Ontario; and •.

"CCAA" has the meaning set out in the recitals hereto.

"CCAA Proceedings" has the meaning set out in the recitals hereto.

"Canadian Approval and Vesting Order" has the meaning set out in Section 4.01(1).

"Canadian Court" has the meaning set out in the recitals hereto.

"Canadian Vendors" means the Fund and Arctic Glacier Inc.

"Chapter 15 Proceedings" has the meaning set out in the recitals hereto.

"Claim" means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, complaint, suit, investigation, dispute, petition or proceeding by or before any Governmental Authority or person at law or in equity and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

"Closing Date" means the date that is two (2) Business Days from the date on which all conditions to the purchase and sale of the Assets set out in Article 5 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed to in writing by each of the Vendors and the Purchaser.

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act.

"Competition Act" means the *Competition Act* (Canada).

"Competition Act Compliance" means:

- (i) the issuance of an Advance Ruling Certificate;
- (ii) the Purchaser and the Vendors have given the notice required under section 114 of the Competition Act with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the Competition Act has expired or been waived in accordance with the Competition Act; or
- (iii) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act,

and, in the case of (ii) or (iii), the Purchaser has been advised in writing by the Commissioner of Competition or a person authorized by the Commissioner of Competition that such person is of the view, at that time, that, in effect, grounds do not exist to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the

transactions contemplated by this Agreement, and the form of and any terms and conditions attached to any such advice are acceptable to the Purchaser and each of the Vendors, acting reasonably, and such advice has not been rescinded or amended.

“Competition Laws” means the Competition Act and the HSR Act.

“Consent” means any approval, authorization, consent, order, license, permission, permit, qualification, exemption, revocation or waiver by any Governmental Authority or other Third Party, but does not include any consent that is rendered unnecessary by operation of any Bankruptcy Laws or Bankruptcy Order.

“Constating Documents” means, with respect to any person, (i) if a corporation, the articles or certificate of incorporation and the by-laws; (ii) if a general partnership, the partnership agreement and any statement of partnership; (iii) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (iv) if a limited liability company, the articles of organization and operating agreement; (v) if another type of person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the person; (vi) all equityholders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any person or relating to the rights, duties and obligations of the equityholders of any person; and (vii) any amendment or supplement to any of the foregoing.

“Contract” means any written or oral binding contract, agreement, instrument or commitment.

“Cure Costs” means, in respect of an Assigned Contract, (i) the amount required to be paid (A) in accordance with any Consent obtained from the relevant Third Party to the assignment of such Assigned Contract, provided that such Consent is in a form acceptable to the Fund, or (B) in accordance with the applicable Bankruptcy Order and Bankruptcy Law in relation to the assignment of such Assigned Contract to the extent no Consent was obtained and such Bankruptcy Order was obtained in accordance with Section 2.12(2); and (ii) all reasonable costs of the Vendors in connection with seeking any Consent or Bankruptcy Order in respect of such Assigned Contract.

“CRA” means the Canada Revenue Agency.

“Debt Commitment Letter” has the meaning set out in Section 3.02(3)(a).

“Debt Financing” has the meaning set out in Section 3.02(3)(a).

“Deposit” has the meaning set out in the recitals hereto.

“Employees” means all full-time and part-time employees of any Vendor (whether or not on vacation, sick leave, maternity leave, disability or other leave of absence) and listed in Section 4.05 of the Vendors Disclosure Letter (and as the same may be updated by the Fund as of the Closing Date).

“Equity Commitments” has the meaning set out in Section 3.02(3)(a).

“Equity Funding Letter” has the meaning set out in Section 3.02(3)(a).

“Estimated Working Capital” has the meaning set out in Section 2.07(1).

“Excluded Assets” has the meaning set out in Section 2.02.

“Excluded Contracts” means any Contracts disclaimed or rejected by any Vendor with the consent of the Purchaser in accordance with applicable Bankruptcy Laws.

“Excluded Current Liabilities” means (i) any legal, accounting and other professional fees, costs and expenses incurred by any of the Vendors in connection with the Bankruptcy Proceedings, the SISP or the transactions contemplated by this Agreement; (ii) any Liabilities incurred by any of the Vendors in connection with any environmental matter arising from the acquisition by any of the Vendors of real property in the State of California and that remain unpaid at the Time of Closing; (iii) any Liabilities incurred by any of the Vendors in connection with any Claim that remains unpaid at the Time of Closing; (iv) any Liabilities incurred by any of the Vendors in connection with the leasing of Reddy ISB Machines in the State of California that remain unpaid at the Time of Closing; (v) any Liabilities owing by any of the Vendors to any Employee in connection with any long-term incentive plan of any of the Vendors that remain unpaid at the Time of Closing; (vi) any royalties owed by any of the Vendors in relation to the Retail Royalty Agreement between Peggy Darlene Johnson and The Arctic Group, Inc. dated January 28, 2000 that remain unpaid at the Time of Closing; (vii) any accounting fees, costs and expenses incurred by any of the Vendors in connection with the review by KPMG LLP of such Vendor’s unaudited quarterly financial statements; (viii) any broker’s fee or commission owed by any of the Vendors to Serge Beaudet with respect to the sale of a mining ventilation extraction unit that remains unpaid at the Time of Closing; (ix) any Liabilities incurred by any of the Vendors with respect to capital expenditures in relation to trade accounts payable in respect of capital expenditures that remain unpaid at the Time of Closing; and (x) any Liabilities incurred by any of the Vendors in relation to any inducements with respect to leases of real property located in the State of California that remain unpaid at the Time of Closing.

“Excluded Liabilities” has the meaning set out in Section 2.04.

“Excluded Redundant Properties” means those properties set forth on Schedule 2.02(1).

“Governmental Authority” means any domestic or foreign legislative, executive, judicial or administrative body or person having or purporting to have jurisdiction in the relevant circumstances.

“Governmental Authorization” means any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any legal requirement.

“HSR Act” means the United States *Hart-Scott Rodino Antitrust Improvements Act of 1976*, as amended.

“HSR Act Compliance” means the Purchaser and the Vendors have given the notice required under the HSR Act with respect to the transactions contemplated by this Agreement and the

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applicable waiting period and any extensions thereof will have expired or been earlier terminated in accordance with the HSR Act.

"Initial Order" has the meaning set out in the recitals hereto.

"Intellectual Property" means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, Software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques and know-how.

"Inventories" means all inventories of the Purchased Businesses owned by and in the possession or control of a Vendor at the Time of Closing, including all finished goods, work in progress, raw materials, spare parts and all other materials and supplies to be used or consumed by any of the Vendors in the production of finished goods.

"Lands" means all freehold and leasehold property and interests therein described in Section 1.01A of the Vendors Disclosure Letter, including all rights of way, licences or rights of occupation, easements or other similar rights of any Vendor in connection with such freehold and leasehold property.

"Lender" has the meaning set out in Section 3.02(3)(a).

"Liabilities" means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any Tax liability or tort liability.

"Lien" means any lien (statutory or otherwise), mortgage, pledge, security interest, charge, hypothecation, encumbrance, or interest in property which, in each case, in substance, secures payment or performance of an obligation, or similar charge of any kind.

"Losses" means all damages, fines, penalties, deficiencies, losses, Liabilities, costs, fees and expenses (including interest, court costs and reasonable fees and expenses of lawyers, accountants and other experts and professionals).

"Material Assigned Contracts" means the Contracts listed in Section 2.12 of the Vendors Disclosure Letter.

"Monitor" has the meaning set out in the recitals hereto.

"Monitor's Certificate" means a certificate signed by the Monitor and confirming that (i) the Purchaser has paid, and the Monitor has received payment of, the Purchase Price in relation to the purchase by the Purchaser of the Assets; and (ii) the conditions to be complied with at or prior to the Time of Closing as set out in Sections 5.01, 5.02 and 5.03, respectively, have been satisfied or waived by the Vendors or the Purchaser, as applicable, pursuant to Section 5.04.

“Outside Date” has the meaning set out in Section 5.05(e).

“Owned Software” means Software owned by any of the Vendors and belonging to or used in the Purchased Businesses.

“Payment Order” has the meaning set out in Section 2.11(2).

“Permits” means all permits, consents, waivers, licences, certificates, approvals, authorizations, registrations, franchises, rights, privileges, quotas and exemptions, or any item with a similar effect, issued or granted by any person.

“Permitted Encumbrances” means the Liens set forth on Schedule 4.03(1)(e).

“Purchase Price” has the meaning set out in Section 2.05.

“Purchased Businesses” means the business of the Vendors of (i) manufacturing and distributing packaged ice, as well as other products such as bottled water, dry ice, packaged wood and rock salt; and (ii) selling and leasing ice-making and dispensing equipment at present and heretofore carried on by each of the Vendors, including in (A) the following Provinces of Canada: Alberta, British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan, and (B) the following States in the United States: Arizona, California, Iowa, Kansas, Michigan, Minnesota, Nebraska, New Jersey, New York, North Dakota, Oregon, Pennsylvania, South Dakota, Texas and Wisconsin.

“Regulatory Approvals” means the Competition Act Compliance and the HSR Act Compliance.

“SISP” has the meaning set out in the recitals hereto.

“Software” means all software relating to the Purchased Businesses, including the computer programs known by the names as set out in Section 1.01B of the Vendors Disclosure Letter, including all versions thereof, and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other material related to such software.

“Tax” means any domestic or foreign federal, state, local, provincial, territorial or municipal taxes or other impositions by or on behalf of a Tax Authority or Government Entity, including the following taxes and impositions: net income, gross income, individual income, capital, value added, goods and services, harmonized sales, gross receipts, sales, use, ad valorem, business rates, transfer, franchise, profits, business, environmental, real property, personal property.

“Tax Act” means the *Income Tax Act* (Canada).

"Tax Returns" means all returns, reports (including any amendments, elections, declarations, disclosures, claims for refunds, schedules, estimates and information returns) and other information filed or required to be filed with any Tax Authority relating to Taxes.

"Taxation Authority" means any domestic or foreign government, agency or authority that is entitled to impose Taxes or to administer any applicable Tax legislation.

"Time of Closing" means • •.m. (Toronto time) on the Closing Date.

"Third Party" means any person that is not the Purchaser or a Vendor.

"Transaction Documents" means, collectively, this Agreement and all ancillary agreements, documents and instruments executed and delivered by any of the parties hereto pursuant to this Agreement.

"Transferring Employees" means each Employee who (i) accepts the Purchaser's offer of employment made pursuant to Section 4.05(1); (ii) whose employment transfers to the Purchaser by operation of Applicable Law; or (iii) reports to work on the Closing Date or such Employee's next scheduled work day at the applicable place of business of the Purchased Businesses.

"Transfer Taxes" has the meaning set out in Section 2.10.

"U.S. Bankruptcy Code" means the Title 11 of the United States Bankruptcy Code.

"U.S. Bankruptcy Court" has the meaning set out in the recitals hereto.

"U.S. Medical Insurance Liabilities" means the aggregate net liabilities of the U.S. Vendors for employee medical self insurance incurred by any U.S. Vendor, in each case accruing to the Time of Closing (determined on the basis of payments received by a Vendor from such Employees less any corresponding reserve established on the Books and Records of such Vendor).

"U.S. Sale Recognition Order" has the meaning set out in Section 4.01(2)(a).

"U.S. Vendors" means the Vendors other than the Canadian Vendors.

"Vendors Disclosure Letter" means the disclosure letter dated as of the date hereof and delivered by the Vendors to the Purchaser.

