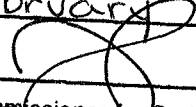

**CONSENT & SECOND AMENDMENT TO
LOAN AGREEMENT**

among
THE TORONTO-DOMINION BANK,
as Sole Lead Arranger and Bookrunner
- and -
THE TORONTO-DOMINION BANK,
as Canadian Administration Agent
- and -
TORONTO DOMINION (TEXAS) LLC,
as U.S. Administration Agent
- and -
THE TORONTO-DOMINION BANK,
as Syndication Agent
- and -
ARCTIC GLACIER INC., as Canadian Borrower and
ARCTIC GLACIER INTERNATIONAL INC., as U.S. Borrower
and as Guarantors
- and -
ARCTIC GLACIER INCOME FUND and
CERTAIN DIRECT AND INDIRECT SUBSIDIARIES OF
ARCTIC GLACIER INC.,
as Guarantors
- and -
THE TORONTO-DOMINION BANK, ROYNAT INC. and
THE BANK OF NOVA SCOTIA,
as Canadian Lenders
- and -
TORONTO DOMINION (NEW YORK) LLC, THE BANK OF NOVA SCOTIA and
ROYNAT BUSINESS CAPITAL INC.,
and any other Lender or Lenders who become Parties hereto as U.S. Lenders

This is Exhibit " W " referred to in the
Affidavit of Keith McMahon
SWORN before me this 21st day
of February, A.D. 2012

A Commissioner for Oaths / Notary Public
in and for the Province of Manitoba
My Commission expires:

DATED as of March 30, 2011

CONSENT & SECOND AMENDMENT TO LOAN AGREEMENT
made as of March 30, 2011.

A M O N G:

THE TORONTO-DOMINION BANK,
as Canadian Administration Agent
(the "**Canadian Agent**")

- and -

TORONTO DOMINION (TEXAS) LLC,
as U.S. Administration Agent
(the "**U.S. Agent**")

- and -

ARCTIC GLACIER INC.,
as Canadian Borrower
(the "**Canadian Borrower**")

- and -

ARCTIC GLACIER INTERNATIONAL INC.,
as U.S. Borrower
(the "**U.S. Borrower**")

- and -

**ARCTIC GLACIER CALIFORNIA INC.,
ARCTIC GLACIER GRAYLING INC.,
ARCTIC GLACIER INC.,
ARCTIC GLACIER INCOME FUND,
ARCTIC GLACIER INTERNATIONAL INC.,
ARCTIC GLACIER LANSING INC.,
ARCTIC GLACIER MICHIGAN INC.,
ARCTIC GLACIER MINNESOTA INC.,
ARCTIC GLACIER NEBRASKA INC.,
ARCTIC GLACIER NEWBURGH INC.,
ARCTIC GLACIER NEW YORK INC.,
ARCTIC GLACIER OREGON INC.,**

**ARCTIC GLACIER PARTY TIME INC.,
ARCTIC GLACIER PENNSYLVANIA INC.,
ARCTIC GLACIER ROCHESTER INC.,
ARCTIC GLACIER SERVICES INC.,
ARCTIC GLACIER TEXAS INC.,
ARCTIC GLACIER VERNON INC.,
ARCTIC GLACIER WISCONSIN INC.,
DIAMOND ICE CUBE COMPANY, INC.,
DIAMOND NEWPORT CORPORATION,
GLACIER ICE COMPANY, INC.,
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.,**

(collectively, the “**Guarantors**”)

- and -

**THE TORONTO-DOMINION BANK, THE BANK OF
NOVA SCOTIA and ROYNAT INC.** and any other lender or
lenders who become parties hereto as Canadian Lenders from
time to time

(collectively, the “**Canadian Lenders**”)

- and -

THE TORONTO-DOMINION BANK, in its capacity as the
Canadian Swing Line Lender

(the “**Canadian Swing Line Lender**”)

- and -

TORONTO DOMINION (NEW YORK) LLC, THE BANK OF NOVA SCOTIA and ROYNAT BUSINESS CAPITAL INC. and any other lender or lenders who become parties hereto as U.S. Lender from time to time
(collectively the “**U.S. Lenders**”)

