

EXHIBIT 3

Commitment Letter

This is exhibit "W" referred to
in the affidavit of
Kevin McMahon

sworn before me this 21st day of
February 2012

ARCTIC GLACIER DIP FACILITY TERM SHEET

A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

Dated February 21, 2012

WHEREAS the Borrowers (as defined below) have requested that the Lenders (as defined below) provide them with certain interim financing (the "**DIP Facility**") to assist with the Borrowers' restructuring efforts, and the Lenders are prepared to provide such DIP Facility subject to and in accordance with the terms and conditions set forth in this Term Sheet (the "**DIP Commitment**") and the definitive documents to be delivered pursuant hereto (the "**Definitive Documents**");

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties hereto agree as follows:

- Definitions:** All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in Exhibit A hereto.
- Borrowers:** Arctic Glacier Inc. ("**AGI**") and Arctic Glacier International Inc. ("**AGII**") shall be the Borrowers under the DIP Facility; provided, however, that prior to the entry of the Chapter 15 DIP Order by the U.S. Court, AGII shall not constitute a Borrower; provided, further, however, that immediately after the entry of the Chapter 15 DIP Order by the U.S. Court, AGII shall be deemed to be a Borrower under the DIP Facility.
- Guarantors:** Arctic Glacier Income Fund (the "**Fund**") and any existing or subsequently organized or acquired subsidiary of the Fund shall be a guarantor under the DIP Facility (collectively, the "**Guarantors**" and, together with the Borrowers, the "**Credit Parties**"), and shall absolutely and unconditionally guarantee all of the Borrowers' obligations under the DIP Facility on a joint and several basis. A list of the Guarantors (other than the Borrowers) is attached hereto as Schedule 1.
- Administrative Agent and Collateral Agent:** CPPIB Credit Investments Inc. ("**CPPIB**"), or any affiliate or assignee thereof at CPPIB's sole discretion, shall be the administrative agent and collateral agent under the DIP Facility (in such capacity, the "**Agent**").
- Lenders:** CPPIB, funds or vehicles advised by West Face Capital Inc., and/or any of their respective affiliates and managed funds or other vehicles (initially as identified on the signature pages hereto), and any of their respective assignees, shall be the lenders under the DIP Facility (collectively, the "**Lenders**").

**Restructuring
Proceedings:**

Each Credit Party shall at all times be, and remain, subject to: (i) main proceedings (the “**CCAA Proceedings**”) commenced under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) in respect of the Credit Parties; and (b) an order or orders obtained in the U.S. Court pursuant to chapter 15 of the Bankruptcy Code (a “**Recognition Proceeding**”) recognizing the order approving the DIP Facility in the main CCAA Proceedings (the “**Chapter 15 DIP Order**”); in each case on terms and conditions satisfactory to the Agent, acting reasonably. The CCAA Proceedings and Recognition Proceedings shall be collectively referred to herein as the “**Proceedings**”.

All motions, pleadings, orders and other documents (the “**Court Documents**”) filed, proposed, sought, served, and obtained by the Credit Parties in or in connection with the Proceedings shall be in form and substance satisfactory to the Agent and copies of such Court Documents shall be provided to the Agent as soon as practicable prior to any filing or service in the Proceedings.

Aggregate Amount:

The DIP Facility shall be a non-revolving debt facility up to an aggregate maximum amount of (i) in Stage 1, US\$10.0 million and CAD\$15.0 million (the “**Stage 1 Availability**”) and (ii) in Stage 2, an additional US\$14 million and CAD\$11 million for a total availability of US\$24 million and CAD\$26 million (the “**Stage 2 Availability**”). Permitted draws will be subject to the Availability, as set forth below, and the other terms and conditions hereof.

Availability:

Draws on the DIP Facility shall be made on a non-revolving basis. Any amounts repaid may not be reborrowed.

Aggregate drawdowns under the DIP Facility shall not, as at any week, exceed the maximum aggregate amount specified in Schedule 2 in respect of such week.

Upon fulfillment of all the conditions precedent to the Stage 1 Availability set out below, and prior to fulfillment of all the conditions precedent to the Stage 2 Availability set out below, the Borrowers shall be entitled to draw a maximum aggregate amount equal to the Stage 1 Availability, subject to the maximum weekly drawings specified in Schedule 2.

Upon and following fulfillment of all conditions precedent to the Stage 2 Availability set out below, the Borrowers shall be entitled to draw a maximum aggregate amount equal to the Stage 2 Availability, subject to the maximum weekly drawings specified in Schedule 2.

The several obligations of the Lenders to make, or cause one of their respective affiliates to make, funding available up to the Stage 1 Availability or the Stage 2 Availability, as the case may be, shall at all times be subject to the condition precedents listed below.

DIP Commitment:

Subject to the conditions precedent set out below and the other terms and conditions hereof, the Lenders hereby commit to provide up to the Stage 1 Availability or the Stage 2 Availability, as the case may be.

Purpose/Permitted Payments:

The DIP Facility shall be provided for the limited purpose of facilitating the Proceedings, including the SISP.

The Borrowers shall use available funds under the DIP Facility solely for the following types of expenditures, to the extent permitted by applicable court orders and provided for in Approved Budgets (collectively, the “**Permitted Payments**”):

- (i) operating expenses of the Credit Parties incurred in the ordinary course of business;
- (ii) costs and expenses incurred by the Credit Parties in the administration of the Proceedings including, without limitation, the payment of fees and expenses of the Credit Parties’ legal and financial advisors, the Chief Process Supervisor, the court-appointed monitor in the CCAA Proceedings and the monitor’s legal advisors;
- (iii) payment of the expenses of the Agent, the Lenders, the First Lien Lenders and the Second Lien Lenders as provided for herein;
- (iv) payment of interest (including default interest) and other amounts payable under the DIP Facility and the First Lien Loan Agreement (including, without limitation, all fees payable to the Agent and Lenders); and
- (v) any other costs and expenses permitted in the applicable court orders and specifically provided for in the Approved Budgets.

Milestones:

The DIP Facility shall be subject to satisfaction of the timelines and deadlines set out in the SISP, without amendment or extension of any kind, and the satisfaction of such timelines and deadlines shall be a condition precedent to any drawdown under the DIP Facility.

Failure to meet any of the foregoing timelines and deadlines shall, unless the Agent otherwise consents, result in the immediate occurrence of an Event of Default hereunder.

Approved Budgets:

The Credit Parties shall at all times make expenditures (including, without limitation, any disbursement, payment, transfer, distribution or other use of funds, whether borrowed under the DIP Facility or otherwise) only as (i) permitted by applicable court orders, and (ii) specifically provided for in budgets which may from time to time be prepared by the Credit Parties and be acknowledged in advance as being satisfactory to the Agent ("**Approved Budgets**").

The Approved Budgets shall be in form and content satisfactory to the Agent, shall be in sufficient detail to ensure complete and accurate disclosure to the Agent of proposed expenditures, and shall be delivered to the Agent in a timely manner in accordance with the reporting requirements set out herein that permits the Agent's proper consideration thereof prior to the timing of the proposed expenditures.

The Credit Parties shall at all times provide the Agent with timely and accurate reports and updates regarding their actual expenditures, variances to the Approved Budgets, and any prospective or proposed changes to Approved Budgets.

The Credit Parties shall also at all times promptly respond to reasonable information or reporting requests made by the Agent in connection with an Approved Budget including, without limitation, variance analyses, reconciliations, and details of any actual or prospective expenditure.

The initial Approved Budget in effect as a condition precedent to the Stage 1 Availability is attached hereto as Schedule 3 (the "**Initial Approved Budget**").

For periods of time following the period of the Initial Approved Budget, the Credit Parties shall prepare new Approved Budgets in form and content satisfactory to the Agent (the "**Subsequent Budgets**").

Maturity:

The DIP Facility shall mature on the earliest of (the "**Maturity Date**"): (i) August 8, 2012; (ii) the date of completion of a transaction in compliance with the SISP; and (iii) the date upon which an Event of Default occurs hereunder.

The DIP Commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP

Facility shall become immediately due and payable without necessity of notice, demand or other actions on the part of the Agent or Lenders and shall be repaid in full no later than the Maturity Date without the Agent or Lenders being required to make demand upon the Credit Parties or to give notice that the DIP Facility has expired and the obligations are due and payable.

Closing Dates:

For the Stage 1 Availability, the first date on which all conditions precedent thereto are fulfilled to the satisfaction of the Agent (the "**Stage 1 Closing Date**").

For the Stage 2 Availability, the first date on which all conditions precedent thereto are fulfilled to the satisfaction of the Agent.

Amortization:

None.

Interest Rate:

All principal amounts and other amounts due and payable under the DIP Facility will bear interest at a per annum rate equal to (i) with respect to all Canadian dollar denominated amounts, the Prime Rate (as defined in the First Lien Loan Agreement) plus 5.50% (plus, until all conditions to Stage 2 Availability are satisfied, an additional 2.00% per annum) and (ii) with respect to all U.S. dollar denominated amounts, the U.S. Prime Rate (as defined in the First Lien Loan Agreement) plus 5.50% (plus, until all conditions to Stage 2 Availability are satisfied, an additional 2.00% per annum).

Immediately upon the occurrence, and during the continuance of, an Event of Default (as defined below), all obligations under the DIP Facility will accrue default interest at a rate equal to the foregoing rate plus an additional two percentage points 2.00% *per annum*.

Interest Payments:

All interest is compounded daily and payable monthly on the first Business Day of each calendar month in arrears.

Funding Protection:

Customary for debtor-in-possession financings, including gross-up for withholding, compensation for increased costs and compliance with capital adequacy and other regulatory restrictions, as applicable.

Security and Claims:

The DIP Facility will be secured by a super-priority, first-ranking charge over all of the Credit Parties' Property (the "**DIP Charge**"), subject only to the Carve-Out. For greater certainty, the DIP Charge shall be senior to and have priority over the Existing Security and all priority payables other than the Carve Out. In addition, the Existing Security shall be amended in a manner

satisfactory to the Agent to secure the obligations under the DIP Facility. All U.S. Opco's shall grant to Arctic Glacier Inc. a lien that is a super-priority, first-ranking charge (subject only to the prior ranking charges specified in the Initial Order), on account of any loans advanced by Arctic Glacier Inc. to any U.S. Opco entity after the commencement of the CCAA Proceedings (the "Intercompany Liens"). For greater certainty, the Lenders' DIP Charge shall apply to the Intercompany Liens.