"Working Capital" means the consolidated current assets of the Fund included in the Assets, less the consolidated current liabilities of the Fund included in the Assumed Liabilities as determined in accordance with generally accepted accounting principles consistently applied at the Time of Closing and otherwise in a manner consistent with the indicative Working Capital calculation set forth on Schedule 1.01B, excluding from current liabilities the current portion of long-term debt and any debt repaid at the Time of Closing.

"Working Capital Statement" has the meaning set out in Section 2.07(2).

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".

1.04 **Calculation of Time**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from but excluding" and the words "to" and "until" each mean "to and including,". If the last day of any such period is not a Business Day, such period will end on the next Business Day. When calculating the period of time "within" which, "prior to" or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

1.05 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.06 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.07 **Currency**

All references to currency herein are to lawful money of the United States.

1.08 **Control**

- (1) For the purposes of this Agreement,
 - (a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
 - (b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and
 - (c) the general partner of a limited partnership controls the limited partnership.

(2) A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity.

(3) A person is deemed to control, within the meaning of Section 1.08(1)(a) or (b), an entity if the aggregate of

- (a) any securities of the entity that are beneficially owned by that person, and
- (b) any securities of the entity that are beneficially owned by any entity controlled by that person

is such that, if that person and all of the entities referred to in Section 1.08(3)(b) that beneficially own securities of the entity were one person, that person would control the entity.

1.09 **Schedules**

The following are the Schedules to this Agreement:

- | | | |
|---------------------|---|--|
| Schedule A | – | Subsidiaries of the Fund; |
| Schedule 1.01A | – | Form of Assumption Agreement; |
| Schedule 1.01B | – | Indicative Working Capital Calculation; |
| Schedule 2.02(1) | – | Excluded Redundant Properties; |
| Schedule 2.06 | – | Purchase Price Allocation; |
| Schedule 4.01(1) | – | Form of Canadian Vesting and Approval Order; |
| Schedule 4.01(2) | – | Form of U.S. Sale Recognition Order; and |
| Schedule 4.03(1)(e) | – | Permitted Encumbrances. |

ARTICLE 2- SALE AND PURCHASE

2.01 Assets to be Sold and Purchased

Upon and subject to the terms and conditions hereof, the relevant Vendors will sell, transfer, convey and assign to the Purchaser, and the Purchaser will purchase from the relevant Vendors, as of and with effect from the opening of business on the Closing Date, all of the right, title, benefit and interest of the relevant Vendors in and to all of the relevant Vendor's undertaking, tangible and intangible assets, properties, rights and Claims of the Vendors of every kind and description and wheresoever situate and used or relating to the Purchased Businesses as and to the extent existing on the Closing Date, save and except for the Excluded Assets (collectively, the "Assets") and, without limiting the generality of the foregoing, the Assets include:

- (a) the Lands;
- (b) all plants, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Lands, other than the fixed machinery and fixed equipment referred to in Section 2.01(c);
- (c) all fixed machinery and fixed equipment situate on or forming part of the Lands to the extent in the possession or under the control of a Vendor at the Time of Closing, other than Inventories;
- (d) all other machinery and equipment and all vehicles, tools, handling equipment, furniture, furnishings, computer hardware and peripheral equipment, spare parts, supplies and accessories of the Purchased Businesses, including the machinery and equipment listed in Section 2.01(d) of the Vendors Disclosure Letter, to the extent in the possession or under the control of a Vendor at the Time of Closing, other than Inventories;
- (e) all leases of machinery and equipment in respect of which any of the Vendors is the lessee, including the leases listed in Section 2.01(e) of the Vendors Disclosure Letter;
- (f) all Inventories;
- (g) all new and unused production, shipping and packaging supplies relating to the Purchased Businesses to the extent in the possession or under the control of a Vendor at the Time of Closing;
- (h) the Assigned Contracts;
- (i) all accounts receivable of a Vendor;
- (j) all Permits required to carry on the Purchased Businesses in its usual and ordinary course, including the Permits listed in Section 2.01(j) of the Vendors Disclosure Letter;

- (k) all Intellectual Property owned by any of the Vendors and used in the Purchased Businesses, including all Owned Software and the Intellectual Property listed in Section 2.01(k) of the Vendors Disclosure Letter;
- (l) all Intellectual Property not owned by the Vendors but used in the Purchased Businesses, including the right to use the Intellectual Property listed in Section 2.01(l) of the Vendors Disclosure Letter;
- (m) all rights of any Vendor relating to pre-paid expenses and deposits, including all pre-paid deposits to any supplier, all pre-paid taxes and water rates, all pre-paid purchases of gas, oil and hydro, all pre-paid lease payments and all pre-paid employee items referred to in Section 4.05(2); and
- (n) the goodwill of the Purchased Businesses, including the exclusive right to the Purchaser to represent itself as carrying on the Purchased Businesses in continuation of and in succession to the Vendors and the right to use any words indicating that the Purchased Businesses are so carried on.

2.02 **Excluded Assets**

Notwithstanding Section 2.01 or any other provision in this Agreement to the contrary, each of the Vendors will retain their respective right, title, benefit and interest in and to, and the Purchaser will have no rights with respect to the right, title, benefit and interest of any of the Vendors in and to, the following assets (collectively, the “**Excluded Assets**”):

- (a) the respective cash and cash equivalents, short-term investments, bank account balances and petty cash of the Vendors;
- (b) all rights of any Vendor to Tax refunds, credits or similar benefits relating to the Assets or other governmental charges of whatever nature, except to the extent expressly transferred by this Agreement to the Purchaser;
- (c) all rights of any of the Vendors under any Excluded Contract;
- (d) all rights of any of the Vendors under any Transaction Document;
- (e) all records prepared solely for purposes of the negotiations regarding the retention, sale or other disposition of the Assets;
- (f) shares and other interests in the capital of any Vendor, and all minute books and corporate records;
- (g) the respective Tax records of the Vendors;
- (h) any Claim of any Vendor to reimbursement under any insurance policy maintained by any Vendor;

- (i) any brand conversion Liabilities recoverable by any Vendor in connection with the acquisition of the assets of Koldkist-Beverage Ice, Inc., Pacific Cold Storage, Inc. and K, H & P Companies, Inc. by Arctic Glacier Oregon Inc. as of May 1, 2008;
- (j) any pre-paid interest rate swap payments made by any of the Vendors;
- (k) any pre-payments made by the Fund for the purchase of the trust units of the Fund under the Fund's long-term incentive plan; and
- (l) any Excluded Redundant Properties.

2.03 Assumption of Liabilities

(1) The Purchaser will assume, fulfill, perform and discharge the following Liabilities of the Vendors, which will not include any Excluded Liabilities (collectively, the "**Assumed Liabilities**"):

- (a) any trade accounts payable incurred by any of the Vendors, including any such trade accounts payable pursuant to any Assigned Contract, that remains unpaid at the Time of Closing;
- (b) all Liabilities for wages, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee benefits or Claims, including vacation pay owing by a Vendor to any Employee, in each case accruing to the Time of Closing;
- (c) all U.S. Medical Insurance Liabilities;
- (d) any Liability to the customers of any of the Vendors incurred by a Vendor in the ordinary course of business for orders outstanding as of the Time of Closing and reflected on such Vendor's Books and Records;
- (e) any Liability to the customers of any of the Vendors under written warranty agreements given by a Vendor to its customers in the ordinary course of business prior to the Time of Closing;
- (f) all Liabilities arising after the Time of Closing with respect to the ownership or exploitation of the Assets by or through the Purchaser, including all such Liabilities related to Claims brought against any of the Assets, or otherwise arising by or through the Purchaser, after the Time of Closing;
- (g) all Liabilities arising from or in connection with the performance of any of the Assigned Contracts (or breach thereof) after the Time of Closing;
- (h) all Liabilities related to or arising from any of the following: (i) the Purchaser's employment or termination of employment of Transferring Employees arising after the Time of Closing; (ii) the terms of any offer of employment to any

Employee who is provided an offer pursuant to the terms of Section 4.05(1); and
 (iii) all Liabilities for wages, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee benefits or Claims, including vacation pay, in respect of Transferring Employees and accruing after the Time of Closing; and

- (i) all Liabilities for any Tax that the Purchaser is required to bear pursuant to Section 2.09 or Section 2.10.

(2) The Fund will prepare, or cause to be prepared, and deliver to the Purchaser not later than three (3) Business Days prior to the Closing Date a reasonably detailed statement estimating the Assumed Liabilities described in Sections 2.03(1)(a), (b) and (c), respectively (such Assumed Liabilities being referred to herein as the “**Assumed Accounts Payable**”).

2.04 Liabilities Not Assumed

Except as provided in Section 2.03 or in any other provision in this Agreement to the contrary, the Purchaser will not assume at the Time of Closing any of the Liabilities of any Vendor (collectively, the “**Excluded Liabilities**”), including all Excluded Current Liabilities and all Liabilities for any Tax other than those that the Purchaser is required to bear under Section 2.09 or Section 2.10.

2.05 Purchase Price

The purchase price payable to the Vendors for the Assets (such amount being hereinafter referred to as the “**Purchase Price**”) will be \$●¹ subject to adjustment as provided in Section 2.07.

2.06 Allocation of Purchase Price

The Purchase Price will be allocated among the Assets as set out in Schedule 2.06.

2.07 Working Capital Adjustment

(1) The Purchase Price has been determined on the basis that the Purchased Businesses will have Working Capital of \$●² (the “**Estimated Working Capital**”) at the Time of Closing.

(2) Not later than ten (10) Business Days from the last day of the Accounts Payable Period, the Fund will prepare and deliver to the Purchaser and the Monitor an unaudited statement setting out (by separate line-item) the Working Capital for the Purchased Businesses as at the Time of Closing (the “**Working Capital Statement**”) with the Working Capital included therein valued in accordance with generally accepted accounting principles and otherwise in a manner consistent with the indicative Working Capital calculation set forth in Schedule 1.01B.

¹ The Purchase Price will include the Estimated Working Capital.

² Estimated Working Capital will be an amount equal to the actual Working Capital as at July 31, 2011 (as determined by KPMG and available in the Project Zamboni data room).

Inventories will be confirmed as at the close of business on the last Business Day before the Closing Date by a physical stock-taking supervised jointly by representatives of the Fund, on behalf of the Vendors, representatives of the Purchaser and, if the Monitor determines it is necessary or desirable to be present during the completion of the physical stock-taking, representatives of the Monitor. For purposes of determining Working Capital and preparing the Working Capital Statement, the consolidated current liabilities of the Fund will be reduced by an amount, if any, equal to the aggregate amount of all Assumed Accounts Payable that have not been paid by the Purchaser to the applicable payee during the Accounts Payable Period to the extent that such Assumed Accounts Payable were due and payable prior to, or during, the Accounts Payable Period, and the parties acknowledge and agree that any such reduction of the consolidated current liabilities of the Fund will result in an increase in Working Capital on a dollar for dollar basis. During the Accounts Payable Period, the Purchaser will, on the Thursday of each week (or if any such Thursday is not a Business Day, on the next following Business Day), duly execute and deliver to the Fund, on behalf of the Vendors, and the Monitor a certificate confirming any such payments with reference to true copies of cheques, bank statements or other applicable evidence of payment, in each case acceptable to the Fund and the Monitor, acting reasonably. From the Closing Date, the Purchaser will, if requested by the Fund or the Monitor, forthwith make available to the Fund and its auditors and other representatives, as well as the Monitor, all books of account and accounting records and other information relating to the Purchased Businesses for the purposes of preparing the Working Capital Statement and any dispute with respect to the Working Capital Statement. If requested by the Purchaser, the Fund will permit the Purchaser and its auditors or other representatives to review the working papers and other documentation used or prepared in connection with the preparation of, or which otherwise form the basis of the Working Capital Statement. The Purchaser will not engage or retain KPMG LLP to represent the Purchaser in connection with its review of, or dispute in relation to, the Working Capital Statement. The Fund and the Purchaser will each bear fifty percent (50%) of any fees and expenses of the Fund's accountants incurred by the Fund in the preparation of the Working Capital Statement.