- and -

THE TORONTO-DOMINION BANK, NEW YORK BRANCH, in its capacity as the U.S. Swing Line Lender
(the “**U.S. Swing Line Lender**”)

RECITALS:

- A. The Canadian Agent, the U.S. Agent, the Borrowers, the Guarantors and the Lenders are parties to a fourth amended and restated loan agreement dated February 10, 2010 (the “**Fourth Amended and Restated Loan Agreement**”), as amended by a first amendment to loan agreement dated as of March 30, 2011 (the “**First Amendment**”, and the Fourth Amended and Restated Loan Agreement as further amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the “**Loan Agreement**”).
- B. The parties hereto have proposed certain amendments to the Loan Agreement.
- C. The Canadian Agent, the U.S. Agent, the Lenders and the Arctic Parties have agreed to the proposed amendments upon the terms and subject to the conditions contained in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

**ARTICLE I
INTERPRETATION**

1.1 References and Defined Terms

Unless otherwise specified, all references to Sections or Schedules in this Agreement are to sections of or schedules to the Loan Agreement. For the purposes of this Agreement, capitalized terms that are not defined in this Agreement have the meanings given to them in the Loan Agreement.

**ARTICLE II
REPRESENTATIONS AND WARRANTIES**

2.1 Corporate Matters, Litigation Matters

Each of the Borrowers and Guarantors represents and warrants to each of the Canadian Agent, the U.S. Agent and the Lenders that:

- (1) each of the representations and warranties as set forth in the Loan Agreement and the other Loan Documents (excluding the representations and warranties in Sections 7.1(12), 7.1(13), 7.1(20) and 7.1(25)) is true and correct with the same force and effect as if made as of the date hereof, except to the extent that any such representation and warranty relates solely to an earlier date;
- (2) no Default or Event of Default has occurred and is continuing under the Loan Agreement; and
- (3) it has all requisite corporate or other power and authority to enter into and perform its obligations under this Agreement;
- (4) the execution, delivery and performance of this Agreement has been duly authorized by all corporate and other actions required and this Agreement has been duly executed and delivered by it, and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally;
- (5) the execution and delivery of this Agreement and the performance of its obligations hereunder and compliance with the terms, conditions and provisions hereof, will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of (a) its constating documents or by-laws, (b) any applicable Laws, or (c) any judgment, injunction, determination or award which is binding on it; or (ii) result in, require or permit (x) the imposition of any material Lien in, on or with respect to its Property now owned or hereafter acquired by it (other than pursuant to the Security Documents or which is a Permitted Lien), or (y) any third party to terminate, or acquire any rights materially adverse to it under, any Material Agreement;
- (6) all of the information and statements set out on Exhibit "I" hereto with respect to anti-trust investigations and ongoing litigation involving the Arctic Parties is true and correct; and

- (7) The Canadian Direct Purchaser Claims and the Canadian Securities Claim have been submitted to Travelers Guarantee Company of Canada ("Travelers") and to Chubb Insurance Company of Canada ("Chubb") by the Arctic Parties for confirmation of insurance coverage under the policies of insurance the Arctic Parties have with Travelers and Chubb. With respect to the Canadian Securities Claim, Travelers has reserved its rights under the Travelers Policy respecting coverage of the Fund, Arctic Glacier Inc., the named Directors and Officers named as Defendants, and the former employees Frank Larson and Gary Cooley (since added as defendants by the Superior Court of Ontario on March 1, 2011). Chubb has adopted Travelers' position with respect to the Travelers Policy. Travelers is providing coverage for 60% of the reasonable Defence Costs of the Defendants, and Chubb is providing 40% of those costs. All of the named Directors and the Fund have given notice of the Claim to the insurers and have co-operated with Travelers and Chubb in the defence of the action. The insurers have been involved fully in the defence of the action, including giving instructions concerning possible settlement. Given this relationship, and to the best knowledge of the Arctic Parties based upon advice of counsel, it is reasonable to believe that Travelers and Chubb will provide coverage to the Arctic Parties if liability is found against them to the limits of those policies less defence costs already incurred.