The DIP Charge shall be approved by the Canadian Court and the US Court in the Proceedings in a manner, and on terms and conditions, satisfactory to the Agent in its sole and absolute discretion.

Carve-Out:

The DIP Charge and the Intercompany Liens shall be a first-ranking charge on all of the Property subject only to (i) the prior ranking charges expressly specified in the Initial Order (including the Critical Supplier Charge (as defined therein) up to an aggregate amount of CAD\$1 million), (ii) any statutory encumbrance existing on the date of this Order in favour of any Person which is a "secured creditor", as defined in the CCAA, in respect of any amounts under the Wage Earners' Protection Program that are subject to a super priority claim under the BIA, including source deductions from wages, employer health tax, workers compensation, vacation pay and banked overtime for employees and (iii) security in favour of creditors not given notice of the Application for the Initial Order in the CCAA Proceedings (the "**Carve Out**"). The balance of the Critical Supplier Charge will rank junior to the DIP Charge but prior to the Existing Debt.

Fees:

The Credit Parties shall pay to the Agent and the Lenders an upfront fee (the "**Upfront Fee**"), as compensation for the making of the DIP Commitment, in an amount equal to the rate specified in the fee letter dated as of the date hereof between the parties hereto (the "**Fee Letter**") multiplied by the maximum amount of the Total Availability. The Upfront Fee shall be immediately earned and payable (by way of deemed advance under the DIP Facility) to the Agent and the Lenders upon the execution and delivery of this DIP Commitment.

The Credit Parties shall pay to the Agent and the Lenders a standby fee (the "**Standby Fee**"), as compensation for the availability of the DIP Facility funding. The Standby Fee shall be calculated daily at the rate specified in the Fee Letter multiplied by the unused portion of the Total Availability from time to time, starting on the date of execution and delivery of this DIP Commitment.

The Standby Fee shall be payable to the Agent and the Lenders in arrears on the first Business Day of each calendar month.

The Credit Parties shall pay to the Agent a one-time agency fee in the amount specified in the Fee Letter ("the **"Agency Fee"**") as compensation for the Agent's services under the DIP Facility in its capacity as administrative agent and collateral agent. The Agency Fee shall be earned and payable in cash to the Agent on the date of execution and delivery of this DIP Commitment.

All fees shall be non-refundable under all circumstances.

Expenses:

The Credit Parties shall pay when presented all invoices, accounts and reimbursement requests on account of the reasonable legal fees and disbursements and other costs and expenses incurred by the Agent, the Lenders, the First Lien Lenders, and the Second Lien Lenders in respect of the DIP Facility, the First Lien Loan Agreement, the Second Lien Loan Agreement, and the Proceedings (collectively, the **"Expenses"**). If Expenses are not paid by the Borrowers within three Business Days of presentment for payment, the Agent and Lenders are authorized to pay such Expenses as an advance under the DIP Facility and such amounts will accrue interest at the rate applicable to the principal.

Drawdowns:

Drawdowns under the DIP Facility shall be subject to the following restrictions:

1. Drawdowns shall only be available if, at the time the drawdown is requested by the Borrowers, all conditions precedent set out herein have been, and continue to be, fulfilled.
2. No more than one drawdown shall be available in any one week period following the initial drawdown under the DIP Facility.
3. Each drawdown shall be in an amount equal to not less than \$2 million and increments of \$1 million in excess thereof.
4. The Borrowers shall submit a drawdown request in form and content satisfactory to the Agent and the Lenders, accompanied with an officer's acknowledgement that all conditions precedent and other requirements applicable to such drawdown availability have been satisfied. Each drawdown request must be submitted at least four Business Days (or such shorter period as the Agent and the Lenders may agree) before the date of funding specified therein.

5. Prior to any draw down, the Borrowers must have submitted to the Agent the Cashflow Forecast for the 13 week period commencing in the immediately preceding week.

6. After giving effect to any such drawdown and determined on a pro forma basis with respect to any related expenditures that constitute Permitted Payments, no cash would be payable to the Lenders pursuant to the excess cash sweep provisions of the mandatory prepayment requirements.

7. No Event of Default shall have occurred and be continuing.

Voluntary Prepayments: The DIP Facility may be prepaid in whole or in part without premium or penalty on one Business Day's notice, in a minimum amount of at least \$1 million and in increments of \$1 million in excess thereof. All voluntary prepayments will result in a permanent reduction of the DIP Facility and may not be re-borrowed, unless otherwise agreed by the Agent and the Lenders.

Mandatory Prepayments: The following mandatory prepayments of the DIP Facility are required:

1. Excess Cash Sweep: The Credit Parties shall immediately pay to the Agent, in reduction of the balance outstanding under the DIP Facility, all cash in their control or possession in excess of an aggregate amount, as at the end of any week, of \$10 million on a consolidated basis.

2. Asset Sales: No later than the third Business Day following the date of receipt by any Credit Party, 100% of the net cash proceeds of the sale or other disposition of any Property of any Credit Party (including their equity interests in any other Credit Party), shall be paid in permanent reduction of the balance outstanding under the DIP Facility provided, however, that this requirement shall not apply to: (i) sales or other dispositions of inventory in the ordinary course of the Credit Parties' business; (ii) sales or other dispositions of equipment in the ordinary course of the Credit Parties' business to the extent such proceeds are used within the earlier of (i) the Maturity Date and (ii) 90 days following the date of receipt, to acquire replacement equipment; and (iii) the disposition of the Huntington Property (as defined below).

3. Insurance Proceeds: No later than the third Business Day following the date of receipt by any Credit Party, 100% of the net insurance and condemnation cash proceeds received by any Credit Party on account of any loss of or damage to any Property of a Credit Party shall be paid in permanent reduction of the balance outstanding under the DIP Facility unless such proceeds are used within the earlier of (i) the Maturity Date and (ii) 180 days following the date of receipt, to repair or replace the damaged Property (and, pending any such application, such proceeds shall be retained on a segregated basis by the Credit Parties).

All mandatory prepayments will be applied, without penalty or premium, to the prepayment and permanent reduction of the DIP Facility and may not be re-borrowed, unless otherwise agreed by the Agent and the Lenders.

Cash Management:

The cash management and administration standards and practices of the Credit Parties shall in all material respects be satisfactory to the Agent and the Lenders.

All receipts and collections of the Credit Parties shall be immediately deposited into operating accounts disclosed to the Agent and the Lenders, and shall be subject to the excess cash sweep requirements above. The Credit Parties shall provide timely and accurate reporting to the Agent, the Lenders and the monitor appointed under the CCAA Proceedings of their cash management activities including, without limitation, cash-on-hand balances.

The Credit Parties shall not hold or use any operating accounts other than as may be disclosed to the Agent and the Lenders.

The Credit Parties shall not make any transfer of cash from a Canadian entity to any U.S. Opco until entry of the Recognition Order and the Chapter 15 DIP Order by the U.S. Court, in accordance with the conditions to Stage 2 Availability set out below, except (i) strictly to the extent required in the U.S. operations, (ii) in accordance with the Approved Budget and the Cash Management Order and (iii) by way of formally documented intercompany loan. As set forth above, the Initial Order shall provide that all such intercompany loans shall have the benefit of the Intercompany Lien as set out in the Initial Order.

Remittance of Payments:

All payments made pursuant to this DIP Commitment and the Definitive Documents (including, without limitation, payments of principal, interest, fees (other than the Agency Fee) and expenses)

shall be paid by the Credit Parties directly to each Lender, as applicable, by wire transfer to the accounts specified by such Lender. The Agency Fee and any other amounts owing directly to the Agent shall be paid by the Credit Parties directly to the Agent by wire transfer to the account specified by the Agent.

Conditions Precedent:

All drawdowns in respect of the Stage 1 Availability shall be subject to the continuing fulfillment and satisfaction of all of the following conditions precedent at the time of the drawdown:

(a) the Credit Parties shall have obtained an Initial Order on or before February 22, 2012 in form and content satisfactory to the Agent and the Lenders in their sole and absolute discretion and such Initial Order shall not have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the Agent;

(b) the Credit Parties shall have obtained a temporary restraining order (the "TRO Order") of the U.S. Court in form and content satisfactory to the Agent and the Lenders in their sole and absolute discretion and such order shall not have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the Agent; provided, further, that the Credit Parties shall make best efforts to obtain recognition of the DIP Charge in the TRO Order on a provisional basis;

(c) no Material Adverse Effect shall have occurred since the date of the DIP Commitment;

(d) the Chief Process Supervisor shall have been engaged (and shall remain engaged) by the Credit Parties on terms and conditions satisfactory to the Agent and the Lenders, and shall have been appointed pursuant to the Initial Order;

(e) the Credit Parties shall be in compliance with all orders entered in the Proceedings, and shall be diligently pursuing the successful completion of the Proceedings with a view to, among other things, the implementation and performance of the SISP as a mechanism to achieve the full satisfaction and payment of all obligations owing to the Agent, the Lenders, the First Lien Lenders and the Second Lien Lenders;

(f) the Credit Parties shall be in compliance with all terms and conditions of the DIP Commitment and, if at that time the Definitive Documents have been executed and delivered, the Definitive Documents;

(g) the Agent and Lenders shall have received evidence satisfactory to them that the order(s) of the Canadian Court have created in favor of the Agent and the Lenders valid, enforceable liens on the Property having the priority specified herein securing all funding under the DIP Facility and satisfactory amendments to the guarantees and Existing Security to expressly guarantee and secure all obligations under the DIP Facility;

(h) all orders issued in the Proceedings, and all motions and other documents filed by the Credit Parties in the Proceedings, shall be satisfactory in form and substance to the Agent and the Lenders;

(i) no examiner or any trustee, receiver, interim receiver or receiver and manager shall have been appointed with respect to any or all of the Credit Parties or their respective properties in either the United States or in Canada;

(j) the representations and warranties contained herein or in any Definitive Document shall be true and correct in all material respects except to the extent that such representations and warranties relate only to an earlier date, in which case such representation and warranties shall be true and correct in all material respects at such earlier date; and

(k) no Event of Default shall have occurred under the DIP Commitment or any Definitive Document.