(3) If the Purchaser gives written notice to the Vendors and the Monitor that it disputes the Working Capital Statement within ten (10) Business Days after the Working Capital Statement is given to the Purchaser and the parties cannot reach agreement on the Working Capital Statement within ten (10) Business Days after such notice of dispute is given, the dispute will be referred for determination by arbitration to a senior audit partner at the • office of • chosen by the managing partner of such office. The parties will instruct the arbitrator to consider only those items and amounts as to which the parties have not resolved their disagreement and to conduct such hearings as it considers necessary to resolve the disagreement between the parties. The parties will furnish, or cause to be furnished, to such arbitrator such working papers and other documents and information related to the items and amounts in dispute as the arbitrator may request and are available to the relevant party or its agents. The determination by such arbitrator will be made within twenty (20) Business Days of such referral and will be final and binding on all parties. The costs of the arbitrator will be borne by the party (being the Vendors on the one hand and the Purchaser on the other) losing the majority of the amount at issue in the arbitration. If the Purchaser does not give such notice within such ten (10) Business Day period, the Working Capital Statement will be final and binding on all parties.

(4) If the Working Capital as determined by the parties or the arbitrator, as the case may be, exceeds the Estimated Working Capital, the Purchaser will pay the amount of the difference to the Monitor, by wire transfer of immediately available funds to an account specified by the Monitor within two (2) Business Days after the determination of the Working Capital, and such amount will be credited to the Vendors on account of the Purchase Price and the Purchase Price will be adjusted accordingly.

(5) If the Working Capital as determined by the parties or the arbitrator, as the case may be, is less than the Estimated Working Capital, the Vendors will pay, in the aggregate, the amount of the difference to the Purchaser by wire transfer of immediately available funds to an account specified by the Purchaser within two (2) Business Days after the determination of the Working Capital and the Purchase Price will be adjusted accordingly.

2.08 Elections³

(1) Each of the Canadian Vendors and the Purchaser will on or before the Time of Closing jointly execute elections, in the prescribed form and containing the prescribed information, to have subsection 167(1.1) of the *Excise Tax Act* (Canada) and section 75.1 of an *Act Respecting Quebec Sales Tax* (Québec) apply to the sale and purchase of the Assets and the Purchased Businesses hereunder so that no tax is payable in respect of such sale and purchase under those statutes. The Purchaser will file such elections with the appropriate revenue authority within the time prescribed.

(2) Each of the Canadian Vendors and the Purchaser will execute and file, on a timely basis and using the prescribed form, a joint election under section 22 of the Tax Act and any equivalent or corresponding provision under applicable provincial or territorial Tax legislation as to the sale of the accounts receivable of the Vendors to be purchased under this Agreement, and prepare their respective tax returns in a manner consistent with such joint election. For purposes of such joint election, the elected amount in respect of the accounts receivable will be consistent with the Purchase Price allocation as set forth in or determined pursuant to Section 2.06 with respect to the accounts receivable.

(3) Each of the Vendors and the Purchaser acknowledge that the Vendors are transferring Assets to the Purchaser with a value equal to the amount set out in Schedule 2.06 in consideration for the Purchaser assuming prepaid obligations of the Vendors to deliver goods or provide services in the future. Each of the Canadian Vendors and the Purchaser will execute and file, on a timely basis and using any prescribed form, a joint election under subsection 20(24) of the Tax Act and any equivalent or corresponding provision under applicable provincial or territorial Tax legislation as to such assumption hereunder, and prepare their respective tax returns in a manner consistent with such joint election.

2.09 Property Taxes

All property Taxes imposed on or with respect to the Assets for the Tax year that includes the Closing Date will be prorated between the relevant Vendors and the Purchaser as of the

³ The provisions of this Section are only applicable if the Purchaser is a Canadian resident.

Closing Date. Each of the relevant Vendors will be liable for the portion of such Taxes based on the number of days in the year or other applicable Tax period occurring prior to the Closing Date, and the Purchaser will be liable for the portion of such Taxes based on the number of days in the year or other applicable Tax period occurring on and after the Closing Date. For any year or other applicable Tax period in which an apportionment is required, the Purchaser will file all required Tax Returns incident to these Taxes assessed for the year or applicable Tax period in which the Closing Date occurs that are not paid by any of the Vendors as of the Closing Date.

2.10 Transfer Taxes

The Purchaser will be liable for and will pay, or will cause to be paid, all transfer, land transfer, value added, *ad-valorem*, excise, sales, use, consumption, goods or services, harmonized sales, retail sales, social services, or other similar taxes or duties (collectively, "Transfer Taxes") payable under any Applicable Law on or with respect to the sale and purchase of the Assets under this Agreement. The Purchaser will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense. To the extent that any Transfer Taxes are required to be paid by or are imposed upon the Vendors, the Purchaser will reimburse, or will cause to be reimbursed, to the Vendors such taxes within five (5) Business Days of payment of such taxes by the Vendors. All amounts payable by the Purchaser to the Vendors hereunder do not include Transfer Taxes.

2.11 Payment of Purchase Price

- (1) Subject to Section 2.11(2), the Purchase Price will be satisfied as follows:
 - (a) the portion of the Purchase Price equal to the amount of the Deposit and the actual earnings thereon will be satisfied by crediting the Vendors, at the Time of Closing, with the Purchaser's interest in the Deposit (and the actual earnings thereon to but excluding the Closing Date) that is being held by the Monitor;
 - (b) the balance of the Purchase Price, before taking into account the amount of any adjustment required by Section 2.07, will be satisfied by the payment of such amount by wire transfer of immediately available funds at the Time of Closing from the Purchaser to an account of the Monitor specified in writing by the Vendors not less than two (2) Business Days prior to the Closing Date; and
 - (c) by the payment by wire transfer of immediately payable funds, by the Purchaser to the Monitor to the account of the Monitor specified in Section 2.11(b) herein or by the Vendors to the Purchaser to an account of the Purchaser specified in writing by the Purchaser to the Vendors, as applicable, of any adjustment to the Purchase Price pursuant to Section 2.07.

(2) In the event that, prior to the Closing Date, an order (a "Payment Order") of the Canadian Court is obtained directing the Vendors to pay to the Arctic Lenders that portion of the proceeds of the Purchase Price that is sufficient to pay the Arctic Lender Claims in full, then subject to and in accordance with the terms of the Payment Order, the Vendors will deliver to the Purchaser and the Monitor a notice and direction, signed by the Fund, on behalf of the Vendors, directing the Purchaser to pay all or the portion of the Purchase Price, as specified by such order,

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to the Arctic Lenders by wire transfer at the Time of Closing of immediately available funds to an account or accounts specified in such notice and direction, such amount to be applied by the Arctic Lenders on account of the amounts owing by the Vendors under the Arctic Credit Facilities.

(3) The Deposit paid to the Monitor by the Purchaser will, together with any actual earnings thereon, be:

- (a) credited to the Vendors, as applicable, at the Time of Closing in accordance with Section 2.11(1)(a), if the sale and purchase of the Assets provided for herein is completed in accordance with the terms and conditions hereof;
- (b) credited to the Vendors, as applicable, within five (5) Business Days after the date on which this Agreement is terminated in accordance with its terms if the sale and purchase of the Assets provided for herein is not completed in accordance with the terms and conditions hereof, unless (i) such non-completion is due to the Purchaser having terminated this Agreement pursuant to Section 5.05(b), (c) or (e); and (ii) at the date of termination the Vendors could not have terminated this Agreement pursuant to Section 5.05(b);
- (c) credited to the Vendors, as applicable, if all of the conditions in Sections 5.01 and 5.02 have been satisfied or waived and the Purchaser does not fulfil its obligation to consummate the sale and purchase of the Assets at the Time of Closing; and
- (d) paid to the Purchaser within five (5) Business Days after the date on which this Agreement is terminated pursuant to Section 5.05(e), provided that, at the date of termination, the Vendors could not have terminated this Agreement pursuant to Section 5.05(b),

provided that nothing in clause (b) or clause (c) of this Section 2.11(3) will preclude, prejudice or otherwise affect the right of any Vendor to exercise any other right or remedy to which they may be entitled under this Agreement or otherwise, including a right to recover additional Losses.

2.12 Assigned Contracts

(1) Each of the Vendors will use its commercially reasonable efforts to obtain any Consents necessary to permit the assignment to, and assumption by, the Purchaser of all the Assigned Contracts and the Assumed Liabilities in respect thereof to be assigned to and assumed by the Purchaser pursuant to this Agreement; provided, however, that such efforts will not require any Vendor to pay any amounts other than Cure Costs in respect of the Material Assigned Contracts. The Purchaser will provide its reasonable cooperation to assist the Vendors to obtain such Consents.

(2) If the Vendors are unable to obtain any Consent necessary for the assignment of any Assigned Contract to the Purchaser and the assumption by the Purchaser of the Assumed Liabilities in respect thereof in accordance with Section 2.12(1), the Vendors will use commercially reasonable efforts to obtain a Bankruptcy Order prior to the Time of Closing, in

form and content reasonably satisfactory to the Purchaser, authorizing the assignment of such Assigned Contract.

(3) The Vendors will be responsible for all Cure Costs in respect of the Material Assigned Contracts. The Purchaser will be responsible for all Cure Costs in respect of all other Assigned Contracts, and will reimburse the Vendors for any such Cure Costs paid or incurred by them upon demand.

(4) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any Assigned Contract for which any requisite Consent to the assignment thereof has not been obtained. To the extent permitted by Applicable Law, if any requisite Consent or Bankruptcy Order has not been obtained on or prior to the Time of Closing, the applicable Assigned Contract will be held by the relevant Vendor in trust for the benefit of the Purchaser for a period of three (3) months from the Closing Date and, during such three (3) month period, the Purchaser will perform the obligations of the relevant Vendor thereunder and be entitled to receive all money becoming due and payable under, and other benefits derived from, the Assigned Contract immediately after receipt by the applicable Vendor.

ARTICLE 3— REPRESENTATIONS AND WARRANTIES

3.01 Vendors' Representations and Warranties

(1) *Organization and Corporate Power*

- (a) The Fund is an open-ended, mutual fund trust established, settled and existing under the laws of the Province of Alberta. Glacier Valley Ice Company, L.P. is a limited partnership established under the laws of the State of California and has the requisite power and capacity to carry on its business as now conducted and to own or lease its assets and to execute, deliver and perform its obligations under this Agreement. Each Vendor, other than the Fund and Glacier Valley Ice Company, L.P., is a corporation duly incorporated, organized and subsisting under the laws of the jurisdiction under which it is incorporated. Subject to entry of the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order and receipt of any other orders required from the Canadian Court or the U.S. Bankruptcy Court in connection with the transactions contemplated hereby, including the assignment of any Assigned Contracts (collectively, the “**Bankruptcy Orders**”), each of the Vendors has the requisite power to enter into, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to own its assets and to carry on its business as it is being conducted.