ARTICLE III AMENDMENTS

Subject to the satisfaction of each of the conditions set forth in this Agreement, and in reliance on the representations, warranties, covenants and agreements contained in this Agreement, the Loan Agreement is hereby amended as follows:

3.1 Definitions

3.1.1 The definition of "Applicable Margin" is hereby deleted and replaced in its entirety with the following:

"**Applicable Margin**" means, in respect of any Financial Quarter, the applicable percentage per annum as set forth below based on the Leverage Ratio (calculated excluding any Deemed Settlement Advances) at the end of the most recent Financial Quarter in respect of which a Compliance Certificate has been, or was required to be, delivered; provided that if such Leverage Ratio is greater than 5.25:1, the Applicable Margin shall be the maximum margins set forth below plus any applicable Default Rate plus any other adjustments agreed to by the Lenders, in accordance with Section 13.14 hereof:

Margins	Leverage Ratio (calculated excluding any Deemed Settlement Advances)							
	less than or equal to 2.0:1	greater than 2.00:1 and less than or equal to 2.50:1	greater than 2.50:1 and less than or equal to 3.00:1	greater than 3.00:1 and less than or equal to 3.50:1	greater than 3.50:1 and less than or equal to 4.00:1	greater than 4.00:1 and less than or equal to 4.50:1	greater than 4.5:1 and less than or equal to 5.00:1	greater than 5.00:1 and less than or equal to 5.25:1
Floating Rate Advances U.S. Base Rate Advances U.S. Prime Rate Advances U.S. Swing Line Loans	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%
Bankers' Acceptances BA Equivalent Notes LIBOR Advances Letters	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%
Canadian Commitment Fee/ U.S. Commitment Fee	0.75%	0.875%	1.00%	1.125%	1.25%	1.375%	1.50%	1.625%

3.1.2 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Deemed Settlement Advances” means U.S. \$18,500,000 net of any amounts actually advanced hereunder and used to make Class-Action Settlement Payments.

3.1.3 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Canadian Direct Purchaser Claims” means: (i) the proceeding commenced in the Ontario Superior Court of Justice at London, Ontario on May 7, 2009 by Grand-Slam Concert, Productions Ltd. and others against Arctic Glacier, Inc. as Court file number 621124, as amended claiming damages of C\$110 Million and interest and costs; (ii) the proceeding in the Ontario Superior Court of Justice at Windsor, Ontario on March 1, 2010 by Louise Knowles c.o.b. as Special Events Marketing against Arctic Glacier Inc., Keith Corbin and Reddy Ice Holdings, Inc. as Court file number CV-10-14457, as amended, claiming damages of C\$110 Million and interest and costs; (iii) the proceeding commenced in the Alberta Court of Queen’s Bench at Calgary, Alberta on June 24, 2009 by 1008021 Alberta Ltd. against Arctic Glacier Inc., Keith Corbin and Reddy Ice Holdings, Inc. as Court file number 0901-09552, as amended, claiming damages of C\$110 Million and interest.

3.1.4 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Canadian Securities Claim” means the proceeding commenced in the Ontario Superior Court of Justice at London, Ontario by Notice of Action dated September 25, 2008 by Alexander Dobbie and Michael Benson against the Fund, the Canadian Borrower and their Directors and Trustees, as well as the Proposed Defendants Frank Larson and Gary Cooley, as Court file no. 59725, as amended, claiming damages of C\$245 Million and interest and costs;

3.1.5 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Class-Action Settlement Agreements” means the U.S. Direct Purchaser Settlement and any other settlement agreement in form and substance satisfactory to, and approved in writing by, the Lenders in respect of a Future Settlement.”;

3.1.6 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Class-Action Settlement Payments” means any payments made by the Arctic Parties in connection with the settlement in respect of Class-Action Settlement Agreements.”;

3.1.7 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Final U.S. Facility Reserve Amount” shall mean an amount equal to the Initial U.S. Facility Reserve Amount plus U.S. \$6,000,000.

3.1.8 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“Future Settlements” means the settlement of all U.S. and Canadian anti-trust, securities and class action litigation proceedings outstanding as of and as disclosed to the Lenders as of the date of this Agreement, other than the U.S. Direct Purchaser Class Action (United States District Court Eastern District of Michigan Southern Division).”;

3.1.9 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“**Initial U.S. Facility Reserve Amount**” shall mean an amount equal to: (i) the present value of the U.S. \$12,500,000 settlement payment to be made pursuant to the U.S. Direct Purchaser Settlement, as calculated and reported monthly to the Lenders by the Arctic Parties and as is satisfactory to the Lenders, acting reasonably, minus (ii) U.S.\$3,000,000.