All drawdowns in respect of Stage 2 Availability shall be subject to the continuing fulfillment and satisfaction of all of the following conditions precedent at the time of drawdown:

(a) all conditions precedent set out above in respect of Stage 1 Availability;

(b) the Credit Parties shall have obtained entry by the U.S. Court of (i) the Recognition Order providing for the recognition of the CCAA Proceedings as a "foreign main proceeding" as such term is defined under section 1502(4) of the Bankruptcy Code and (ii) the Chapter 15 DIP Order

approving the DIP Facility and recognizing the DIP Charge; provided further that the Recognition Order and the Chapter 15 DIP Order shall be in form and content satisfactory to the Agent and the Lenders in their sole and absolute discretion;

(c) the Recognition Order and the Chapter 15 DIP Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated or appealed or subject to a stay pending appeal, unless otherwise consented to by the Agent;

(d) the Credit Parties shall be in compliance in all respects with the Chapter 15 DIP Order and, if at the time the Definitive Documents have been executed and delivered, the Definitive Documents;

(e) an order containing cash management arrangements satisfactory to the Agent and the Lenders (the "**Cash Management Order**", which, for certainty, may be the Initial Order) has been entered in the Canadian Court and has been recognized in the Recognition Order or otherwise by the US Court and shall be in full force and effect and shall be in form and substance satisfactory to the Agent and the Lenders; and

(f) each of the orders required under this DIP Commitment shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to any stay pending appeal or otherwise challenged.

Representations and Warranties:

Usual and customary for debtor-in-possession financings of this type (including certain customary and appropriate limitations and exceptions) with due regard to current market conditions, in each case relating to the Credit Parties and satisfactory to the Agent and the Lenders.

Affirmative Covenants:

The DIP Facility shall be subject to all affirmative covenants of the Credit Parties as may be satisfactory to the Agent. For greater certainty, such affirmative covenants shall include, without limitation:

(a) the Additional Covenants set out below;

(b) all such affirmative covenants as may be usual or customary for debtor-in-possession financings of this kind with due regard to current market conditions including, without limitation, in relation to:

- (i) timely and accurate delivery to the Agent of financial statements and other information, reports and materials prepared by or for the Credit Parties;
- (ii) timely provision to the Agent of notices of litigation and notices of default or pending default under or in relation to any debt, agreement, permit, right or other matter of a Credit Party;
- (iii) timely provision to the Agent of all material documents relating to the Proceedings or other court proceedings applicable to the Credit Parties including, without limitation, pleadings, motions, applications, other documents filed with a court, and correspondence relating to any of the foregoing;
- (iv) maintenance of existence of the Credit Parties;
- (v) payment of taxes payable by the Credit Parties or in respect of their property with respect to periods after the granting of the Initial Order;
- (vi) maintenance of the properties of the Credit Parties;
- (vii) maintenance of insurance in respect of the Credit Parties and their properties;
- (viii) cooperation with any syndication efforts of the Agent;
- (ix) maintenance of timely and accurate books and records in respect of the Credit Parties, their properties, and their businesses, and access to same by the Agent;
- (x) allowance of regular inspections of the Credit Parties' properties, business and books and records by or on behalf of the Agent;
- (xi) the holding of timely and complete reporting and update calls and meetings with the Agent, the Lenders, and their representatives;

- (xii) the Credit Parties' compliance with all applicable laws;
 - (xiii) environmental matters regarding the Credit Parties and their properties;
 - (xiv) customary further assurances as to additional collateral, guarantees and security documents for the benefit of the Agent and the Lenders;
 - (xv) the administration of cash management practices and standards in accordance with the Cash Management Order;
 - (xvi) entering into of the Definitive Documents in accordance with the section titled "Definitive Documents" below; and
- (c) all such other affirmative covenants as the Agent may reasonably require.

Negative Covenants:

The DIP Facility shall be subject to all negative covenants of the Credit Parties as may be satisfactory to the Agent. For greater certainty, such negative covenants shall include, without limitation:

- (a) the Additional Covenants set out below;
- (b) all such negative covenants as may be usual or customary for debtor-in-possession financings of this kind with due regard to current market conditions including, without limitation, in relation to:
 - (i) repayment of subordinate ranking indebtedness (including, without limitation, any payments related to litigation or settlements) and the incurrence of prohibited indebtedness;
 - (ii) the creation of liens on, against, or in respect of any of the properties of the Credit Parties;
 - (iii) the making of restricted payments or investments (including intercompany investments, indebtedness or transfers to affiliates except as specified by the Initial Order);
 - (iv) restrictions on equity issuances;

- (v) restrictions on dispositions (including dispositions of equity interests in subsidiaries) outside the ordinary course of the Credit Parties' business except (i) in compliance with the Initial Order, (ii) with the prior written consent of the Agent or (iii) the disposition of the owned real property at 50 Stewart Avenue, Huntington, New York owned by Arctic Glacier New York Inc. (the "**Huntington Property**").
 - (vi) restrictions on acquisitions outside the ordinary course of the Credit Parties' business;
 - (vii) any fundamental change to the Credit Parties, their businesses or their properties;
 - (viii) restrictions on transactions with affiliates (other than cash management arrangements in the ordinary course and consistent with past practice, and permitted by the Cash Management Order and this DIP Commitment);
 - (ix) restrictions on engaging in new businesses;
 - (x) modifications to organizational documents or material agreements;
 - (xi) sales and lease-backs outside the ordinary course of the Credit Parties' business;
 - (xii) the incurrence of (i) indebtedness except for specified permitted indebtedness or (ii) contractual commitments outside the ordinary course of business, in each case without the prior written consent of the Agent;
 - (xiii) uses of funds under the DIP Facility for purposes other than Permitted Payments;
 - (xiv) changes to the Credit Parties' fiscal year or accounting practices; and
 - (xv) capital expenditures, except as specifically provided for in the Approved Budgets; and
- (c) all such other negative covenants as the Agent may reasonably require.

The negative covenants shall not restrict any expenditure, transaction or activity specifically provided for in the Approved Budgets or otherwise consented to by the Agent.

Additional Covenants:

The Credit Parties covenant as follows:

- (a) to at all times remain, and take all actions necessary or available to ensure they remain, in compliance with all orders issued by the CCAA Court or the US Court;
- (b) to take all actions necessary or available to defend the Initial Order, the Recognition Order, the Chapter 15 DIP Order and the Cash Management Order from any appeal, reversal, modification, amendment, stay or vacating not expressly consented to in advance by the Agent and the Lenders;
- (c) within 10 days following the Stage 1 Closing Date, to deliver to the Agent a certificate from the Credit Parties' insurance broker, or other evidence satisfactory to the Agent, that all insurance required to be maintained is in full force and effect, together with endorsements naming the Agent, for the benefit of Lenders, as additional insured and first loss payee thereunder;
- (d) subject to any restrictions set out in the Initial Order in relation to the SISF, to at all times permit and facilitate timely and unrestricted access by the Agent and the Lenders to the monitor appointed in the CCAA Proceedings, the Chief Process Supervisor, and their respective advisors;
- (e) not to take any action (or in any way support the taking of any action by another person) that has, or can have, a material adverse impact on the rights and interests of the Agent, the Lenders, the First Lien Lenders or the Second Lien Lenders including, without limitation, any action in furtherance of challenging the validity, enforceability or amount of the obligations owing in respect of the DIP Facility or the Existing Indebtedness; and
- (f) not to solicit, seek or pursue, or enter into any arrangements with respect to, funding intended to replace or supplement the DIP Facility.

Existing Debt:

The Credit Parties acknowledge receipt of the demand letters dated February 21, 2012 issued in respect of the First Lien Loan and the Second Lien Loan, and acknowledge and agree that Existing Debt in the aggregate amount of US\$23,162,298 and CAD\$7,032,219 (in respect of the First Lien Loan), US\$161,934,039 and CAD\$58,493,011 (in respect of the Second Lien Loan) and US\$125,000 and CAD\$428,383 (in respect of unreimbursed expenses), is due and payable as at February 21, 2012 under the applicable documentation.

The Credit Parties shall not contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing): (i) the amount of the Lenders' claim for the Existing Debt as hereby acknowledged and agreed, together with all other amounts that may become due or payable in respect of the Existing Debt following the date of this DIP Commitment; and (ii) the validity and enforceability of the Existing Debt or of any agreements and documents relating thereto. The Credit Parties further covenant to, and hereby, release the First Lien Lenders and Second Lien Lenders, and their respective predecessors, successors, agents, advisors and representatives, of and from all claims and liabilities relating to any act or omission prior to the date of this DIP Commitment.

Contingency Planning:

The Credit Parties shall at all times, including without limitation throughout the process contemplated by the SISP, diligently and in good faith pursue the development, negotiation and documentation of a contingency plan satisfactory to the Agent, the Lenders, the First Lien Lenders and the Second Lien Lenders to be promptly implemented upon the non-compliance with any deadline or other requirement of the SISP or the failure of the SISP to give rise to a potential transaction capable of being completed in compliance with its terms and conditions (as they may be set out in the Initial Order) and with those of all applicable agreements and court orders. The Credit Parties shall at all times engage in timely and diligent discussions and other activities with the Agent, the Lenders, the First Lien Lenders and the Second Lien Lenders with a view to giving effect to this covenant and contingency plan

Reporting:

The Credit Parties shall provide to the Agent and the Lenders:

(a) reports, in a form reasonably acceptable to the Agent on a weekly basis (with delivery of the applicable report or document to be made within four Business Days of the end of each calendar week), setting forth (i) the actual receipts and disbursements for the reporting period; (ii) a line-by-line comparison of the actual disbursements of the Credit Parties against the projections set forth in the applicable Approved Budget; (iii) the sum of each line item in the Approved Budget since the commencement of the Proceedings; (iv) a statement disclosing the current cash balance in all accounts of the Credit Parties; (v) an updated 13-week rolling cashflow forecast (including a rolling 24-week totals column) in form and substance satisfactory to the Agent setting forth all estimated receipts and disbursements on a weekly basis for the next succeeding 13-week period (the "**Cashflow Forecast**"); and

(vi)) the amounts owing to Critical Suppliers (as defined in the Initial Order) which are secured by the Critical Supplier Charge.