(2) *Authorization*

- (a) Subject to the entry of the Bankruptcy Orders, the execution, delivery and performance by each of the Vendors of this Agreement and the other Transaction Documents to which it is a party (i) has been duly authorized by each of the Vendors and constitutes a valid and legally binding obligation of each Vendor,

enforceable against each of the Vendors in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and (ii) do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, a breach of, or constitute a default under, (A) the Constatng Documents of any of the Vendors or any resolution adopted by the board of directors or shareholders of any of the Vendors; (B) any order of any Governmental Authority applicable to any of the Vendors or by which any of their respective properties or assets are bound; (C) any Applicable Law to which any of the Vendors or any of their respective properties or assets are subject; or (D) any Material Assigned Contract to which any of the Vendors is a party or by which any of the Vendors or their respective properties or assets are bound.

(3) *Canadian Tax Matters*⁴

(a) Each of the Canadian Vendors is not (i) a non-resident of Canada for purposes of the Tax Act or (ii) a partnership, other than a "Canadian partnership", as defined in the Tax Act.

(b) At the time of Closing, none of the Assets owned by a Vendor (other than a Canadian Vendor) will be "taxable Canadian property", as defined in the Tax Act.

(4) *Brokers*

(a) Except for fees and commissions that will be paid by the Vendors, no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Documents based upon arrangements made by or on behalf of any of the Vendors or any of their respective Affiliates.

3.02 **Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to the Vendors as follows:

(1) *Organization and Corporate Power*

(a) The Purchaser is a [corporation] duly organized and subsisting and in good standing under the laws of •. The Purchaser has all requisite power and authority to enter into, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to own its assets and to carry on its business as it is being conducted.

(2) *Authorization*

⁴ Arctic Glacier to confirm the accuracy of the Tax representations and warranties in Section 3.01(3).

- (a) The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party (i) has been duly authorized by the Purchaser and constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and (ii) does not and will not conflict with or result in a breach of, or constitute a default under (A) the Constatting Documents of the Purchaser; (B) any Contract to which the Purchaser is a party or to which any of the Purchaser's assets is subject; or (C) any Applicable Law to which the Purchaser or any of the Purchaser's assets is subject.

(3) *Financing*

- (a) The Purchaser has delivered to the Vendors correct and complete copies of (i) executed commitment letters of even date herewith (such commitment letters collectively, the "**Equity Funding Letter**") pursuant to which the other parties thereto have each committed, subject solely to the terms and conditions expressly set forth therein, to make capital contributions and other payments to the Purchaser for purposes of funding the transactions contemplated herein and paying any other amount due hereunder or in respect hereof; and (ii) an executed commitment letter (the "**Debt Commitment Letter**") from • and • (collectively, the "**Lender**"), pursuant to which the Lender has committed, subject solely to the terms and conditions expressly set forth therein, to provide the Purchaser with financing in an aggregate amount of \$• million (such financing or any alternative financing in the same amount, the "**Debt Financing**"). Each of the Equity Funding Letter and the Debt Commitment Letter, in the form so delivered, is a valid and legally binding obligation of the Purchaser, and to the knowledge of the Purchaser, the other parties thereto and is enforceable by the Purchaser in accordance with its terms, and is in full force and effect. The Purchaser has fully paid any and all commitment fees or other fees required by the Equity Funding Letter or the Debt Commitment Letter. No event has occurred which, with or without notice, lapse of time or both, would constitute a default on the part of the Purchaser, or, to the knowledge of the Purchaser, any other party, under the Equity Funding Letter or the Debt Commitment Letter. The Purchaser has no reason to believe that it will be unable to satisfy on a timely basis any term or condition of closing to be satisfied by it contained in the Equity Funding Letter or the Debt Commitment Letter. The Equity Funding Letter and the Debt Commitment Letter constitute, as of the date of this Agreement, the entire and complete agreement between the parties thereto with respect to the financing contemplated thereby (other than any fee letter executed in connection therewith), and, except as set forth, described or provided for therein, (i) there are no conditions precedent to the respective obligations of the Lender to provide the Debt Financing; and (ii) there are no contractual contingencies or other provisions under any agreement (including any side letters) relating to the transactions contemplated by this Agreement to which the Purchaser or any of its Affiliates is

a party that would permit the Lender to reduce the total amount of the Debt Financing or impose any additional condition precedent to the availability of the Debt Financing.

- (b) Upon the funding of the respective commitments contemplated by the Equity Funding Letter and the Debt Financing in accordance with and subject to their terms and conditions, Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of paying the Purchase Price and paying any other amount due hereunder or in respect hereof; and (ii) the resources and capabilities (financial or otherwise) to perform its obligations hereunder, including the Assumed Liabilities. The Purchaser has not, as of the date hereof, and will not have, as of the Time of Closing, incurred any Liability that would materially impair or adversely affect such resources and capabilities. The Purchaser's obligations to consummate the transactions contemplated by this Agreement are not conditioned or contingent in any way upon the receipt of financing from any person or the availability of funds to the Purchaser (including the respective commitments contemplated by the Equity Funding Letter and the Debt Commitment Letter).
- (4) *Purchaser Acknowledgments*
 - (a) THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.01, ALL ASSETS PURCHASED AND LIABILITIES ASSUMED BY THE PURCHASER PURSUANT TO THIS AGREEMENT WILL BE ACQUIRED AND ASSUMED BY THE PURCHASER ON AN "AS IS, WHERE IS" BASIS AND "WITH ALL KNOWN AND UNKNOWN FAULTS".
 - (b) The Purchaser acknowledges and agrees that, except for the representations and warranties set out in Section 3.01, none of the Vendors, or any employee, officer, trustee, director, accountant, financial, legal or other representative of any of the Vendors or the Monitor has made any representation or warranty, express or implied, as to the Assets or the Assumed Liabilities (including any implied representation or warranty as to the condition, merchantability, suitability or fitness for a particular purpose of any of the Assets), title to the Assets, the Employees (including any representation and warranty that any of the Employees will accept the offer of employment referred to in Section 4.05(1) hereof), the Purchased Businesses, or the Assumed Liabilities, or as to the accuracy or completeness of any information regarding any of the foregoing that any of the Vendors, or any other person furnished or made available to the Purchaser or its representatives (including any projections, estimates, budgets, offering memoranda, management presentations or due diligence materials).
 - (c) The Purchaser acknowledges and agrees that it, in determining whether to enter into this Agreement (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets to be acquired and obligations and liabilities to be assumed in entering into this Agreement; and

(ii), except for the representations and warranties set out in Section 3.01, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of Applicable Law or otherwise) from or by any of the Vendors, or the Monitor or any of their partners, employees, agents, advisors or representatives or any employee, officer, director, accountant, financial, legal or other representative of any of the Vendors or the Monitor, regarding the Assets to be acquired or the Liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated herein.

- (d) The Purchaser acknowledges and agrees that the enforceability of this Agreement against any of the Vendors is subject to entry of the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order.

(5) *Brokers*

Except for fees and commissions that will be paid by the Purchaser, no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Documents based upon arrangements made by or on behalf of the Purchaser or any of its Affiliates.

(6) *Investment Canada Act*

- (a) The Purchaser is a "Canadian" or a "WTO Investor" within the meaning of the Investment Canada Act.

ARTICLE 4 – COVENANTS

4.01 Bankruptcy Orders

(1) *Canadian Approval and Vesting Order*

The Vendors will promptly serve on the service list in the CCAA Proceedings, as supplemented with such additional parties as the Purchaser may reasonably request, and file with the Canadian Court one or more motion records seeking an order approving the sale and purchase of the Assets pursuant to this Agreement and providing for the vesting in the Purchaser absolute title free and clear of all Liens (other than Permitted Encumbrances) to the Assets, in the form attached as Schedule 4.01(1) (with only such changes as the Purchaser and the Vendors approve in their reasonable discretion), and use commercially reasonable efforts to obtain such order of the Canadian Court (as granted, the "**Canadian Approval and Vesting Order**").

(2) *U.S. Sale Recognition Order*

- (a) The Vendors will request the Monitor, as the foreign representative of the Vendors, to serve on the service list in the Chapter 15 Proceedings, as supplemented with such additional parties as the Purchaser may reasonably request, and file with the U.S. Bankruptcy Court one or more motions seeking an order recognizing and enforcing the Canadian Approval and Vesting Order in the form attached as Schedule 4.01(2) (with only such changes as the Purchaser and the Vendors approve in their reasonable discretion), and use commercially reasonable efforts to obtain such order of the U.S. Bankruptcy Court (as granted, the “U.S. Sale Recognition Order”).
- (3) *Consultation; Notification*
 - (a) The Purchaser and the Vendors will cooperate in obtaining entry of the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order, and the Vendors will deliver, or will request the Monitor to deliver, as applicable, to the Purchaser prior to service and filing, and as early in advance as is practicable to permit adequate and reasonable time for the Purchaser and its counsel to review and comment, copies of all proposed pleadings, motions, notices, statements, schedules, applications, reports and other material papers to be filed by the Vendors or Monitor, as applicable, in connection with such motions and relief requested therein and any objections thereto.
 - (b) The Purchaser, at its own expense, will promptly provide to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably require to obtain the Canadian Approval and Vesting Order or the U.S. Sale Recognition Order.

4.02 Regulatory Matters

- (1) The Purchaser will be primarily responsible for obtaining all of the Regulatory Approvals.
- (2) The Purchaser will pay all requisite filing fees and applicable taxes in relation to any filing or application made in respect of the Regulatory Approvals.
- (3) Subject to 4.02(1), the Vendors and the Purchaser will use their reasonable best efforts to satisfy (or cause the satisfaction of) the conditions precedent to each respective party's obligations hereunder as set forth in Section 5.01(d) to the extent the same is within their control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to consummate the transactions contemplated by this Agreement, including making all required filings and using their commercially reasonable efforts to obtain all Regulatory Approvals.
- (4) As expeditiously as possible, and in any event by no later than five (5) Business Days from the date of this Agreement (or on such other subsequent day as the Vendors and the Purchaser mutually agree (or the earlier date required by Applicable Law)), the Purchaser and the Vendors will prepare and file all necessary pre-notification filings required under the Competition Act and the HSR Act.

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(5) If the Purchaser or any of its Affiliates receives a request for information or documentary material from any Governmental Authority with respect to this Agreement or any of the transactions contemplated by this Agreement, then the Purchaser or any of its Affiliates will make, or cause to be made, as soon as reasonably practicable and after consultation with all other parties and the Monitor, an appropriate response in compliance with such request.