3.1.10 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“**U.S. Direct Purchaser Class Action**” means all claims that are related to the subject matter of the direct purchaser plaintiff lawsuit styled *In Re Packaged Ice Antitrust Litigation*, Case No. 08-MD-01952.”;

3.1.11 The following definition shall be added to Section 1.1 in the appropriate alphabetical order:

“**U.S. Direct Purchaser Settlement**” means the settlement agreement between direct purchaser plaintiffs and defendants Arctic Glacier Income Fund, the Canadian Borrower and the U.S. Borrower relating to the U.S. Direct Purchaser Class Action.”;

3.1.12 The definition of “Leverage Ratio Maximum” is hereby deleted and replaced in its entirety with the following:

“**Leverage Ratio Maximum**” means: (i) 4.90x at any time during the Financial Quarter ending March 31, 2011, (ii) 5.25x at any time during the Financial Quarter ending June 30, 2011, (iii) 4.50x at any time during the Financial Quarters ending September 30, 2011 and December 31, 2011, (iv) 5.00 at any time during the Financial Quarter ending March 31, 2012 (v) 3.75x at any time during the Financial Quarter June 30, 2012, (vi) 3.50x at any time thereafter until the Maturity Date;

3.2 Use of Proceeds

3.2.1 The following sentence shall be added to the end of Section 2.4:

Notwithstanding the foregoing or any other provision in any Loan Document: (a) from the date hereof to and including July 31, 2011, U.S.\$3,000,000 of the Canadian Facility and an amount equal to the Initial U.S. Facility Reserve Amount of the U.S. Facility shall be reserved exclusively for the purpose of funding Class Action Settlement Payments and shall not be used for any other purpose; and (b) from August 1, 2011 and thereafter U.S.\$3,000,000 of the Canadian Facility and an amount equal to the Final U.S. Facility Reserve Amount of the U.S. Facility for the purpose of funding Class Action Settlement Payments and shall not be used for any other purpose.

3.3 **Covenants**

3.3.1 Section 8.1(27) shall be re-numbered as Section 8.1(28) and the following shall be added as new Section 8.1(27):

Class-Action Settlement Agreements. Each of the Arctic Parties shall comply with each of the terms and conditions of the Class-Action Settlement Agreements and provide evidence to the Canadian Agent of (i) payment of the Class-Action Settlement Payments on the dates specified in the Class-Action Settlement Agreements and receipt thereof by the applicable counterparty within two (2) Business Days of such payment, and (ii) compliance with the Class-Action Settlement Agreements upon request by the Canadian Agent.

3.3.2 The following sentence shall be added to Section 8.3 (Financial Covenants) following sub-section 8.3(4), immediately following the sentence "The Convertible Debentures shall be excluded from the calculation of the financial covenants set out in this Section 8.3.":

The Class-Action Settlement Payments shall be excluded from the calculation of the Fixed Charge Coverage Ratio contemplated by Section 8.3(1) up to an aggregate amount not to exceed U.S.\$18,500,000; provided, however, that for the purposes of the financial covenant calculations necessary for Sections 8.3(2), 8.3(3) and 8.3(4), an amount equal to the Deemed Settlement Advances shall be deemed to have been advanced to the Borrowers hereunder.

3.3.3 A new Section 8.1(1)(e) shall be added as follows:

Monthly Statements

(e) as soon as available and in any event within forty-five (45) days after the end of each month, the unaudited consolidated financial statements (including, at a minimum, a balance sheet, income statement and statement of cash flow) of the Fund for such month, all prepared in accordance with GAAP, including a calculation, in reasonable detail, of the present value of the U.S.\$12,500,000 payment to be made pursuant to the U.S. Direct Purchaser Settlement, certified by the Fund.