(b) within 15 Business Days following each fiscal month, a consolidated balance sheet and related statement of operations and cash flows showing the financial position of the Credit Parties as of the close of such fiscal month, and setting forth:

(i) in comparative form the corresponding figures for the corresponding period in the prior fiscal year; and

(ii) calculation of the EBITDA Covenant;

(c) promptly after the submission thereof, a copy of any reports submitted to the Board of Directors or Board of Trustees of any of the Credit Parties, excluding any reports which the Board of Trustees or the Board of Directors, as the case may be, have identified as privileged or confidential;

(d) timely and accurate information regarding the Proceedings including, without limitation, the activities of the Credit Parties or its stakeholders;

(e) timely and accurate information regarding any matter (whether in relation to the Proceedings, the Credit Parties' business or properties, or otherwise) which might reasonably be expected to be of interest to, or which could have a material impact on, the Agent, the Lenders, the First Lien Lenders or the Second Lien Lenders or their respective rights and interests in the Credit Parties; and

(f) from time to time, such other information and materials regarding the Proceedings and the operations, business affairs and financial condition of the Credit Parties as the Agent and the Lenders may reasonably request.

Financial Covenants:

The Borrowers must maintain (on a consolidated basis) a minimum EBITDA of \$38 million to be tested on the last day of each calendar month for the immediately preceding trailing twelve month period (the "**EBITDA Covenant**"). EBITDA shall be defined in a manner consistent with the Second Lien Loan Agreement subject to normalizing adjustments for one-time expenses relating to the Proceedings and identified in the Approved Budget.

Events of Default:

The DIP Facility shall be subject to the following events of default ("**Events of Default**"):

- (i) any covenant, condition precedent, payment obligation, or other term or condition of the DIP Commitment or the Definitive Documents is not complied with or fulfilled to the satisfaction of the Agent and the Lenders;
- (ii) the authorization, approval or payment by or on behalf of the Credit Parties of any type of expenditure not permitted by the applicable court orders or not specifically provided for in the Approved Budgets;
- (iii) the failure by the Credit Parties to meet any milestone provided for in the DIP Commitment or the Definitive Documents unless agreed to by the Agent;
- (iv) the Credit Parties' failure to comply with any of the reporting requirements in the DIP Commitment or the Definitive Documents;
- (v) the seeking or support by the Credit Parties of any court order (in the Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Agent, Lenders, First Lien Lenders or Second Lien Lenders;
- (vi) the issuance of any order in the Proceedings which is adverse in any material respect to the interests of the Agent, the Lenders, the First Lien Lenders, or the Second Lien Lenders (including, without limitation, as to the amount of the Existing Debt as acknowledged and agreed herein);
- (vii) the issuance of any court order lifting the stay of proceedings in, or discontinuing, the Proceedings;
- (viii) the commencement of any bankruptcy or insolvency proceeding in any jurisdiction by or in respect of the Credit Parties other than the Proceedings;
- (ix) the termination of the Chief Process Supervisor without the prior consent of the Agent, or the resignation of the Chief Process Supervisor without the Credit Parties' prompt appointment of a replacement satisfactory to the Agent and the Lenders;
- (x) the appointment of a receiver, interim receiver, examiner, trustee in bankruptcy or similar official in respect of a Credit Party, or the making of a bankruptcy order against a Credit Party in either the United States or in Canada;

- (xi) the issuance of any order in the Proceedings granting any claim or lien with equal or greater priority to the DIP Charge against the Property or any portion thereof (other than the Carve-Out);
- (xii) the issuance of any court order staying, reversing, vacating or otherwise modifying the terms of the DIP Facility or the DIP Charge;
- (xiii) the initiation of any challenge to the validity, perfection, priority or enforceability of the DIP Charge, the DIP Facility, the Loan Agreements, the Security Documents, the First Lien Lenders' rights and interests, or the Second Lien Lenders' rights and interests;
- (xiv) the sale of any Property of the Credit Parties outside the ordinary course of their business otherwise than in accordance with this DIP Commitment;
- (xv) the occurrence of a Change of Control;
- (xvi) the failure of the Credit Parties to comply with any of the requirements set out in the SISP, or any amendment, modification or revision thereto without the prior written consent of the Agent and the Lenders;
- (xvii) the failure of any Credit Party to make prompt payment of all interest and other amounts payable in respect of the First Lien Loan Agreement (including, without limitation, all fees payable to the Agent and Lenders and any default interest);
- (xviii) the failure of a Credit Party to make prompt payment of all Expenses;
- (xix) the occurrence after the commencement of the CCAA Proceedings of an event or condition which results, considered alone or together with all such other events and conditions, in a Material Adverse Effect (determined in the reasonable judgment of the Agent and the Lenders);
- (xx) if the aggregate amount secured by the Critical Supplier Charge at any time exceeds CAD\$2 million; and
- (xxi) such other events of default as may be required by the Agent including, without limitation, such events of default as are usual or customary for debtor-in-possession

financings of this kind with due regard to current market conditions.

Definitive Documents:

The Credit Parties shall execute and deliver to the Agent and the Lenders, within 10 Business Days of delivery of initial drafts thereof, Definitive Documents, which must be consistent in all respects with the DIP Commitment and otherwise in form and content satisfactory to the Agent and the Lenders including, without limitation, a definitive credit agreement, security documents and opinions of counsel to the Credit Parties.

Assignments and Participations:

The Lenders may assign all or any part of their respective loans or commitments under the DIP Facility to any of their affiliates or managed funds or other vehicles or one or more assignees which are acceptable to the Agent. Upon such assignment, such affiliate or assignee will be a Lender for all purposes under the DIP Facility; *provided* that assignments made to affiliates and managed funds or other vehicles of any Lender, or to other existing Lenders, will not be subject to the above described consent requirements. A processing fee in the amount of \$3,500 will be payable to the Agent by any assignee in connection with any such assignment (other than any assignments made to affiliates and managed funds or other vehicles of any Lender, or to other existing Lenders.) The Lenders also have the right to sell participations, subject to customary limitations on voting rights acceptable to the Agent and the Lenders in their sole discretion, in their respective loans or commitments under the DIP Facility.

Required Lenders:

Amendments and waivers under the DIP Facility require the approval of Lenders holding more than 50% of the DIP Commitment (collectively, the **"Required Lenders"**) provided that, in addition thereto, the consent of each affected Lender shall be required with respect to (i) increases in the DIP Commitment of such Lender, (ii) waivers, reductions or postponements of scheduled payment of principal, interest or fees payable to such Lender, (iii) extensions of final maturity of the loans or DIP Commitments of such Lender, (iv) modifications to this paragraph or the definition of "Required Lenders" herein, and (v) releases of all or substantially all of the value of the Guarantees or all or a material portion of the Property.

**Taxes, Expense
Reimbursement,
Indemnification and
Judgment Currency:**

Usual and customary for debtor-in-possession financings of this kind with due regard to current market conditions, in each case satisfactory to the Agent and the Lenders in their sole discretion.

**Governing Law and
Jurisdiction:**

The Credit Parties, the Agent and the Lenders submit to the exclusive jurisdiction and venue of (a) the CCAA Court and (b) to the extent applicable, the US Court (except to the extent the Agent requires submission to any other jurisdiction in connection with the enforcement of any judgment). In the event that the Courts do not have or do not exercise jurisdiction, the Credit Parties, the Agent, and the Lenders submit to the exclusive jurisdiction and venue in any court of competent jurisdiction in the Province of Ontario. The Credit Parties, the Agent and the Lenders waive any right to trial by jury. Ontario law governs the DIP Facility.

Counsel to the Lenders:

Torys LLP (as Canadian counsel) and Milbank Tweed Hadley & McCloy LLP (as U.S. counsel).

The parties have executed this Term Sheet as of the date first stated above:

ARCTIC GLACIER INC.,
as a Borrower

By: _____
Name:
Title:

ARCTIC GLACIER INTERNATIONAL INC.,
as a Borrower

By: _____
Name:
Title:

CPPIB CREDIT INVESTMENTS INC.,
as Administrative Agent and a Lender (as to
72.97297% of the DIP Facility)

By: _____
Name:
Title:

[Signature page to DIP Term Sheet]

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES LIMITED PARTNERSHIP,**
as a Lender (as to 0.72972981% of the DIP Facility)

By: _____
Name:
Title:

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES (USA) LIMITED
PARTNERSHIP,**
as a Lender (as to 2.24324349% of the DIP Facility)

By: _____
Name:
Title:

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES GLOBAL MASTER L.P.,**
as a Lender (as to 24.0540567% of the DIP Facility)

By: _____
Name:
Title:

[Signature page to DIP Term Sheet]

SCHEDULE 1

Guarantors

Arctic Glacier Income Fund
Arctic Glacier California Inc.
Arctic Glacier Grayling Inc.
Arctic Glacier Income Fund
Arctic Glacier Lansing Inc.
Arctic Glacier Michigan Inc.
Arctic Glacier Minnesota Inc.
Arctic Glacier Nebraska Inc.
Arctic Glacier New York Inc.
Arctic Glacier Newburgh 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 Wisconsin Inc.
Arctic Glacier Vernon Inc.
Diamond Ice Cube Company Inc.
Diamond Newport Corporation
Glacier Ice Company, Inc.
Glacier Valley Ice Company, L.P.
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.

SCHEDULE 2

Weekly Drawdown Limits*

Week 1 24 - Feb	10,000,000
Week 2 2-Mar	18,000,000
Week 3 9-Mar	23,000,000
Week 4 16-Mar	27,000,000
Week 5 23-Mar	27,000,000
Week 6 30-Mar	31,000,000
Week 7 6-Apr	35,000,000
Week 8 13-Apr	35,000,000
Week 9 20-Apr	37,000,000
Week 10 27-Apr	40,000,000
Week 11 4-May	45,000,000
Week 12 11-May	45,000,000
Week 13 18-May	47,000,000
Week 14 25-May	47,000,000
Week 15	50,000,000

1-Jun	
Week 16 8-Jun	50,000,000
Week 17 15-Jun	50,000,000
Week 18 22-Jun	50,000,000
Week 19 29-Jun	50,000,000

***Limits are expressed in any combination of U.S. and CAD.**

EXHIBIT A

Definitions

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c.B-3, as amended.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario and Winnipeg, Manitoba.

“**Canadian Court**” means the Court of Queens Bench (Winnipeg Centre) having carriage of the CCAA Proceedings.