(6) The parties will keep each other and the Monitor apprised of the status of matters relating to the completion of the transactions contemplated by this Agreement by arranging bi-weekly conference calls between the parties hereto and the Monitor. Subject to 4.02(1), the parties will work cooperatively in connection with obtaining the Regulatory Approvals, including:

- (a) cooperating with each other in connection with the filings required to obtain each Regulatory Approval and consulting with each other in relation to each step of the procedure before the relevant Governmental Authorities and as to the contents of all communications with such Governmental Authorities. In particular, to the extent permitted by Applicable Law or Governmental Authority, no party will make any submission, filing, notification, or communication in relation to the transactions contemplated hereunder without first providing the other parties and the Monitor with a copy of such notification in draft form (subject to reasonable redactions or limiting such draft, or parts thereof, on an outside-counsel-only basis where appropriate) and giving such other party or parties a reasonable opportunity to discuss its content before it is filed with the relevant Governmental Authorities, and such first party will consider in good faith all reasonable comments timely made by the other parties in this respect;
- (b) furnishing to the other parties (on an outside-counsel-only basis where appropriate) all information within its possession that is reasonably required for obtaining the Regulatory Approvals; provided, however, that (i) no such information will be required to be provided by a party if it determines, acting reasonably, that the provision of such information would jeopardize any solicitor-client, attorney-client, work product or other legal privilege or that such information is material and competitively sensitive (it being understood, however, that the parties will cooperate in any reasonable requests that would enable an otherwise required production to occur without so jeopardizing privilege or jeopardizing the confidentiality of any such material and competitively sensitive information); and (ii) in any such case the parties will cooperate with a view to establishing a mutually satisfactory procedure for providing such information, and the relevant party required to provide such information will provide it directly to such Governmental Authority requiring or requesting such information;
- (c) promptly notifying each other and the Monitor of any communications from or with any Governmental Authority with respect to the transactions contemplated by this Agreement (including promptly providing copies of all written communications on an outside-counsel-only basis where appropriate) and ensuring, to the extent permitted by Applicable Law and by the relevant Governmental Authority, that each of the parties and the Monitor is entitled to

attend any meetings (including telephonic and video meetings) with, or other appearances before, any Governmental Authority with respect to the transactions contemplated by this Agreement; and

- (d) consulting and cooperating with one another in connection with all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with relating to the Regulatory Approvals.

(7) The obligations of the Purchaser pursuant to Section 4.02(3) will include committing to any and all undertakings, divestitures, licenses or hold separate or similar arrangements with respect to the Assets, to any and all arrangements for the conduct of any business and/or terminating any and all existing relationships and contractual rights and obligations with respect to the Assets, and any and all undertakings, divestitures, licences or hold separate or similar arrangements with respect to the business of the Purchaser or any of its Affiliates which may be required in order to obtain any and all Regulatory Approvals on or before the Outside Date, without any reduction of the Purchase Price.

4.03 Operation of the Purchased Businesses

(1) The Vendors covenant that, from and after the date hereof until the Closing Date, subject to any limitation imposed as a result of being subject to the Bankruptcy Proceedings or any order of the Bankruptcy Courts, and except as (i) the Purchaser may approve otherwise in writing; (ii) set forth in Section 4.03 of the Vendors Disclosure Letter; (iii) required by Applicable Law (including any Bankruptcy Law); (iv) otherwise expressly contemplated or permitted by this Agreement; or (v) relates solely to Excluded Assets or Excluded Liabilities, the Vendors will:

- (a) carry on the Purchased Businesses in the usual and ordinary course, consistent with past practice;
- (b) use commercially reasonable efforts to preserve intact the Purchased Businesses, organization and goodwill, to keep available the Employees as a group and to maintain satisfactory relationships with suppliers, distributors, customers, landlords and others with whom the Purchased Businesses has business relationships;
- (c) use commercially reasonable efforts to cause its current insurance policies with respect to the Assets not to be cancelled or terminated or any other coverage thereunder to lapse, unless simultaneously with such terminations, cancellation or lapse, replacement policies underwritten by insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies, and where possible, for substantially similar premiums, are in full force and effect;
- (d) other than Inventories sold in the ordinary course of business, consistent with past practice, maintain the Assets (other than the Lands) in their present working order and condition, reasonable wear and tear excepted;

- (e) not incur or commit to incur any Lien on any Assets, other than (i) Liens that will be discharged at or prior to the Time of Closing; and (ii) Permitted Encumbrances;
- (f) not disclaim or reject, or enter into any material amendment to, any Material Assigned Contract, or commit to do any of the foregoing;
- (g) not make or commit to make any expenditure or commitment that would result in a Liability to the Purchaser after the Time of Closing, other than expenditures and commitments that would result in an Assumed Liability;
- (h) not pay or commit to pay any amount to any Employees as such by way of salary, bonus, commission or otherwise in excess of the amounts being paid to such persons, respectively, as at •, 2012, provided that nothing in this Agreement will prohibit any of the Vendors from reimbursing Employees for reasonable expenses incurred by them in the ordinary course of business, consistent with past practice, or paying bonuses in accordance with past practices or paying retention amounts to Employees, including pursuant to the Key Employee Retention Plan for Implementation of Arctic Glacier Income Fund and certain of its Subsidiaries; and
- (i) maintain the Books and Records in the usual and ordinary course, consistent with past practice, and record all transactions on a basis consistent with that practice.

4.04 **Examination of Records and Assets**

Subject to the terms and conditions of any Contract between the Purchaser or any of its Affiliates and any of the Vendors and to solicitor-client and attorney-client privilege and Applicable Law, the Vendors will, upon reasonable notice to the relevant Vendors, (i) forthwith make available to the Purchaser and its authorized representatives all data bases recorded or stored by means of any device, including in electronic form, title documents, abstracts of title, deeds, surveys, leases, certificates of trade marks and copyrights, contracts and commitments in its possession or under its control relating to any of the Assets or the Purchased Businesses; (ii) forthwith make available to the Purchaser and its authorized representatives for examination all books of account and accounting records relating to the Purchased Businesses; (iii) if reasonably requested, provide copies, at the cost of the Purchaser, of the following records maintained in connection with the Purchased Businesses: financial statements, records of past sales, customer lists, supplier lists, payroll records, inventory data, inventory master records and accounts receivable data; and (iv) give the Purchaser and its authorized representatives every reasonable opportunity to have access to and to inspect the Assets. The exercise of any rights of access or inspection by or on behalf of the Purchaser under this Section 4.04 will be made during the normal business hours of the relevant Vendors and will not affect or mitigate the covenants, representations and warranties of the Vendors in this Agreement, which will continue in full force and effect.

4.05 **Employees**

(1) The Purchaser will, effective the opening of business on the Closing Date, offer to employ on and after the Closing Date all of the Employees on terms and conditions that are

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substantially the same, in the aggregate, as the terms and conditions of employment as are in effect on the date hereof for each Employee, including with respect to each Employee's position, duties and responsibilities, compensation, benefits, vacation, work location and hours of work. The Purchaser will recognize all past service of all Employees with the Vendors for all purposes including participation in benefits and pension plans, vacation, any other service entitlements and any required notice of termination, termination or severance pay (whether contractual, statutory or at common law). Such offers of employment will be made to Employees no less than fourteen (14) days prior to the Closing Date.

(2) All items in respect of Transferring Employees that require adjustment, including premiums for unemployment insurance, Canada Pension Plan, employer health tax, applicable statutory hospitalization insurance, workers' compensation assessments, accrued wages, salaries and commissions and employee benefit plan payments will be appropriately adjusted to the close of business on the day immediately preceding the Closing Date. To the extent that any of the Vendors make any payments to the Purchaser on account of such adjustments, the Purchaser agrees to indemnify and save harmless the Vendors from and against all Losses in connection therewith.

(3) The Vendors will provide any notices to Employees that may be required under any Applicable Law, including the U.S. *Worker Adjustment Retraining Notification Act of 1988* or any similar Applicable Law, with respect to events that occur prior to or as of the Time of Closing. The Purchaser will provide any notices to Transferring Employees that may be required under any Applicable Law, including the U.S. *Worker Adjustment Retraining Notification Act of 1988* or any similar Applicable Law, with respect to events that occur after the Time of Closing. The Purchaser covenants that for ninety (90) days from the Closing Date, there will not be any mass layoff, plant closing or other action by the Purchaser or any of the Purchaser's Affiliates that might trigger obligations of the Vendors or any of their Affiliates under the U.S. *Worker Adjustment Retraining Notification Act of 1988* or any similar Applicable Law

4.06 Cooperation on Tax Matters

Each of the Vendors and the Purchaser will furnish or cause to be furnished to each other, each at its own expense, as promptly as practicable, such information and assistance, and provide additional information and explanations of any material provided, relating to the Assets as is reasonably necessary for the filing of any Tax Returns, for the preparation of any audit, and for the prosecution or defence of any Claim relating to any adjustment or proposed adjustment with respect to Taxes.

4.07 Bulk Sales Laws

Subject to the entry of the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order, each party waives compliance by the other party with any bulk sales Applicable Law.

ARTICLE 5 – CONDITIONS AND TERMINATION

5.01 Conditions to Each Party's Obligation

The sale by the Vendors and the purchase and assumption by the Purchaser of the Assets and the Assumed Liabilities is subject to the following conditions, which are for the benefit of the Purchaser and the Vendors, respectively, and which are to be complied with at or prior to the Time of Closing:

- (a) there will be in effect no Applicable Law, or any order, injunction, decree or judgment of any court or other Governmental Authority prohibiting, preventing or making illegal the consummation of any of the transactions contemplated hereby;
- (b) the Canadian Approval and Vesting Order will have been entered in substantially the form of Schedule 4.01(1) in accordance with Section 4.01(1), and will not have been stayed, vacated or amended in a manner inconsistent with the provisions of Section 4.01(1);
- (c) the U.S. Sale Recognition Order will have been entered in substantially the form of Schedule 4.01(2) in accordance with Section 4.01(2), and will not have been stayed, vacated or amended in a manner inconsistent with the provisions of Section 4.01(2); and
- (d) each of the Regulatory Approvals will have been obtained.

5.02 Conditions for the Benefit of the Purchaser

The sale by the Vendors and the purchase and assumption by the Purchaser of the Assets and the Assumed Liabilities is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Vendors set forth in Section 3.01 will be true and correct in all material respects (and for this purpose all materiality qualifications in such representations and warranties will be disregarded at the Time of Closing) with the same force and effect as if made at and as of such time;
- (b) each of the Vendors will have performed or complied in all material respects with all of the obligations and covenants of this Agreement and of all other Transaction Documents to which it is a party to be performed or complied with by such Vendor at or prior to the Time of Closing;
- (c) the Purchaser will be furnished with a certificate signed by an officer of each Vendor that the obligations and covenants contained in this Agreement or in any other Transaction Document to which it is a party to have been performed or complied with by the Vendors at or prior to the Time of Closing have been performed or complied with in all material respects and that the representations

and warranties of the Vendors herein given are true and correct at the Time of Closing in all material respects; and

- (d) the Vendors will have furnished the Purchaser with a Consent or will have obtained a Bankruptcy Order in respect of the assignment of each of the Material Assigned Contracts.

5.03 **Conditions for the Benefit of the Vendors**

The sale by the Vendors and the purchase by the Purchaser and Assumption of the Assets and the Assumed Liabilities is subject to the following conditions, which are for the exclusive benefit of the Vendors and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in Section 3.02 will be true and correct in all material respects (and for this purpose all materiality qualifications in such representations and warranties will be disregarded at the Time of Closing) with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement and of all other Transaction Documents to which it is a party to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) the Vendors will be furnished with a certificate signed by an officer of the Purchaser certifying that the obligations and covenants contained in this Agreement or in any other Transaction Document to which it is a party to have been performed or complied with by the Purchaser at or prior to the Time of Closing have been performed or complied with in all material respects and that the representations and warranties of the Purchaser herein given are true and correct at the Time of Closing in all material respects; and
- (d) a Payment Order will have been obtained.

5.04 **Waiver of Condition**

The Purchaser, in the case of a condition set out in Section 5.01(a), Section 5.01(d) or Section 5.02, and the Vendors, in the case of a condition set out in Section 5.01(a), Section 5.01(d) or Section 5.03, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Assets herein contemplated.