3.3.4 A new Section 8.1(1)(f) shall be added as follows:

Schedules to Loan Agreement

(f) commencing as of the Financial Year ending December 31, 2011, on an annual basis and in any event by no later than May 15th of each Financial Year, updated copies of Schedule E (Subsidiaries and Locations of Collateral), Schedule F (Litigation), Schedule H (Intellectual Property), Schedule I (Leasehold Real Estate), Schedule J (Real Estate), Schedule K (Environmental Matters), Schedule L (Material Agreements), Schedule P (Authorized and Issued Capital and Intercompany Notes), Schedule Q (Deposit Accounts, Investment Accounts, Securities Accounts), Schedule U (Permitted Debt) and Schedule V (Mortgages), where such updates are required to provide that the information disclosed by the Arctic Parties remains

accurate as of the date of the most recently delivered Compliance Certificate, with notes explaining the changes in reasonable detail, and all of which shall be certified by the Chief Financial Officer of the Canadian Borrower to be accurate and complete.

3.3.5 Section 8.2(22) is hereby deleted in its entirety and replaced by the following:

Claims. Except with the prior written consent of the Majority Lenders in their sole discretion, settle any Claims in excess of U.S.\$500,000 individually or U.S. \$2,500,000 in the aggregate, annually.

3.4 **Schedule A – Individual Commitments**

3.4.1 Schedule A to the Loan Agreement shall be deleted and replaced in its entirety by Exhibit “II” hereto.

3.5 **Compliance Certificate**

3.5.1 Schedule D to the Loan Agreement shall be deleted in its entirety and replaced with Schedule D attached hereto as Exhibit “III”.

**ARTICLE IV
CONSENTS**

4.1 **Consent to U.S. Direct Purchaser Settlement**

Subject to the completion and satisfaction of each of the applicable conditions precedent set out herein and this Agreement becoming effective, and in reliance on the representations, warranties, covenants and agreements contained in this Agreement, the Lenders hereby provide the following consent:

4.1.1 pursuant to Section 8.2(22) of the Loan Agreement, the Lenders hereby consent to (i) the entering into by the Borrowers and the Fund of the U.S. Direct Purchaser Settlement and (ii) payments made by the Borrowers and the Fund pursuant to and on the terms of the U.S. Direct Purchaser Settlement. The consent provided in this Section 4.1.1 is subject to the following conditions:

4.1.1.1 the final version of the U.S. District Purchaser Settlement shall be substantially the same as the version disclosed to the Lenders prior to the date of this Agreement, unless otherwise approved by the Lenders, and the Borrowers shall provide an executed version of the U.S. Direct Purchaser Settlement promptly upon execution thereof; and

4.1.1.2 the aggregate amounts paid by the Borrowers, the Fund or any Guarantor under the U.S. Direct Purchaser Settlement shall not exceed U.S.\$12,500,000 plus interest as provided for in the U.S. Direct Purchaser Settlement.

4.2 Consent to Future Settlements

Subject to the completion and satisfaction of each of the applicable conditions precedent set out herein and this Agreement becoming effective, and in reliance on the representations, warranties, covenants and agreements contained in this Agreement (each of which shall be restated as of each date that any such Future Settlement is entered into and each date any payments thereunder are made), the Lenders hereby provide the following consent:

4.2.1 Pursuant to Section 8.2(22) of the Loan Agreement, the Lenders hereby consent to (i) the entering into by the Borrowers, the Fund or any Guarantor of the Future Settlements and (ii) payments being made by the Borrowers, the Fund or any Guarantor under such Future Settlements. The consent provided in this Section 4.2.1 is subject to the following conditions:

4.2.1.1 the Borrowers shall provide the Lenders with all draft copies of any Future Settlements (individually in an amount in excess of U.S.\$500,000) not less than 10 days prior to entering into such Future Settlements and shall provide the Lenders with executed versions promptly upon execution thereof; and

4.2.1.2 the aggregate amounts paid by the Borrowers, the Fund or any Guarantor under the U.S. Direct Purchaser Settlement and any Future Settlements shall not exceed U.S.\$18,500,000.