“**Change of Control**” means any of the following events:

- (a) the occurrence of any transaction or event as a result of which any Person (or group of Persons acting in concert) shall purchase or acquire legal or beneficial ownership, either directly or indirectly, of voting units of Arctic Glacier Income Fund which carry more than 50% of the votes for the election of trustees of Arctic Glacier Income Fund;
- (b) the failure of Arctic Glacier Income Fund to directly own beneficially and of record on a fully diluted basis 100% of the outstanding Equity Interest of the Arctic Glacier Inc. free and clear of all Encumbrances (other than Encumbrances in favour of the Lenders, the First Lien Lenders or the Second Lien Lenders);
- (c) the failure of the Arctic Glacier Inc. to directly or indirectly own beneficially and of record on a fully diluted basis 100% of the outstanding Equity Interests of the Arctic Glacier International Inc. and each of its other subsidiaries on the date hereof (other than Encumbrances in favour of the Lenders, the First Lien Lenders or the Second Lien Lenders);
- (d) a majority of the seats (other than vacant seats) on the board of directors of any Borrower is occupied by individuals who were neither nominated by the board of directors of such Borrower nor appointed with the approval of directors so nominated; or
- (e) any event, transaction or occurrence as a result of which (i) Keith W. McMahon shall cease to be actively engaged as the President and Chief Executive Officer of the Arctic Glacier Inc. or (ii) Doug Bailey shall cease to be actively engaged as Chief Financial Officer of the Arctic Glacier Inc.

“**Chief Process Supervisor**” means the chief process supervisor pursuant to the engagement letter dated February 22, 2012.

“DIP Charge” means a super priority security interest and charge over all Property of the Debtors to secure any advances under the DIP Facility, having the priority set out in the Initial Order.

“Encumbrance” means any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, hypothecation, security interest (including a purchase money security interest), or other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests or units in a trust, warrants, options, or any other equity interests in any Person.

“Existing Debt” means any indebtedness or liability of the Credit Parties under the First Lien Loan Agreement and the Second Lien Loan Agreement from time to time.

“Existing Security” means (i) the charge and security interest held by CPP Credit Investments Inc. (as successor to The Toronto-Dominion Bank), as master collateral agent for the First Lien Lenders and the Second Lien Lenders over the Property of the Credit Parties (or any portion thereof) existing immediately prior to the date of the Initial Order as security for the Existing Debt and (ii) the charge and security interest held by Computershare Trust Company of Canada, as trustee, over the Property of the Credit Parties (or any portion thereof) existing immediately prior to the date of the Initial Order, as security for the Existing Debt.

“First Lien Lenders” means each of the lenders under the First Lien Loan Agreement.

“First Lien Loan Agreement” means the fourth amended and restated loan agreement dated as of February 10, 2010 by and among, among others, CPPIB Credit Investments Inc., as Canadian and U.S. administration agent (as successor to The Toronto-Dominion Bank and Toronto Dominion (Texas) LLC, respectively), Arctic Glacier Inc., as Canadian borrower, Arctic Glacier International Inc., as U.S. borrower, Arctic Glacier Income Fund and certain direct or indirect subsidiaries of the borrowers, as guarantors, and the lenders party thereto from time to time, as amended, modified, supplemented, amended and restated or replaced from time to time.

“Initial Order” means an Order of the Canadian Court, commencing the CCAA Proceedings in respect of all of the Credit Parties, in the form attached hereto as Exhibit B.

“Material Adverse Effect” means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, results in a material adverse effect) on: (i) the business, operations, Property, financial condition or prospects of the Credit Parties, measured as a whole; (ii) the ability of any Credit Party to perform any of its obligations under or in connection with the DIP Facility; (iii) the ability of the Agent or Lenders to enforce any of the obligations of any of the Credit Parties under this or in connection with the DIP Facility, in each case in accordance with applicable law; (iv) the enforceability or priority of security interests and

liens in favour of the Agent on behalf of the Lenders; or (v) the value of the Property of any Credit Party.

“Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or governmental authority.

“Property” means all of the Credit Parties’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof.

“Recognition Order” means an order of the US Court recognizing the Initial Order pursuant to chapter 15 of the Bankruptcy Code and the CCAA Proceedings as foreign main proceedings.

“Second Lien Lenders” means each of the lenders under the Second Lien Loan Agreement.

“Second Lien Loan Agreement” means the loan agreement dated as of February 10, 2010 by and among, among others, CPPIB Credit Investment Inc., as administrative agent, Arctic Glacier Inc., as Canadian borrower, Arctic Glacier International Inc., as U.S. borrower, Arctic Glacier Income Fund and certain direct or indirect subsidiaries of the borrowers, as guarantors, and the lenders party thereto from time to time, as amended, modified, supplemented, amended and restated or replaced from time to time.

“SISP” means the Sale and Investor Solicitation Process attached as Schedule B to the Initial Order.

“Total Availability” means \$US24.0 million and CAD\$26.0 million, being the maximum principal amount of the availability under the DIP Facility, as such amount maybe reduced from time to time in accordance with this DIP Commitment.

“US Court” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 15 Proceeding.

EXHIBIT B
Initial Order

The parties have executed this Term Sheet as of the date first stated above:

ARCTIC GLACIER INC.,
as a Borrower

By: _____
Name:
Title:

ARCTIC GLACIER INTERNATIONAL INC.,
as a Borrower

By: _____
Name:
Title:

CPPIB CREDIT INVESTMENTS INC.,
as Administrative Agent and a Lender (as to
72.97297% of the DIP Facility)

By: _____
Name:
Title:

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES LIMITED PARTNERSHIP,**
as a Lender (as to 0.72972981% of the DIP Facility)

By: _____
Name:
Title:

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES (USA) LIMITED
PARTNERSHIP,**
as a Lender (as to 2.24324349% of the DIP Facility)

By: _____
Name:
Title:

**WEST FACE CAPITAL INC. in its capacity as
advisor for WEST FACE LONG TERM
OPPORTUNITIES GLOBAL MASTER L.P.,**
as a Lender (as to 24.0540567% of the DIP Facility)

By: _____
Name:
Title:

CONFIRMATION AND AMENDMENT OF SECURITY

This Confirmation and Amendment of Security (this "**Agreement**") is made as of February 21, 2012 between the Arctic Glacier Inc., Arctic Glacier International Inc., the other Obligor (as defined below) and CPPIB Credit Investments Inc. ("**CPPIB**"), acting in the various capacities described below.

RECITALS:

A. Pursuant to the Fourth Amended and Restated Loan Agreement dated as of February 10, 2010 (as amended, modified, supplemented, amended and restated or replaced from time to time, the "**Senior Facility Loan Agreement**") initially between The Toronto-Dominion Bank, as (among other roles) Canadian administration agent, Toronto Dominion (Texas) LLC, as U.S. administration agent, Arctic Glacier Inc., as Canadian borrower (the "**Canadian Borrower**"), Arctic Glacier International Inc., as U.S. borrower (the "**U.S. Borrower**" and together with the Canadian Borrower, the "**Borrowers**"), The Toronto-Dominion Bank, The Bank of Nova Scotia and Roynat Inc. as Canadian lenders and Toronto Dominion (New York), Inc., The Bank of Nova Scotia and Roynat Business Capital Inc., as U.S. lenders (collectively, the "**Original Senior Facility Lenders**"), and Arctic Glacier Income Fund (the "**Fund**") and certain direct or indirect subsidiaries of the Borrowers, as guarantors (collectively, the "**Guarantors**"), the Original Senior Facility Lenders extended credit to the Canadian Borrower and the U.S. Borrower on the terms and conditions set forth therein.

B. Pursuant to a Loan Agreement dated as of February 10, 2010 (as amended, modified, supplemented, amended and restated or replaced from time to time, the "**Subordinated Facility Loan Agreement**") between CPPIB, as administrative agent (in such capacity, together with any successors and assigns, the "**Subordinated Facility Agent**"), the Canadian Borrower and the U.S. Borrower, as borrowers, CPPIB, West Face Long Term Opportunities Limited Partnership, West Face Long Term Opportunities (USA) Limited Partnership, and West Face Long Term Opportunities Master Fund L.P. and such other lenders as may from time to time be party thereto (in such capacity and together with any successors and assigns being, collectively, the "**Subordinated Facility Lenders**") and the Guarantors, as guarantors, the Subordinated Facility Lenders extended credit to the Canadian Borrower and U.S. Borrower on the terms and conditions set forth therein.

C. The Senior Facility Obligations and the Subordinated Facility Obligations are guaranteed by the Guarantors pursuant to certain guarantees issued by the Guarantors in favour of the Master Collateral Agent for the benefit of the Benefited Creditors including, without limitation, the Master U.S. Guaranty dated as of December 9, 2004 by the U.S. Borrower and certain of its direct and indirect U.S. Subsidiaries in favour of the Master Collateral Agent, as supplemented by each joinder thereto (as so supplemented, the "**U.S. Guaranty**") and the Amended and Restated Master Canadian Guarantee dated as of February 10, 2010 by the Canadian Borrower and the Fund in favour of the Master Collateral Agent (the "**Canadian Guarantee**") (such guarantees and any similar guarantees issued to the Master Collateral Agent by any Credit Party in the future, being the "**Joint Guarantees**").

D. The Joint Guarantees are secured by a security interest in favor of the Master Collateral Agent for the benefit of the Benefited Creditors and the Master Collateral Agent in substantially all personal and real property of the Credit Parties (other than the Canadian Borrower), and the Senior Facility Obligations and Subordinated Facility Obligations of the Canadian Borrower are secured by security interests granted in favour of Computershare Trust Company of Canada, as trustee (the "**Trustee**") (all real and personal property collateral securing the Senior Facility Obligations and the Subordinated Facility Obligations, if any, the "**Joint Collateral**"), pursuant to one or more pledges, security agreements, mortgages, trust deeds or other encumbrances executed by the Obligor in favour of the Master Collateral Agent or the Trustee for the benefit of the Benefited Creditors including, without limitation, each security document, mortgage and trust deed listed on Exhibit A hereto (the "**Joint Security Documents**").

E. Pursuant to an assignment and assumption agreement dated as of December 14, 2011 (the "**Assignment**"), the Original Senior Facility Lenders assigned, and each of CPPIB, West Face Long Term Opportunities Limited Partnership and West Face Long Term Opportunities (USA) Limited Partnership (collectively, the "**Assignees**") assumed, all of the Original Senior Facility Lenders' interests in the Senior Facility Loan Agreement (the Assignees, together with any other lenders party to the Senior Facility Loan Agreement after the date hereof and from time to time, collectively, the "**Senior Facility Lenders**").

F. Pursuant to an agency resignation and acceptance agreement dated as of December 14, 2011, The Toronto-Dominion Bank and Toronto Dominion (Texas) LLC resigned from their position as Canadian administration agent and U.S. administration agent, respectively, under the Senior Facility Loan Agreement and all other Senior Facility Documents, and CPPIB accepted the appointment by the Senior Facility Lenders as Canadian administration agent (in such capacity, together with any permitted successors and assigns, the "**Senior Facility Agent**") and U.S. administration agent.