5.05 Termination

This Agreement may be terminated, by notice given prior to the Time of Closing as follows and in no other manner:

- (a) by written agreement of the Purchaser and the Vendors;
- (b) by the Vendors or the Purchaser if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within ten (10) days following the date on which the non-breaching party notifies the other party of such breach (but not later than the Outside Date);
- (c) by the Purchaser if any condition in Section 5.01 or 5.02 has not been satisfied as of the Time of Closing or if satisfaction of such a condition is or becomes impossible (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived such condition on or before the Closing Date;
- (d) by the Vendors if any condition in Section 5.01 or Section 5.03 has not been satisfied as of the Time of Closing or if satisfaction of such a condition is or becomes impossible (other than through the failure of the Vendors to comply with its obligations under this Agreement) and the Vendors have not waived such condition on or before the Closing Date; and
- (e) by the Vendors or the Purchaser if the completion of the sale and purchase and assumption of the Assets and the Assumed Liabilities herein contemplated has not occurred (other than through the failure of the party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before July 31, 2012 or such later date as the parties may agree upon in writing (the "Outside Date").

5.06 Effect of Termination

Each party's right of termination under Section 5.05 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 5.05, all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 2.11(3), 6.04(2), 8.03, 8.04 and 8.05 will survive; provided, however, that, subject to Section 8.11, if this Agreement is terminated by a party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by (i) in the case of the Purchaser, any of the Vendors; or (ii) in the case of the Vendors, the Purchaser, or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

ARTICLE 6 – CLOSING ARRANGEMENTS

6.01 Closing

The sale and purchase of the Assets will be completed at the Time of Closing at the offices of McCarthy Tétrault LLP, 66 Wellington Street West, Suite 5300, Toronto, Ontario.

6.02 Closing Deliveries

At the Time of Closing:

- (a) the Purchaser will deliver, or cause to be delivered:
 - (i) the Purchase Price in accordance with Section 2.11;
 - (ii) to the Vendors the officer's certificate required to be delivered pursuant to Section 5.03(c); and
 - (iii) to the Vendors an Assumption Agreement duly executed by the Purchaser.
- (b) the Vendors will deliver, or cause to be delivered, to the Purchaser:
 - (i) all duly executed confirmatory instruments of conveyance and assignment as the Purchaser reasonably deems necessary or appropriate to confirm that each Seller's right, title, benefit and interest in, to and under the Assets has vested in the Purchaser or its designee, as the case may be; provided that the costs and expenses of preparing, filing and recording any such instrument will be borne solely by the Purchaser and the Purchaser will reimburse the Vendors for any such costs and expenses so incurred by them;
 - (ii) if applicable, an updated copy of the Vendors Disclosure Letter with respect to the Employees;
 - (iii) a copy of each of the Canadian Approval and Vesting Order and the U.S. Sale Recognition Order; and
 - (iv) the officer's certificate required to be delivered pursuant to Section 5.02(c).

6.03 Delivery of Monitor's Certificate

When each party has advised the others that it is satisfied with the documents delivered to it at or before the Time of Closing, the Purchaser and Vendors will each deliver to the Monitor written confirmation that the conditions set out in Sections 5.01, 5.02 and 5.03, as applicable, have been satisfied or waived following which the Monitor will deliver an executed copy of the Monitor's Certificate to the Purchaser's counsel in escrow upon the sole condition of receipt by the Monitor of the amounts referred to in Section 2.10 and Section 2.11(1). All of the foregoing

amounts will then be paid by the Purchaser, by wire transfer of immediately available funds to an account designated in writing by the Monitor for this purpose pursuant to Section 2.11(1) hereof. Following written confirmation of receipt by the Monitor of such funds, the Monitor's Certificate will be released from escrow to the Purchaser. Upon such delivery, the Time of Closing will be deemed to have occurred. The Monitor will file a copy of the Monitor's Certificate with the Canadian Court and provide evidence of such filing to the Purchaser.

6.04 **Confidentiality**

(1) At the Time of Closing the Vendors will deliver to the Purchaser all of the Books and Records. The Purchaser will preserve the documents so delivered for a period of six years from the Closing Date, or for such other period as is required by any Applicable Law, and will permit the Vendors and their authorized representatives reasonable access thereto in connection with the affairs of the Vendors, but the Purchaser will not be responsible or liable to the Vendors for or as a result of any loss or destruction of or damage to any such documents.

(2) Both prior to the Closing Date and, if the sale and purchase and assumption of the Assets and the Assumed Liabilities hereunder fails to occur for whatever reason, thereafter the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendors or the Assets or the Purchased Businesses obtained by the Purchaser pursuant hereto, will hold all such information in the strictest confidence and, if the sale and purchase of the Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendors or to the Purchased Businesses which the Purchaser obtained pursuant to this Agreement.

(3) Subject to Section 2.07(2), from and after the Time of Closing the Vendors will not disclose to anyone or use for any purpose any confidential information concerning the Assets purchased by the Purchaser pursuant to this Agreement and will hold all such information in the strictest confidence.

6.05 **Risk of Loss**

Until the Time of Closing, the Assets will remain at the risk of the Vendors. If any destruction or damage occurs to the Assets on or before the Time of Closing the Vendors will forthwith give notice thereof to the Purchaser and:

- (a) if such destruction or damage does not have a material adverse effect on the Assets, taken as a whole, the parties will complete the sale and purchase and assumption of the Assets and the Assumed Liabilities contemplated hereunder; and
- (b) if such destruction or damage does have a material adverse effect on the Assets, taken as a whole, the parties will complete the sale and purchase and assumption of the Assets and the Assumed Liabilities contemplated hereunder and any proceeds of insurance received by the Vendors in respect of such destruction or damage will be paid or payable to the Purchaser.

ARTICLE 7 – SURVIVAL

7.01 Survival

No covenants, representations or warranties of any party contained in this Agreement will survive the completion of the sale and purchase and assumption of the Assets and the Assumed Liabilities hereunder, except for covenants that by their terms are to be satisfied after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

ARTICLE 8– GENERAL

8.01 Further Assurances

Each of the Vendors and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Time of Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time is of the essence of this Agreement.

8.03 Fees and Commissions

Except as otherwise expressly provided herein, each of the Vendors and the Purchaser will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for or Loss resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

8.04 Public Announcements

Except as required by Applicable Law, no public announcement or press release concerning the sale and purchase and assumption of the Assets and the Assumed Liabilities may be made by any of the Vendors or the Purchaser without the prior consent and joint approval of each of the Vendors and the Purchaser.

8.05 Monitor's Capacity

The Purchaser acknowledges and agrees 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.

8.06 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.

8.07 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

8.08 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.

8.09 Assignment

This Agreement may not be assigned by any of the Vendors or by the Purchaser without the consent of (i) in the case of an assignment by a Vendor, the Purchaser; and (ii) in the case of an assignment by the Purchaser, the Vendors.

8.10 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 Monitor:

Alvarez & Marsal Canada Inc.

Address: Royal Bank Plaza, South Tower
200 Bay Street
Suite 2900
P.O. Box 22
Toronto, Ontario Canada
M5J 2J1

Fax No.: 416-847-5201

Attention: Richard Morawetz and Adam Zalev

With copies to (which will not constitute notice):

Osler, Hoskin & Harcourt LLP

Address: Box 50, 1 First Canadian Place
Toronto, Ontario
M5X 1B8

Fax No.: 416-862-6666

Attention: Marc S. Wasserman and Michael De Lellis

To the Purchaser:

Address: •

[Fax No.]: •

Attention: •

With copies to (which will not constitute notice):

•

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.

8.11 Equitable Relief

The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, subject to the limitations set forth in this Section 8.11, each of the parties will be entitled to equitable relief to prevent or remedy breaches of this Agreement (other than with respect to breaches of Section 4.02), without the proof of actual damages, including in the form of an injunction or injunctions or orders for specific performance in respect of such breaches. Each party agrees, to the extent that such party is subject to any equitable remedy, to waive any requirement for the security or posting of any bond in connection with any such equitable remedy. Each party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of the provisions of this Agreement or that equitable relief is not available pursuant to the express terms of this Section 8.11.

8.12 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.

8.13 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 Vendors and the Purchaser each attorns to the jurisdiction of the courts of the Province of Manitoba.

8.14 Appointment of Agent for Service

The Purchaser nominates, constitutes and appoints •, Barristers and Solicitors, of the City of Winnipeg its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 8.10). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Manitoba has been given to and accepted by the Vendors, service of process or of papers and such notices upon will be accepted by the Purchaser as sufficient service.

8.15 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.

8.16 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.

8.17 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.

[Signature pages to follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

[PURCHASER]

Per: _____

Per: _____

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

Per: _____

Per: _____

ARCTIC GLACIER INC.

Per: _____

Per: _____

ARCTIC GLACIER INTERNATIONAL INC.

Per: _____

Per: _____

ARCTIC GLACIER TEXAS INC.

Per: _____

Per: _____

ARCTIC GLACIER CALIFORNIA INC.

Per: _____

Per: _____

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ARCTIC GLACIER MICHIGAN INC.

Per: _____

Per: _____

ARCTIC GLACIER NEBRASKA INC.

Per: _____

Per: _____

ARCTIC GLACIER WISCONSIN INC.

Per: _____

Per: _____

ARCTIC GLACIER MINNESOTA INC.

Per: _____

Per: _____

ARCTIC GLACIER NEW YORK INC.

Per: _____

Per: _____

ICE PERFECTION SYSTEMS INC.

Per: _____

Per: _____

ARCTIC GLACIER NEWBURGH INC.

Per: _____

Per: _____

ARCTIC GLACIER PENNSYLVANIA INC.

Per: _____

Per: _____

ARCTIC GLACIER OREGON INC.

Per: _____

Per: _____

ARCTIC GLACIER SERVICES INC.

Per: _____

Per: _____

ARCTIC GLACIER VERNON INC.

Per: _____

Per: _____

ARCTIC GLACIER ROCHESTER INC.

Per: _____

Per: _____

**DIAMOND ICE CUBE COMPANY
INC.**

Per: _____

Per: _____

ARCTIC GLACIER LANSING INC.

Per: _____

Per: _____

ARCTIC GLACIER GRAYLING INC.

Per: _____

Per: _____

ARCTIC GLACIER PARTY TIME INC.

Per: _____

Per: _____

WONDERLAND ICE, INC.

Per: _____

Per: _____

R&K TRUCKING, INC.

Per: _____

Per: _____

KNOWLTON ENTERPRISES, INC.

Per: _____

Per: _____

**WINKLER LUCAS ICE AND FUEL
COMPANY**

Per: _____

Per: _____

JACK FROST ICE SERVICE, INC.

Per: _____

Per: _____

GLACIER ICE COMPANY, INC.

Per: _____

Per: _____

MOUNTAIN WATER ICE COMPANY

Per: _____

Per: _____

DIAMOND NEWPORT CORPORATION

Per: _____

Per: _____

**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)

Arctic Glacier - Asset Purchase Agreement

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- 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)

SCHEDULE 1.01A

Form of Assumption Agreement

ASSUMPTION AGREEMENT

THIS AGREEMENT is made as of ●, 2012

BETWEEN

[PURCHASER], a [corporation incorporated] under the laws of [●] (the "Purchaser"),

– 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 parties hereto have entered into an asset purchase agreement dated as of ●, 2012 (the "Asset Purchase Agreement"), pursuant to which each of the Vendors have agreed to transfer to the Purchaser, and the Purchaser has 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 6.02(a)(iii) of the Asset Purchase Agreement, the Purchaser is required to enter into and deliver this Agreement to the Vendors at the Time of Closing;

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 – ASSUMPTION

2.01 Assumption by the Purchaser

The Purchaser hereby assumes and agrees to fulfill, perform and discharge the Assumed Liabilities.