ARTICLE V CLOSING DELIVERIES & CONDITIONS PRECEDENT

5.1 Closing Deliveries; Conditions Precedent; Effective Date

This Agreement shall become effective on the date (the “**Effective Date**”) that the following conditions precedent are satisfied in the opinion of the Lenders:

5.1.1 no Event of Default shall have occurred and be continuing;

5.1.2 all representations and warranties (except for the representations and warranties set out in Sections 7.1(12), 7.1(13), 7.1(20) and 7.1(25)) set out in the Loan Agreement and the Loan Documents and this Agreement shall be true and correct as if made on and as of the date hereof except to the extent that such representations and warranties specifically relate to an earlier date, and except as modified by schedules attached to certificates of the Arctic Parties delivered to the Canadian Agent and the Lenders prior to the date hereof;

5.1.3 each of the Arctic Parties shall have delivered to the Canadian Agent: (i) evidence of the corporate or partnership authority of each such party to execute, deliver and perform its obligations under this Agreement and, as applicable, all other agreements and documents executed by such party in connection therewith, and (ii) such other documents

and instruments as the Canadian Agent may reasonably require in connection with this Agreement, all of the foregoing of which shall be in form and substance satisfactory to the Canadian Agent and the Lenders;

5.1.4 receipt by the Canadian Agent, in form and substance satisfactory to the Canadian Agent, the Lenders and their counsel, of a copy of this Agreement executed and delivered by each of the Arctic Parties and the other parties hereto;

5.1.5 receipt by the Canadian Agent and the Lenders of a certified copy of a fully-executed amendment to the Subordinated Facility Loan Agreement providing covenant relief to the Arctic Parties to facilitate the Class-Action Settlement Payments and a fully-executed amendment to the Warrant Agreement in favour of the Subordinated Lenders, each in form and substance satisfactory to the Canadian Agent, the Lenders and their counsel;

5.1.6 the Canadian Agent and the Lenders shall have completed and be satisfied (in their sole discretion) with the results of their due diligence on, and all material documents with respect to any existing Claims (including, without limitation, the U.S. Direct Purchaser Settlement), the ongoing litigation risk of the Arctic Parties, the insurance coverage for any Claims (including, without limitation, the Canadian Securities Claim) and any other matters reasonably requested by the Canadian Agent and the Lenders in connection with the matters contemplated by this Agreement;

5.1.7 receipt by the Canadian Agent, the Lenders and their counsel of legal opinions of counsel to the Arctic Parties reasonably requested by the Canadian Agent and the Lenders in relation to the matters contemplated by this Agreement;

5.1.8 payment of the costs, fees and expenses contemplated by Section 6.7 hereto;

5.1.9 receipt by the Canadian Agent, the Lenders and their counsel, to the extent as may be required, an executed copy of a consent made under the Intercreditor Agreement (or any consent required to be issued pursuant to the Intercreditor Agreement) by all the Canadian Agent for and on behalf of the Lenders in favour of the Subordinated Lenders, which shall be in form and substance satisfactory to the Lenders.

ARTICLE VI MISCELLANEOUS

6.1 Ratification and Confirmation of Loan Documents

Except as specifically amended by this Agreement, nothing herein shall be deemed to be a waiver of any covenant or agreement contained in the Loan Agreement or any of the Loan Documents and the Loan Agreement and all other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed by each of the parties hereto. Each of the Borrowers and Guarantors confirms that all security delivered to or for the benefit of the

Canadian Agent and/or the Lenders remains in full force and effect and secures all indebtedness, liabilities and obligations of each of the Borrowers and Guarantors under the Loan Agreement and each of the Loan Documents, as amended by this Agreement. Without limiting the generality of the foregoing, each of the Borrowers hereby acknowledges and agrees that the Post-Closing Undertaking dated as of February 10, 2010 made by the Borrowers in favour of, *inter alia*, the Canadian Agent, the U.S. Agent and the Lenders (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the “**Post-Closing Undertaking**”) remains in full force and effect and is hereby ratified and confirmed, and, for greater certainty, each of the Borrowers hereby confirms that the items captioned as “*B. FARLA/CPPIB Post-Closing Matters*” set forth in Exhibit “IV” hereto remain subject to the terms thereof.

6.2 Undertaking

Each of the Borrowers and The Guarantors hereby undertake and agree to:

6.2.1 complete or cause to be completed each of items set forth in Exhibit “IV” hereto on or by the dates indicated therein and to the standards set out therein, the failure of which to fully complete or cause to be completed shall constitute an Event of Default;

6.2.2 deliver updated versions of Schedules H, I, L and Q to the Canadian Agent and the Lenders no later than April 30, 2011; and

6.2.3 deliver to the Canadian Agent and the Lenders confirmation of the amount of coverage provided by the insurance policies and the current amount of the defence costs referred to in Section 2.1(7) hereof.