G. Pursuant to the Third Amended and Restated Intercreditor Agreement dated as of December 14, 2011 (as amended, modified, supplemented, amended and restated or replaced from time to time, the "**Intercreditor Agreement**"), between the Senior Facility Agent, the Subordinated Facility Agent, and CPPIB (as successor to The Toronto-Dominion Bank pursuant to the Assignment) as Master Collateral Agent (in such capacity, together with any successors and assigns, the "**Master Collateral Agent**") for the Senior Facility Agent, the Senior Facility Lenders, the Subordinated Facility Agent, the Subordinated Facility Lenders and any other Benefited Creditors which from time to time become parties to the Intercreditor Agreement, the parties set out, among other things, the entitlement of the Benefited Creditors to the Joint Guarantees and the Joint Security Documents, and the relative priorities of the Senior Facility Obligations and the Subordinated Facility Obligations.

H. Pursuant to the DIP Facility Term Sheet dated the date hereof between Arctic Glacier Inc. and Arctic Glacier International Inc., as borrowers (in that capacity, the "**DIP Borrowers**"), CPPIB, as administrative agent (in that capacity, the "**DIP Facility Agent**"), and CPPIB and funds managed by West Face Capital Inc., as initial lenders (such funds together with CPPIB in its capacity as lender and such other lenders as may from time to time be party thereto,

the "**DIP Lenders**"), the DIP Lenders agreed to extend a debtor-in-possession financing facility (the "**DIP Facility**") to the DIP Borrowers on the terms and conditions set forth therein.

I. It is a condition of the DIP Facility that the obligations of the DIP Borrowers arising under or in connection with the DIP Facility from time to time (the "**DIP Facility Obligations**") be entitled to the benefit of the Joint Guarantees and, on a first priority basis, to the benefit of the Joint Security Documents and the Joint Collateral.

J. The parties hereto have agreed to designate the DIP Facility Agent and the DIP Lenders as Benefited Creditors under the Intercreditor Agreement and to confirm their entitlement to the benefit of the Joint Guarantees, the Joint Security Documents and the Joint Collateral.

NOW THEREFORE the parties hereto agree as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein have the meanings given to them in the Intercreditor Agreement.
2. **Confirmation and Extension of Existing Security.** The Obligors acknowledge that it is a condition of the DIP Lenders extending credit under the DIP Facility that the DIP Facility Agent and the DIP Lenders receive the benefit of the Joint Guarantees, the Joint Security Documents and the Joint Collateral. In order to give effect to such agreement, and constitute the DIP Facility Agent and the DIP Lenders as Benefited Creditors under the Intercreditor Agreement, the parties agree, pursuant to Section 17(b) of the Intercreditor Agreement, that the defined terms contained in Section 1 of the Intercreditor Agreement are hereby amended as follows:
 - (a) "Benefited Creditors" is amended such that the class of constituent creditors belonging thereto is broadened to include the DIP Lenders;
 - (b) "Benefited Creditor Documents" is amended such that the class of constituent documents belonging thereto is broadened to include the DIP Term Sheet, all related documents delivered by the Credit Parties thereunder and all Definitive Documents (as defined in the DIP Term Sheet) when entered into (collectively, the "**DIP Facility Documents**");
 - (c) "Obligations" is amended to also include the DIP Facility Obligations;
 - (d) "Event of Default" is amended to also include an Event of Default as defined in the DIP Facility Documents, where the context requires;
 - (e) "Principal Agreements" is amended to also include the DIP Term Sheet and, when entered into, the credit agreement forming part of the Definitive Documents; and
 - (f) "Total Obligations" is amended to also include the DIP Facility Obligations;

and the parties further agree that all other provisions of the Intercreditor Agreement shall be construed to give effect to the foregoing, as the context requires.

3. Each of the Obligors acknowledges and agrees that, after giving effect to this Agreement:
 - (a) each Joint Guarantee to which it is a party constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms and conditions in full force and effect and, in addition to guaranteeing the Senior Facility Obligations and the Subordinated Facility Obligations, also guarantees the DIP Facility Obligations; and
 - (b) each Joint Security Document to which it is a party constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms and continues in full force and effect in favour of the Master Collateral Agent and the Trustee, as applicable, for the benefit of, in addition to the Senior Facility Lenders and the Subordinated Facility Lenders, the DIP Lenders.
4. **Debentures.** In order to further give effect to the provisions of Section 2, the Obligors agree to cause, and the other parties hereto (other than the DIP Facility Agent and the DIP Lenders) hereby consent to, the issuance under the Trust Deeds of Debentures (as defined in the Trust Deeds) in favour of CPPIB, in its capacity as collateral agent under the DIP Facility, in the face amount of \$50,000,000 per Debenture, and to cause (or permit, as applicable) such Debentures to be pledged in favour of CPPIB pursuant to Debenture Pledge Agreements in substantially the same form as those entered into in favour of the Senior Facility Agent and the Subordinated Facility Agent. Such Debentures and Debenture Pledge Agreements shall for all purposes constitute "Definitive Documents" for purposes of the DIP Term Sheet.
5. **Confirmation of Appointment of CPPIB as Master Collateral Agent.** The DIP Facility Agent and each DIP Lender hereby confirms the appointment of CPPIB as Master Collateral Agent on behalf of the DIP Facility Agent and the DIP Lenders pursuant to the Intercreditor Agreement, and each other party hereto acknowledges such appointment.
6. **Priority Matters.** The parties hereto agree that for purposes of Section 6 of the Intercreditor Agreement (*Basic Understanding*) and Section 11 of the Intercreditor Agreement (*Distributions/Turnover of Collateral*), the DIP Facility Obligations shall rank senior and prior to the Senior Facility Obligations and the Subordinated Facility Obligations, and such Sections shall be construed accordingly. The parties further agree that it is intended that the Debentures issued to the DIP Lenders pursuant to Section 4 above rank ahead of the Debentures issued to the Senior Facility Agent and the Subordinated Facility Agent, and that they shall take all such steps and enter into such documents as are reasonably required by the DIP Facility Agent to give effect thereto.
7. **Enforcement of Joint Security Documents.** For purposes of, and notwithstanding the terms of, Section 10 and Section 12 of the Intercreditor Agreement, the parties agree that the Master Collateral Agent shall (i) not take actions and exercise remedies under the

Joint Guarantees and Joint Security Documents without the consent of the DIP Facility Agent, and (ii) take actions and exercise remedies under the Joint Guarantees and Joint Security Documents upon the written request or written instruction of the DIP Facility Agent (with or without the consent or direction of the Senior Facility Agent and the Subordinated Facility Agent).

8. **U.S. Security Documents.** To further give effect to the provisions of Section 2, each Obligor (other than Arctic Glacier Inc. and Arctic Glacier International Inc.) and each other party hereto further acknowledges and agrees that:
- (a) the term "Obligations" as used in the U.S. Guaranty and the U.S. Security Agreement comprised in the Joint Security Documents (the "**U.S. Security Agreement**") includes all DIP Facility Obligations;
 - (b) the term "Benefited Creditors" as used in the U.S. Guaranty and the U.S. Security Agreement includes the DIP Lenders;
 - (c) the term "Benefited Creditor Documents" as used in the U.S. Guaranty and the U.S. Security Agreement includes the DIP Facility Documents; and
 - (d) its guarantee obligations under Section 1 of the U.S. Guaranty are expanded to include all of the DIP Facility Obligations.
9. **Borrower Information.** Each of the Guarantors confirms that it shall independently keep apprised of the financial position of the Borrowers and acknowledges that the DIP Facility Agent and the DIP Lenders have no obligation to the Guarantors to do so or to give notice of any entering into, advances under or amendments to the DIP Term Sheet or the Definitive Documents. Each of the Guarantors acknowledges and confirms that it has received a copy of the DIP Term Sheet and understands and consents to the terms thereof.
10. **Nature of Amendments and Defined Terms.** It is acknowledged and agreed that the terms of this Agreement are in addition to and, unless specifically provided for, do not limit, restrict, modify, amend or release any of the understandings, agreements or covenants contained in the DIP Term Sheet or the Definitive Documents when entered into.
11. **Further Assurances.** Each of the parties hereto (other than the DIP Lenders) agrees to execute such further assurances, acknowledgements, agreements and other documents as may reasonably be required by the DIP Facility Agent or the DIP Lenders for the purpose of giving effect to this Agreement.
12. **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of Manitoba and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract and the parties hereby submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.
13. **Enurement.** The provisions hereof shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. For greater certainty, CPPIB shall

be entitled to assign all of its rights under this Agreement in connection with the assignment or assumption of any of the capacities in which it is a party hereto.

14. **Counterparts and Electronic Delivery.** This agreement may be executed in any number of counterparts (including counterparts by facsimile or other functionally equivalent electronic means) and all of such counterparts taken together shall be deemed to constitute one and the same agreement.

- signature pages follow -

This Agreement is executed and effective as of the date first stated above:

ARCTIC GLACIER INCOME FUND

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER INTERNATIONAL INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER NEBRASKA INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER NEW YORK INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ICE PERFECTION SYSTEMS INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER NEWBURGH INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER PENNSYLVANIA INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

DIAMOND ICE CUBE COMPANY INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER WISCONSIN INC.

Per: _____
(Authorized Signing Officer)

Per: _____

(Authorized Signing Officer)

ARCTIC GLACIER MICHIGAN INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER SERVICES INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

R & K TRUCKING, INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER PARTY TIME INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

WONDERLAND ICE, INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER GRAYLING INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

KNOWLTON ENTERPRISES, INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**WINKLER LUCAS ICE AND FUEL
COMPANY d/b/a MID-MICHIGAN ICE CO.
INC.**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER CALIFORNIA INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER VERNON INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

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

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER ROCHESTER INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

JACK FROST ICE SERVICE, INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

GLACIER ICE COMPANY, INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

MOUNTAIN WATER ICE COMPANY

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

DIAMOND NEWPORT CORPORATION

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER LANSING INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER MINNESOTA INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER OREGON INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ARCTIC GLACIER TEXAS INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ICESURANCE INC.