2.02 Release by the Purchaser

The Purchaser hereby (i) unconditionally and irrevocably fully releases and discharges each of the Vendors from any Claim which the Purchaser may now or hereafter have against any of the Vendors by reason of any matter or thing arising out of, or resulting from, any of the Assumed Liabilities; and (ii) agrees that the Purchaser will not make or take any Claim with respect to any matter released and discharged in this Section 2.02 which may result in any Claim against any Vendor for contribution or indemnity or other relief.

2.03 Indemnity by the Purchaser

The Purchaser hereby indemnifies and saves harmless each of the Vendors, each of their respective Affiliates and each of the respective directors, officers, employees and agents of the Vendors and their respective Affiliates (collectively, the "Indemnitees") from and against all

Claims asserted against and all Losses incurred by any of the Indemnitees directly or indirectly arising out of, resulting from, or relating in any way to, any of the Assumed Liabilities. The Purchaser appoints the Fund as the trustee for the Indemnitees of the covenants of indemnification of the Purchaser with respect to such Vendor Indemnitees specified in this Section 2.03 and the Fund accepts such appointment.

ARTICLE 3 - GENERAL

3.01 Further Assurances

Each of the Vendors and the Purchaser 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.

3.02 Time of the Essence

Time is of the essence of this Agreement.

3.03 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.

3.04 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.

3.05 Assignment

This Agreement may not be assigned by any of the Vendors or by the Purchaser without the consent of (i) in the case of an assignment by a Vendor, the Purchaser; and (ii) in the case of an assignment by the Purchaser, the Vendors.

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

Arctic Glacier - Asset Purchase Agreement

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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:

Address: •

[Fax No.]: •

Attention: •

With copies to (which will not constitute notice):

•

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 Vendors and the Purchaser each attorns to the jurisdiction of the courts of the Province of Manitoba.

3.09 Appointment of Agent for Service

The Purchaser nominates, constitutes and appoints •, Barristers and Solicitors, of the City of Winnipeg its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 3.06). Until due and lawful notice of the appointment of another and subsequent agent in the Province of Manitoba has been given to and accepted by the Vendors, service of process or of papers and such notices upon will be accepted by the Purchaser as sufficient service.

3.10 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.

3.11 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.

3.12 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.

[PURCHASER]

Per: _____

Per: _____

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

Per: _____

Per: _____

ARCTIC GLACIER INC.

Per: _____

Per: _____

ARCTIC GLACIER INTERNATIONAL INC.

Per: _____

Per: _____

ARCTIC GLACIER TEXAS INC.

Per: _____

Per: _____

ARCTIC GLACIER CALIFORNIA INC.

Per: _____

Per: _____

ARCTIC GLACIER MICHIGAN INC.

Per: _____

Per: _____

ARCTIC GLACIER NEBRASKA INC.

Per: _____

Per: _____

ARCTIC GLACIER WISCONSIN INC.

Per: _____

Per: _____

ARCTIC GLACIER MINNESOTA INC.

Per: _____

Per: _____

ARCTIC GLACIER NEW YORK INC.

Per: _____

Per: _____

ICE PERFECTION SYSTEMS INC.

Per: _____

Per: _____

ARCTIC GLACIER NEWBURGH INC.

Per: _____

Per: _____

ARCTIC GLACIER PENNSYLVANIA INC.

Per: _____

Per: _____

ARCTIC GLACIER OREGON INC.

Per: _____

Per: _____

ARCTIC GLACIER SERVICES INC.

Per: _____

Per: _____

ARCTIC GLACIER VERNON INC.

Per: _____

ARCTIC GLACIER ROCHESTER INC.

Per: _____

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Per: _____

Per: _____

**DIAMOND ICE CUBE COMPANY
INC.****ARCTIC GLACIER LANSING INC.**

Per: _____

Per: _____

Per: _____

Per: _____

ARCTIC GLACIER GRAYLING INC.**ARCTIC GLACIER PARTY TIME INC.**

Per: _____

Per: _____

Per: _____

Per: _____

WONDERLAND ICE, INC.**R&K TRUCKING, INC.**

Per: _____

Per: _____

Per: _____

Per: _____

KNOWLTON ENTERPRISES, INC.**WINKLER LUCAS ICE AND FUEL
COMPANY**

Per: _____

Per: _____

Per: _____

Per: _____

JACK FROST ICE SERVICE, INC.**GLACIER ICE COMPANY, INC.**

Per: _____

Per: _____

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Per: _____

Per: _____

MOUNTAIN WATER ICE COMPANY**DIAMOND NEWPORT CORPORATION**

Per: _____

Per: _____

Per: _____

Per: _____

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

Per: _____

Per: _____

SCHEDULE A**Subsidiaries of the Fund**

- 30 **Arctic Glacier Inc. (Alberta)**
- 31 **Arctic Glacier International Inc. (Delaware)**
- 32 **Arctic Glacier Texas Inc. (Texas)**
- 33 **Arctic Glacier California Inc. (California)**
- 34 **Arctic Glacier Michigan Inc. (Michigan)**
- 35 **Arctic Glacier Nebraska Inc. (Iowa)**
- 36 **Arctic Glacier Wisconsin Inc. (Wisconsin)**
- 37 **Arctic Glacier Minnesota Inc. (Minnesota)**
- 38 **Arctic Glacier New York Inc. (New York)**
- 39 **Ice Perfection Systems Inc. (Delaware)**
- 40 **Arctic Glacier Newburgh Inc. (New York)**
- 41 **Arctic Glacier Pennsylvania Inc. (Delaware)**
- 42 **Arctic Glacier Oregon Inc. (Oregon)**
- 43 **Arctic Glacier Services Inc. (Delaware)**
- 44 **Arctic Glacier Vernon Inc. (California)**
- 45 **Arctic Glacier Rochester Inc. (New York)**
- 46 **Diamond Ice Cube Company Inc. (New York)**
- 47 **Arctic Glacier Lansing Inc. (Michigan)**
- 48 **Arctic Glacier Grayling Inc. (Michigan)**
- 49 **Arctic Glacier Party Time Inc. (Michigan)**
- 50 **Wonderland Ice, Inc. (Michigan)**
- 51 **R&K Trucking, Inc. (Michigan)**

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- 52 **Knowlton Enterprises, Inc. (Michigan)**
- 53 **Winkler Lucas Ice and Fuel Company (Michigan)**
- 54 **Jack Frost Ice Service, Inc. (California)**
- 55 **Glacier Ice Company, Inc. (California)**
- 56 **Mountain Water Ice Company (California)**
- 57 **Diamond Newport Corporation (California)**
- 58 **Glacier Valley Ice Company, L.P. (California)**

SCHEDULE 1.01B**Indicative Working Capital Calculation**

**[Attached as a separate file to the May 11, 2012 SISP Auction Draft
of the Asset Purchase Agreement]**

SCHEDULE 2.01(I)**Excluded Redundant Properties**

Location: 50 Stewart Avenue, Huntington, New York, 11743-2755

Legal Description: All that certain plot, piece or parcel of land, situate, lying and being in the Town of Huntington, County of Suffolk and State of New York, bounded and described as follows:

Beginning at a point on the easterly side of Stewart Avenue where the same is intersected by the northerly line of land now or formerly of Nass, said point of beginning being also distant 150.0 feet northerly from the corner formed by the intersection of the easterly side of Stewart Avenue with the northerly side of First Avenue;

Running thence along the easterly side of Stewart Avenue north 5 degrees 14 minutes 50 seconds east 262.49 feet;

Running thence south 57 degrees 00 minutes east 156.38 feet to land now or formerly of Prime;

Running thence along said land now or formerly of Prime the following two courses and distances;

(1) South 11 degrees 53 minutes 50 seconds west 189.87 feet;

(2) South 8 degrees 09 minutes 40 seconds east 1.10 feet to land now or formerly of Nass;

Running thence along said land now or formerly of Nass north 84 degrees 45 minutes 10 seconds west 116.64 feet to the easterly side of Stewart Avenue at the point or place of beginning;

District: 0400 Section: 072.00 Block: 02.00 Lot: 011.000.

Building Description: Two single-storey buildings with a combined area of 10,000 square feet, brick construction with concrete floors.

Registered and Beneficial Owner: Arctic Glacier New York Inc.

SCHEDULE 2.06**Purchase Price Allocation**

[The Purchase Price allocation will be determined by the Purchaser and the Vendors]

SCHEDULE 4.01(1)**Form of Canadian Vesting and Approval Order****[to follow]**

SCHEDULE 4.01(2)**Form of U.S. Sale Recognition Order****[to follow]**

SCHEDULE 4.03(1)(e)

Permitted Encumbrances

(1) Reservations, limitations, provisos and conditions expressed in any original grant from any Governmental Authority.

(2) Liens for Taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.

(3) Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, other agreements, building and other restrictions, easements, servitudes, rights of way and licences affecting the use or value of the Lands which do not materially impair the use or value of the Lands affected thereby as presently used.

(4) Defects or irregularities in title to the Lands affecting the use or value of the Lands which do not materially impair the use or value of the Lands affected thereby as presently used.

(5) Any matters which might be revealed by (i) an up-to-date survey of any Lands; or (ii) an inspection and/or site investigation of any owned Lands together with any errors in the survey, which do not materially impair the use or value of the Lands affected thereby as presently used.

(6) Any rights of expropriation, access or use, or any other similar rights conferred or reserved by or in any statute of Canada or any province or territory thereof or of the United States or any state, jurisdiction, territory or possession thereof.

(7) Undetermined, inchoate or statutory Liens (including the Liens of public utilities, workers, suppliers of materials, builders, contractors, architects and unpaid vendors of moveable property) incidental to the current operation of the Lands which relate to obligations not yet due or delinquent and which have not been registered in accordance with Applicable Law.

(1) Liens or imperfections in title arising in the ordinary course of business or by operation of Applicable Law, Liens arising under sales contracts with title retention provisions or equipment leases with third parties entered into in the ordinary course of business.

(2) Liens for Taxes or charges from a Governmental Authority which are not due and payable or which thereafter may be paid without penalty.

(3) Other imperfections in title, Liens which do not materially impair the use and operation of the Assets affected thereby as presently used or operated.

(4) Liens granted by any of the Vendors in favour of the Arctic Lenders to secure the obligations of the Vendors under the Arctic Credit Facilities.

(5) Liens granted by Arctic Glacier Inc. in favour of The Toronto-Dominion Bank to secure the obligations of Arctic Glacier Inc. under a letter of credit in the amount of \$125,000

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issued in favour of Marlange Realty Associates under the Fourth Amended and Restated Loan Agreement dated February 10, 2010, between, among others, Arctic Glacier Inc. and The Toronto-Dominion Bank.