6.3 Reference in Loan Documents to Loan Agreement

Each reference in the Loan Documents to the “Loan Agreement” or any other reference to the same effect shall mean and be a reference to the Loan Agreement, as amended by this Agreement.

6.4 Counterparts

This Agreement may be executed in any number of counterparts, each of which may be delivered by facsimile transmission or by email in pdf format and shall be deemed to be an original, but all of which shall together constitute one agreement.

6.5 Loan Documents

This Agreement constitutes a Loan Document.

6.6 Governing Law

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

6.7 Costs, Fees and Expenses

Each of the Borrowers hereby agrees to pay to the Canadian Agent, on demand by the Canadian Agent, at any time and as often as the Canadian Agent may require, whether or not all or any of the transactions contemplated by this Agreement are consummated, all fees and disbursements of the Agents and each of the Lenders and each of their respective legal advisors engaged by them in connection with the preparation, negotiation, execution, delivery, administration, interpretation or enforcement of this Agreement, the Loan Agreement or any other Loan Document and any agreements delivered in connection with the transactions contemplated hereby or thereby including, without limitation:

6.7.1 an amendment fee of 100 basis points (based on the total Commitments of the Lenders with respect to all Credit Facilities) in respect of this Agreement that shall be due and payable and fully earned upon the execution and delivery of this Agreement;

6.7.2 the outstanding Flat Fee (as defined in the Agency Fee Agreement) in respect of the First Amendment;

6.7.3 the Flat fee (as defined in the Agency Fee Agreement) that shall be due and payable and fully earned upon the execution and delivery of this Agreement;

6.7.4 the consulting fees owing to Intech Risk Management Inc. pertaining to an insurance review of the Arctic Parties; and


6.7.5 the legal fees and expenses of the Canadian Agent, the U.S. Agent and the Lenders (including fees in arrears, if any).

6.8 Further Assurances

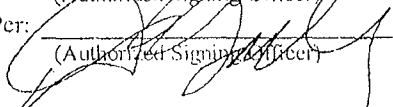
Each of the parties hereto shall execute and deliver such additional documents and take such additional action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the expense of the Borrowers.

IN WITNESS WHEREOF this Agreement has been duly executed on the 30th day of March, 2011, with effect as of the Effective Date.

ARCTIC GLACIER INC.,
as Canadian Borrower and Guarantor

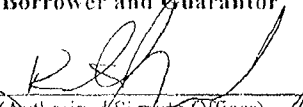
Per: 

(Authorized Signing Officer)

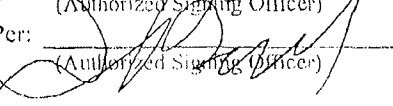
Per: 

(Authorized Signing Officer)

ARCTIC GLACIER INTERNATIONAL INC.,
as U.S. Borrower and Guarantor


Per: 

(Authorized Signing Officer)

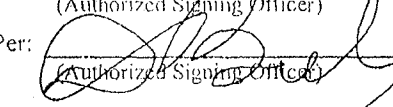
Per: 

(Authorized Signing Officer)

ARCTIC GLACIER CALIFORNIA INC.,
as Guarantor


Per: 

(Authorized Signing Officer)

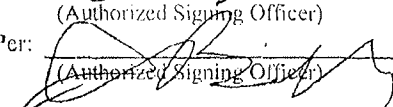
Per: 

(Authorized Signing Officer)

ARCTIC GLACIER GRAYLING INC.,
as Guarantor

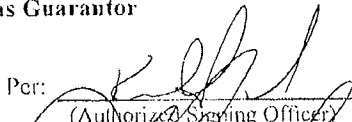
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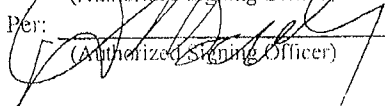
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Per: 