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**CPPIB CREDIT INVESTMENTS INC., as
Senior Facility Agent**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**CPPIB CREDIT INVESTMENTS INC., as
Subordinated Facility Agent**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**CPPIB CREDIT INVESTMENTS INC., as DIP
Facility Agent**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

CPIB CREDIT INVESTMENTS INC., as
Master Collateral Agent

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

EXHIBIT A

JOINT SECURITY DOCUMENTS^{1 2}

MASTER AGREEMENTS & JOINDERS

1. Master Canadian Guarantee executed by the Fund, the Canadian Borrower, 3084435 Nova Scotia Company (“**3084435**”) and 101049005 Saskatchewan Ltd. (“**101049005**”) dated as of December 9, 2004 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent (as defined in the Intercreditor Agreement).
 - (a) Joinder dated April 5, 2007 executed by Titanic Ice Limited.
 - (b) Joinder dated December 18, 2007 executed by Northern Ice Company Inc.
2. Master Canadian General Security Agreement executed by the Fund, 3084435 and 101049005 dated as of December 9, 2004 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
 - (a) Joinder dated April 5, 2007 executed by Titanic Ice Limited.
 - (b) Joinder dated December 18, 2007 executed by Northern Ice Company Inc.
3. Master Canadian Securities Pledge Agreement executed by the Fund and 3084435 dated as of December 9, 2004 respecting securities and intercorporate notes of the Subsidiaries of the Fund and 3084435, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
 - (a) Joinder dated April 5, 2007 executed by Titanic Ice Limited.

¹ Pursuant to the December 31, 2008 Reorganization:

- All of the property, assets, business, liabilities, obligations and duties of Titanic Ice Limited were assigned to and assumed by its sole shareholder, the Canadian Borrower.
- All of the property, assets, business, liabilities, obligations and duties of Northern Ice Company Inc. were assigned to and assumed by its sole shareholder, the Canadian Borrower.
- South Bay Ice LLC and Arctic Glacier California Inc. merged and continued as **Arctic Glacier California Inc.**
- KAMA, Arctic Nebraska and Arctic Iowa merged and continued as **Arctic Glacier Nebraska Inc.**
- North Star, Arctic North Dakota and Iceberg merged to continue as **Arctic Glacier Minnesota Inc.**
- Plainview and Host Ice merged to continue as **Arctic Glacier Texas Inc.**

² Pursuant to the December 31, 2009 Reorganization:

- All of the property, assets, business, liabilities, obligations and duties of 3084435 Nova Scotia Company were assigned to and assumed by its sole shareholder, the Canadian Borrower (after the shares of 3084435 Nova Scotia Company were transferred from the Fund)
- All of the property, assets, business, liabilities, obligations and duties of 101049005 Saskatchewan Ltd. were assigned to and assumed by its sole shareholder, the Canadian Borrower (after the shares of 101049005 Saskatchewan Ltd. were transferred from 3084435 Nova Scotia Company)
- Springdale Ice Company, Huntington Distribution Inc., Arctic Glacier Losquadro Inc. and Arctic Glacier New York Inc. merged and continued as **Arctic Glacier New York Inc.**
- Brandywine Ice Co. and Arctic Pennsylvania Inc. merged to continue as **Arctic Glacier Pennsylvania Inc.**
-

- (b) Joinder dated December 18, 2007 executed by Northern Ice Company Inc.
- 4. Master Guaranty executed by Arctic North Dakota, Arctic Nebraska, Plainview, Arctic Iowa, Iceberg, Ice Perfection Systems, KAMA, Host Ice, North Star, Arctic Pennsylvania, Arctic Glacier New York, Springdale, Diamond, Brandywine, Arctic Newburgh and Arctic IP dated December 9, 2004 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
 - (a) Joinder dated December 23, 2004 executed by Arctic Losquadro and Huntington.
 - (b) Joinder dated December 30, 2004 executed by Arctic Michigan, Knowlton, R&K, Winkler Lucas Ice, Wonderland Ice, Arctic Grayling and Arctic Party Time.
 - (c) Joinder dated July 1, 2005 executed by Arctic Services.
 - (d) Joinder dated September 16, 2005 executed by Arctic Wisconsin.
 - (e) Joinder dated May 25, 2006 executed by Arctic Glacier California Inc., Diamond Newport Corporation, Jack Frost Ice Service, Inc., Mountain Water Ice Company, and Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner.
 - (f) Joinder dated June 15, 2006 executed by Arctic Glacier Rochester Inc.
 - (g) Joinder dated August 8, 2006 executed by South Bay Ice LLC and Glacier Ice Company, Inc.
 - (h) Joinder dated March 1, 2007 executed by Arctic Glacier Vernon Inc.
 - (i) Joinder dated July 18, 2007 executed by Arctic Glacier Lansing Inc.
 - (j) Joinder dated April 21, 2008 executed by the U.S. Borrower.
 - (k) Joinder dated May 1, 2008 executed by Arctic Glacier Oregon Inc.
 - (l) Joinder dated November 30, 2010 executed by ICEsurance Inc.
- 5. Master Security Agreement executed by the U.S. Borrower, Arctic North Dakota, Arctic Nebraska, Plainview, Arctic Iowa, Iceberg, Ice Perfection Systems, KAMA, Host Ice, North Star, Arctic Pennsylvania, Arctic Glacier New York, Springdale, Diamond, Brandywine, Arctic Newburgh and Arctic IP, including, without limitation, the pledge of 100% holdings in each of Arctic North Dakota, Arctic Nebraska, Plainview, Arctic Iowa, Iceberg, Ice Perfection Systems, Arctic Glacier New York, Arctic Newburgh, Arctic Pennsylvania, Host Ice, KAMA, North Star, Springdale, Diamond, Arctic IP and Brandywine, dated December 9, 2004 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
 - (a) Joinder dated December 23, 2004 executed by Arctic Losquadro and Huntington.

- (b) Joinder dated December 30, 2004 executed by Arctic Michigan, Knowlton, R&K, Winkler Lucas Ice, Wonderland Ice, Arctic Grayling and Arctic Party Time.
 - (c) Joinder dated July 1, 2005 executed by Arctic Services.
 - (d) Joinder dated September 16, 2005 executed by Arctic Wisconsin.
 - (e) Joinder dated May 25, 2006 executed by Arctic Glacier California Inc., Diamond Newport Corporation, Jack Frost Ice Service, Inc., Mountain Water Ice Company, and Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner.
 - (f) Joinder dated June 15, 2006 executed by Arctic Glacier Rochester Inc.
 - (g) Joinder dated August 8, 2006 executed by South Bay Ice LLC and Glacier Ice Company, Inc.
 - (h) Joinder dated March 1, 2007 executed by Arctic Glacier Vernon Inc.
 - (i) Joinder dated July 18, 2007 executed by Arctic Glacier Lansing Inc.
 - (j) Joinder dated May 1, 2008 executed by Arctic Glacier Oregon Inc.
 - (k) Joinder dated November 30, 2010 executed by ICESurance Inc.
6. Trademark Security Agreement executed by Glacier Ice Company, Inc. in favour of CPPIB (as successor to The Toronto-Dominion Bank) as Master Collateral Agent and dated February 22, 2008.
7. Trademark Security Agreement executed by Arctic Glacier Wisconsin Inc. in favour of CPPIB (as successor to The Toronto-Dominion Bank) as Master Collateral Agent and dated February 22, 2008.
8. Trademark Security Agreement executed by ICESurance Inc. in favour of CPPIB (as successor to The Toronto-Dominion Bank) as Master Collateral Agent and dated November 30, 2010.
9. Master Certificate and Indemnity Regarding Hazardous Substances dated as of December 9, 2004 executed by Plainview, Arctic Iowa, KAMA, North Star, Springdale, Diamond, Arctic Newburgh, Brandywine and Iceberg.
- (a) Joinder dated December 23, 2004 executed by Arctic Losquadro and Huntington.
 - (b) Joinder dated December 30, 2004 executed by Knowlton, Wonderland Ice, Arctic Grayling and Arctic Party Time.
 - (c) Joinder dated September 16, 2005 executed by Arctic Wisconsin.

- (d) Joinder dated May 25, 2006 executed by Arctic Glacier California Inc., Jack Frost Ice Service, Inc., Mountain Water Ice Company, and Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner.
 - (e) Joinder dated June 15, 2006 executed by Arctic Glacier Rochester Inc.
 - (f) Joinder dated August 8, 2006 executed by South Bay Ice LLC.
 - (g) Joinder dated March 1, 2007 executed by Arctic Glacier Vernon Inc.
 - (h) Joinder dated July 18, 2007 executed by Arctic Glacier Lansing Inc.
 - (i) Joinder dated May 1, 2008 executed by Arctic Glacier Oregon Inc.
- 10. Acknowledgement and Confirmation of Security dated as of April 21, 2008, signed by the U.S. Borrower, Arctic North Dakota, Arctic Nebraska, Plainview, Arctic Iowa, Iceberg, Ice Perfection Systems, KAMA, Host Ice, North Star, Arctic Glacier California Inc., South Bay Ice LLC, Arctic Grayling, Arctic IP, Arctic Glacier Lansing Inc., Arctic Losquadro, Arctic Michigan, Arctic Glacier New York, Arctic Newburgh, Arctic Party Time, Arctic Glacier Rochester Inc., Arctic Services, Arctic Glacier Vernon Inc., Arctic Wisconsin, Arctic Pennsylvania, Brandywine, Diamond, Diamond Newport Corporation, Glacier Ice Company, Inc., Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner, Huntington, Jack Frost Ice Service, Inc., Knowlton, Mountain Water Ice Company, R&K, Springdale, Winkler Lucas Ice and Wonderland Ice.
 - 11. Acknowledgement and Confirmation of Security dated as of April 21, 2008, signed by the Fund, 3084435, 101049005, Titanic Ice Limited and Northern Ice Company Inc.
 - 12. Acknowledgement and Confirmation of Security dated as of December 31, 2008, signed by the Arctic Glacier Texas Inc., Arctic Glacier Nebraska Inc., Arctic Glacier Minnesota Inc. and Arctic Glacier California Inc.
 - 13. Acknowledgement and Confirmation of Security dated as of December 31, 2009, signed by Arctic Glacier Pennsylvania Inc. and Arctic Glacier New York Inc.

ACKNOWLEDGEMENTS AND UNDERTAKINGS RE: SUBORDINATION OF INTERCOMPANY DEBT

- 14. Acknowledgement and Undertaking re: Subordination of Intercompany Debt owing by the Canadian Borrower to the Fund dated March 22, 2002 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Agent.
- 15. Acknowledgement and Undertaking re: Subordination of Intercompany Debt owing by Subsidiaries of the U.S. Borrower to the U.S. Borrower, by the U.S. Borrower dated as of March 22, 2002, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Agent.