ARCTIC GLACIER INCOME FUND

SWORN before me this 13 day
of June, A.D. 2012**Arctic Glacier Income Fund Announces Sale to H.I.G. Capital**
in and for the Province of Manitoba***Special Committee Authorizes Agreement to Sell Arctic Glacier's Business
to Private Equity Investor H.I.G. Capital***

WINNIPEG – June 8, 2012 – Arctic Glacier Income Fund (CNSX: AG) ("Arctic Glacier") announced today that it has entered into a binding agreement (the "Agreement") to sell substantially all of its business and assets (the "Transaction") to an affiliate of H.I.G. Capital (the "Purchaser"), a prominent private equity investment fund headquartered in Miami, Florida. The Purchaser submitted its proposal in accordance with Arctic Glacier's court approved Sale and Investor Solicitation Process ("SISP") under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA").

Alvarez & Marsal Canada Inc., the CCAA Court-appointed monitor (the "Monitor"), recommended, after consultation with Arctic Glacier's financial advisor, TD Securities Inc., the Chief Process Supervisor and Arctic Glacier, the Qualified Bid (as defined in the SISP) submitted by the Purchaser as the most favourable Qualified Bid and that it should be selected. The Special Committee of Arctic Glacier's Board of Trustees accepted the Monitor's recommendation in accordance with the SISP.

The Agreement and completion of the Transaction remain subject to court approval in Canada and the United States, pre-merger clearance in the United States, and the satisfaction of certain closing conditions customary in transactions of this nature, including the absence of a material adverse change in respect of Arctic Glacier. The Purchaser has arranged committed financing for the completion of the Transaction, which is expected to close by July 31, 2012.

Upon completion of the Transaction, Arctic Glacier will be a financially stronger company that is well positioned for growth. The Purchaser intends to partner with senior management of Arctic Glacier to implement growth initiatives that will enhance profitability and increase the value of the business. On closing, all Arctic Glacier employees will be offered employment and the company's head office will remain in Winnipeg. The Agreement provides that the Purchaser will assume Arctic Glacier's current trade payables, its leases and certain contractual obligations. Arctic Glacier's existing secured lenders will be paid in full on closing. Arctic Glacier expects that the net proceeds of the sale will be sufficient to pay all of its remaining known creditors and may be sufficient to permit a distribution to its unitholders after all creditor claims have been proven and satisfied. The timing and amount of any distributions to be paid to creditors and unitholders cannot be determined at this time.

Keith McMahon, President and CEO of Arctic Glacier, commented, "this transaction is the result of the tremendous effort and dedication of our employees who should be proud of

their efforts. We look forward to working with H.I.G. to complete this sale, which we expect will put us in a strong competitive position to grow our business and strengthen our position as an industry leader in the packaged ice business."

Forward-Looking Statements

Certain statements included herein constitute "forward-looking statements". All statements, other than statements of historical fact, included in this release that address future activities, events, developments or financial performance are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as "may", "should", "will", "could", "expect", "intend", "plan", "estimate", "anticipate", "believe", "future" or "continue" or the negative thereof or similar variations. In particular, statements about the proposed Transaction between H.I.G. and Arctic Glacier, including the expected timetable for completing the Transaction, the receipt of court and other approvals, the anticipated outcomes of the Transaction set out in paragraph 4 hereof and any other statements regarding H.I.G. and Arctic Glacier's future expectations, beliefs, goals or prospects are or involve forward-looking information. These forward-looking statements are based on certain assumptions and analyses made by Arctic Glacier and its management, in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Investors are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions and other factors, many of which are outside the control of H.I.G. and Arctic Glacier, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, the parties' ability to consummate the Transaction; the parties' ability to satisfy the conditions to the completion of the Transaction, including that the receipt of court approval, or regulatory approval for the Transaction may not be obtained, or may not be obtained on the terms expected or on the anticipated schedule; general economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political conditions (including any act of terrorism or war), changes in government laws or regulations (including tax laws) and changes in GAAP or regulatory accounting requirements. Readers are cautioned that the foregoing lists are not exhaustive. Such forward-looking statements should, therefore, be construed in light of such factors. If any of these risks or uncertainties were to materialize, or if the factors and assumptions underlying the forward-looking information were to prove incorrect, actual results could vary materially from those that are expressed or implied by the forward-looking information contained herein. All forward-looking statements attributable to Arctic Glacier, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements set forth above. Readers are cautioned not to place undue reliance on forward-looking statements contained herein, which reflect the analysis of the management of Arctic Glacier, as appropriate, only as of the date of this release. For more information regarding these and other risks, readers should consult Arctic Glacier's reports on file with applicable securities regulatory

authorities accessible online by going to SEDAR at www.sedar.com or by going to the Arctic Glacier website at www.arcticglacier.com. Arctic Glacier is under no obligation, and Arctic Glacier expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

About Arctic Glacier

Arctic Glacier Income Fund, through its operating company, Arctic Glacier Inc., is a leading producer, marketer and distributor of high-quality packaged ice in North America, primarily under the brand name of Arctic Glacier® Premium Ice. Arctic Glacier operates 39 production plants and 47 distribution facilities across Canada and the northeast, central and western United States servicing more than 75,000 retail locations.

Arctic Glacier Income Fund trust units are listed on the Canadian National Stock Exchange under the trading symbol AG.UN. There are 350.3 million trust units outstanding.

About H.I.G. Capital

H.I.G. is a leading global private equity investment firm with more than \$8.5 billion of equity capital under management. Headquartered in Miami, and with offices in Atlanta, Boston, Chicago, Dallas, New York, and San Francisco in the U.S., as well as international affiliate offices in London, Hamburg, Madrid, Paris, and Rio de Janeiro, H.I.G. specializes in providing capital to small and medium-sized companies with attractive growth potential. H.I.G. invests in management-led buyouts and recapitalizations of profitable and well managed manufacturing or service businesses. H.I.G. also has extensive experience with financial restructurings and operational turnarounds. Since its founding in 1993, H.I.G. invested in and managed more than 200 companies worldwide. The firm's current portfolio includes more than 50 companies. For more information, please refer to the H.I.G. website at www.higcapital.com.

Contact Information

Arctic Glacier

Keith McMahon, President & CEO

Doug Bailey, Chief Financial Officer

Toll free investor relations phone: 888-573-9237

H.I.G. Capital

Bret Wiener, Managing Director

Brian McMullen, Principal

bwiener@higcapital.com

bmcmullen@higcapital.com

H.I.G. Capital, LLC

1450 Brickell Avenue, 31st Floor

Miami, FL 33139

Phone: 305-379-2322

www.arcticglacier.com

| Address of Leased Property | Region | Location |
|--|------------------|--------------|
| CANADA | | |
| Roadway @ 122 Avenue/121A Street | Alberta | Edmonton |
| 9679 186th St. | British Columbia | Surrey |
| 334 Main Street | Ontario | Sauble Beach |
| 4000 St. Patrick St. - Parking Lot (expropriation) | Quebec | Montreal |
| 41 Grenfell Cres. Property | Quebec | Nepean |
| 718-355 Portage Ave - IT Offsite | AGI | Winnipeg |
| Rent at 1625 McAra St. Regina SK S4N 6H4 | Saskatchewan | Regina |
| UNITED STATES | | |
| 8580 Laguna Station Rd | Sacramento | Elk Grove |
| 2521 Solar Way Barstow CA | Calif - South | Barstow |
| 44633 Yecca Ave. Lancaster California | Calif - South | Lancaster |
| 2029 Pullman rental property Ames | Nebraska | Ames |
| 20980 Brady Street Davenport | Nebraska | Davenport |
| Office space rent - 1896 Marion Dubuque | Nebraska | Dubuque |
| 4221 S Orilla Rd. West Des Moines IA 50061 | Nebraska | Des Moines |
| 409 1/2 W. Sycamore Independence KS | Texas/Kansas | Independence |
| 411 SW 11 St. Aberdeen SD | Minnesota | Aberdeen |
| 2986 W Hwy 14 Rochester MN | Minnesota | Rochester |
| 7953 Main St. Fridley | Minnesota | Fridley |
| 2434 South University Drive Fargo ND | Minnesota | Fargo |
| 2840 4th St. S. St. Cloud MN | Minnesota | St. Cloud |
| 1106 Alaska Ave. Norfolk | Nebraska | Norfolk |
| 1325 W. North Front St. Grand Island | Nebraska | Grand Island |
| 120 South Jackson Osceola | Nebraska | Osceola |
| 2259 Hwy 2861 - Rent | Texas/Kansas | Comanche |
| 332-G Pulliam Street San Angelo TX | Texas/Kansas | San Angelo |
| Rent for 315 E 7th St. North Platte | Nebraska | North Platte |
| 2727 12th St SW Cedar Rapids Iowa 52404 | Nebraska | Cedar Rapids |
| 500 Fennimore Road | New York - South | Mamaroneck |
| 556 River Avenue | New York - South | Bronx |
| 1751 93rd St. NE Bismarck ND | Minnesota | Bismarck |

This is Exhibit " D " referred to in the

Affidavit of Kathy McMahon

SWORN before me this 13 day

of JUNE, A.D. 2012

[Signature]
A Notary Public

in and for the Province of Manitoba

| | | |
|---|------------------|-----------------|
| 760 N. Ninth St. | Pennsylvania | Stroudsburg |
| 2558 Advance Road Madison WI 53718-6702 | Wisconsin | Madison |
| Neenah rent | Wisconsin | Neenah |
| 140 Corporate Dr Montgomery PA | Pennsylvania | Montgomeryville |
| 4707 Camp Phillips Road Schofield WI | Wisconsin | Wausau |
| 4701 Stine Road | Central Valley | Bakersfield |
| 17011 17023 and 17027 South Central Ave | Calif - South | Carson |
| 36 North "D" Street Stockton California | Central Valley | Modesto |
| 1440 Coldwell Avenue | Central Valley | Modesto |
| 43960 Fremont Boulevard | Bay Area | Fremont |
| Parking Lot Rental - Dubuque | Nebraska | Dubuque |
| 106 9th Street | Sacramento | Marysville |
| 5 Sonwil Drive Cheektowaga NY | New York - North | Buffalo |
| 703 Commerce Holmen WI 54636 / LAX | Minnesota | Lacrosse |
| 2843 Benet Rd | Calif - South | Oceanside |
| Lot 21 Commerce Center Southwest / 600 South 80th Ave Tolleson AZ | AZ | Phoenix |
| 2790 Cloverdale Ave | Bay Area | Concord |
| 621 Carlson Court Rohnert Park 94928 | Bay Area | Rohnert Park |
| 2798A Cloverdale Ave | Bay Area | Concord |
| 8580 Laguna Station Rd | Sacramento | Elk Grove |
| 1200 sq ft freezer/500 sq ft office | Bay Area | Capitola |
| Railroad Ave & West Neal St. | Bay Area | Fremont |
| Use of right of way (part of 106 9th Street) | Sacramento | Marysville |
| Pallet Storage - Nov & Dec Temp Storage Annually | Wisconsin | Wausau |
| 7 Interstate Avenue Albany NY | New York - North | Albany |
| Additional Parking of Arctic Trucks @ 83 Pfohl Rd | New York - North | Buffalo |
| Extra Parking Space | Bay Area | Rohnert Park |
| 2970 E. 50th Street | Calif - South | Vernon |
| 2970 East 50th Street | Calif - South | Vernon |
| 14243 Bessermer Street | Calif - South | Van Nuys |
| 5635 Commerce Drive | Michigan | Lansing |
| 1215 N. Johnson Street | Michigan | Bay City |
| Lot 52 Block 2 of Granite Valley addition to Sioux Falls South Dakota | Minnesota | Sioux Falls |
| 2 Johnson Dr Raritan NJ (description on prepaid schedule; 30 Route 22 West) | New York - South | Raritan |