16. Acknowledgement and Undertaking re: Subordination of Intercompany Debt owing by the U.S. Borrower to the Canadian Borrower dated March 22, 2002 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Agent.
17. Confirmation of Subordination Agreement re: "Senior Indebtedness" status dated March 22, 2002 executed by the Canadian Borrower, the Trustee and CPPIB (as successor to The Toronto-Dominion Bank), as Agent.
18. Acknowledgment and Undertaking re: Subordination of Intercompany Debt owing by the Canadian Borrower to the Fund dated December 9, 2004 in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
19. Acknowledgement and Undertaking re: Subordination of Intercompany Debt owing by Subsidiaries of the U.S. Borrower to the U.S. Borrower, by the U.S. Borrower dated as of December 9, 2004, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
20. Acknowledgment and Undertaking re: Subordination of Intercompany Debt owing by Subsidiaries of the U.S. Borrower to the U.S. Borrower, by the U.S. Borrower dated as of May 25, 2006, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
21. Confirmation of Subordination re: "Senior Indebtedness" status dated May 25, 2006 executed by the Trustee and the Fund in favour of CPPIB (as successor to The Toronto-Dominion Bank), in its capacity as Master Collateral Agent, for and on behalf of the Benefited Creditors in connection with the Convertible Debentures.
22. Master Acknowledgment and Undertaking re: Subordination of Intercompany Debt signed by 3084435, 101049005, Titanic Ice Limited, Northern Ice Company Inc. and the Canadian Borrower, dated as of May 1, 2008, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.
23. Master Acknowledgment and Undertaking re: Subordination of Intercompany Debt signed by Arctic Glacier California Inc., Arctic Grayling, Arctic IP, Arctic Glacier Lansing Inc., Arctic Losquadro, Arctic Michigan, Arctic Glacier New York, Arctic Newburgh, Arctic Glacier Oregon Inc., Arctic Party Time, Arctic Glacier Rochester Inc., Arctic Services, Arctic Glacier Vernon Inc., Arctic Wisconsin, Arctic Iowa, Arctic Nebraska, Arctic North Dakota, Arctic Pennsylvania, Brandywine, Diamond, Diamond Newport Corporation, Glacier Ice Company, Inc., Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner, Host Ice, Huntington, Ice Perfection Systems, Iceberg, Jack Frost Ice Service, Inc., KAMA, Knowlton, Mountain Water Ice Company, North Star, Plainview, R&K, South Bay Ice LLC, Springdale, Winkler Lucas Ice, Wonderland Ice and the U.S. Borrower, dated as of May 1, 2008, in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Master Collateral Agent.

24. Amended and Restated Master Acknowledgement and Undertaking - Arctic Canadian Subordination dated as of April 30, 2009, signed by the Fund, the Canadian Borrower, 3084435, 101049005, Titanic Ice Limited and Northern Ice Company Inc.
25. Amended and Restated Master Acknowledgement and Undertaking - Arctic U.S. Subordination dated as of April 30, 2009, signed by the U.S. Borrower, Arctic Glacier California Inc., Arctic Grayling, Arctic IP, Arctic Glacier Lansing Inc., Arctic Losquadro, Arctic Michigan, Arctic Glacier Minnesota Inc., Arctic Glacier Nebraska Inc., Arctic Glacier New York, Arctic Newburgh, Arctic Glacier Oregon Inc., Arctic Party Time, Arctic Glacier Rochester Inc., Arctic Services, Arctic Glacier Texas Inc., Arctic Glacier Vernon Inc., Arctic Wisconsin, Arctic Pennsylvania, Brandywine, Diamond, Diamond Newport Corporation, Glacier Ice Company, Inc., Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner, Huntington, Ice Perfection Systems, Jack Frost Ice Service, Inc., Knowlton, Mountain Water Ice Company, R&K, Springdale, Winkler Lucas Ice and Wonderland Ice.
26. Master Cross Border Acknowledgement and Undertaking - Arctic Cross Border Subordination dated as of April 30, 2009, signed by the Canadian Borrower, the U.S. Borrower, the Fund, 3084435, 101049005, Arctic Glacier California Inc., Arctic Grayling, Arctic IP, Arctic Glacier Lansing Inc., Arctic Losquadro, Arctic Michigan, Arctic Glacier Minnesota Inc., Arctic Glacier Nebraska Inc., Arctic Glacier New York, Arctic Newburgh, Arctic Glacier Oregon Inc., Arctic Party Time, Arctic Glacier Rochester Inc., Arctic Services, Arctic Glacier Texas Inc., Arctic Glacier Vernon Inc., Arctic Wisconsin, Arctic Pennsylvania, Brandywine, Diamond, Diamond Newport Corporation, Glacier Ice Company, Inc., Glacier Valley Ice Company L.P., by Mountain Water Ice Company its sole general partner, Northern Ice Company Inc., Huntington, Ice Perfection Systems, Jack Frost Ice Service, Inc., Knowlton, Mountain Water Ice Company, R&K, Springdale, Titanic Ice Limited, Winkler Lucas Ice and Wonderland Ice.
27. Amended and Restated Confirmation of Subordination Agreement dated June 30, 2009, executed by the Trustee in favour of CPPIB (as successor to The Toronto-Dominion Bank) in its capacity as Agent, for and on behalf of the Lenders, in connection with the 12% unsecured subordinated promissory notes issued pursuant to the note indenture dated March 11, 2002 between the Canadian Borrower and the Trustee

CANADIAN BORROWER

28. \$500,000,000 Moveable and Immoveable Deed of Hypothec issued on August 19, 1999, by 3149030 Canada Limited (a dissolved company whose assets were wound up into the Canadian Borrower), in favour of the Trustee.
29. Canadian Guarantee dated March 22, 2002 executed in favour of CPPIB (as successor to The Toronto-Dominion Bank), for and on behalf of itself and as Agent for the Lenders.

30. \$300,000,000 Debentures dated May 25, 2006 issued by the Canadian Borrower to CPPIB (as successor to The Toronto-Dominion Bank), as Agent and reduced to the principal amount of \$150,000,000 on or about February 8, 2010 under each of:
- (a) the trust deed dated August 17, 1999 between The Arctic Group Inc. (a predecessor of the Canadian Borrower) and the Trustee, as supplemented by a first supplemental to trust deed dated March 22, 2002 and as further supplemented by a second supplemental to trust deed dated December 6, 2004 (the “**Arctic Group Trust Deed**”);
 - (b) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between 1334202 Ontario Inc. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee (the “**1334202 Trust Deed**”);
 - (c) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between 1179554 Ontario Inc. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee (the “**1179554 Trust Deed**”);
 - (d) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between 3149030 Canada Ltd. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee (the “**3149030 Trust Deed**”);
 - (e) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between Cataract Ice Limited (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee (the “**Cataract Trust Deed**”); and
 - (f) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between Martin Dorfman Holdings Ltd. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee (the “**MDHL Trust Deed**”).
31. Debenture Pledge Agreement issued by the Canadian Borrower in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Agent, dated March 22, 2002 pledging the debentures listed in the paragraph immediately above.
32. The following trust deeds:
- (a) Arctic Group Trust Deed;
 - (b) 1334202 Trust Deed;
 - (c) 1179554 Trust Deed;
 - (d) 3149030 Trust Deed;

- (e) Cataract Trust Deed;
 - (f) MDHL Trust Deed;
 - (g) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between 884213 Ontario Inc. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee;
 - (h) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between The Ice Shoppe Inc. (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee; and
 - (i) the trust deed dated August 17, 1999, as supplemented by a first supplemental to trust deed dated March 22, 2002 between Polar ice Company Limited (a dissolved company whose assets were wound up into the Canadian Borrower) and the Trustee.
- 33. \$500,000,000 Moveable and Immoveable Deed of Hypothec issued on March 22, 2002, by the Canadian Borrower, in favour of the Trustee.
 - 34. Side Agreement dated March 22, 2002 between Canadian Borrower and the Trustee re: Hypothec described in immediately preceding paragraph and claims described in s.3.1.7 therein.
 - 35. Canadian Securities Pledge Agreement dated as of March 22, 2002, by the Canadian Borrower in favour of the Trustee.
 - 36. Assignment of Insurance from Canadian Borrower in favour of the Trustee dated as of March 22, 2002.
 - 37. Confirmation of Security dated as of December 14, 2004 executed by the Canadian Borrower.
 - 38. Acknowledgement and Confirmation of Security dated as of April 21, 2008, signed by the Canadian Borrower.

COUNSEL TO ARCTIC PARTIES

- 39. Vehicle Registration Undertaking dated December 9, 2004.

2010 REFINANCING DOCUMENTS

- 40. Amended and Restated Master Canadian General Security Agreement dated February 10, 2010 executed by the Fund in favour of the Master Collateral Agent.

41. Amended and Restated Master Canadian Guarantee dated February 10, 2010 executed by the Fund and the Canadian Borrower in favour of the Master Collateral Agent.
42. Amended and Restated Master Canadian Securities Pledge Agreement dated February 10, 2010 executed by the Fund in favour of the Master Collateral Agent.
43. Amended and Restated Securities Pledge Agreement dated February 10, 2010 executed by the Canadian Borrower in favour of the Trustee.
44. Supplemental Hypothec dated February 8, 2010 executed by the Canadian Borrower in favour of the Trustee.
45. Confirmation of Security dated February 10, 2010 executed by the Fund in favour of the Master Collateral Agent, the Trustee, the Senior Facility Agent and the Senior Lenders.
46. Confirmation of Security dated February 10, 2010 executed by the Canadian Borrower in favour of the Master Collateral Agent, the Trustee, the Senior Facility Agent and the Senior Lenders.
47. Amended and Restated Debenture Pledge Agreement dated February 10, 2010 executed by the Canadian Borrower in favour of CPPIB (as successor to The Toronto-Dominion Bank), as Agent.
48. Amended and Restated Assignment of Insurance dated February 10, 2010 executed by the Canadian Borrower in favour of the Trustee.

MISCELLANEOUS

49. Any other Benefited Creditor Documents not listed on this Schedule "A" executed by any Arctic Party including, without limiting the foregoing, all such control agreements executed by the Borrower and the Guarantors from time to time.

There are also various Mortgages over real property located in the US and Canada, which are incorporated herein by reference.