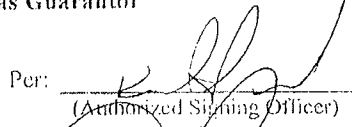
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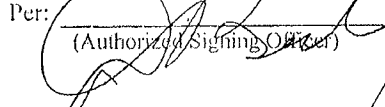
**ARCTIC GLACIER INC.,
as Guarantor**

Per: 
(Authorized Signing Officer)

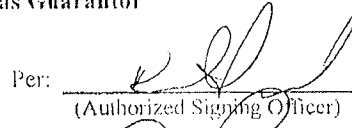
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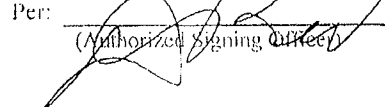
**ARCTIC GLACIER INCOME FUND,
as Guarantor**

Per: 
(Authorized Signing Officer)

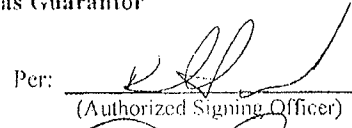
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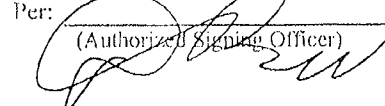
**ARCTIC GLACIER INTERNATIONAL INC.,
as Guarantor**

Per: 
(Authorized Signing Officer)

Per: 
(Authorized Signing Officer)

**ARCTIC GLACIER LANSING INC.,
as Guarantor**

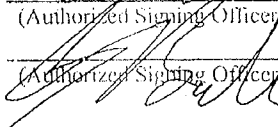
Per: 
(Authorized Signing Officer)

Per: 
(Authorized Signing Officer)

**ARCTIC GLACIER MICHIGAN INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

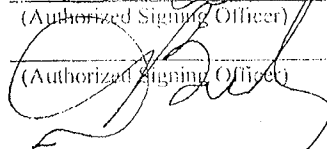
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER MINNESOTA INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

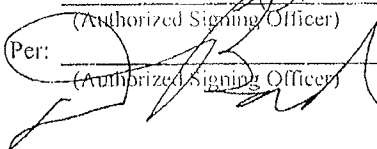
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER NEBRASKA INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

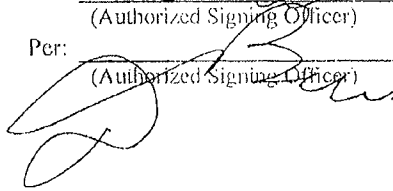
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER NEW YORK INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

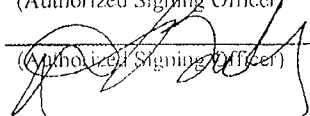
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER NEWBURGH INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

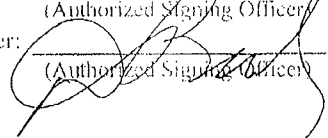
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER OREGON INC.,
as Guarantor**


Per: 

(Authorized Signing Officer)

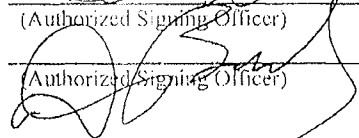
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER PARTY TIME INC.,
as Guarantor**


Per: 

(Authorized Signing Officer)

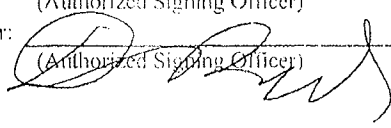
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER PENNSYLVANIA INC.,
as Guarantor**

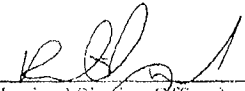
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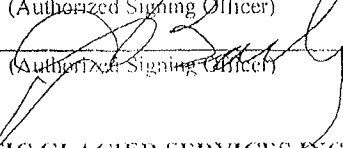
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER ROCHESTER INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

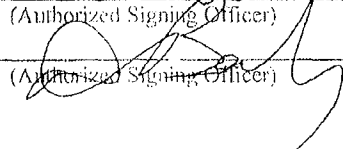
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER SERVICES INC.,
as Guarantor**

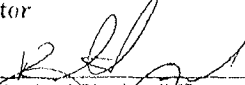
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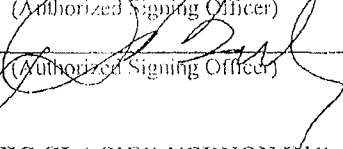
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER TEXAS INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

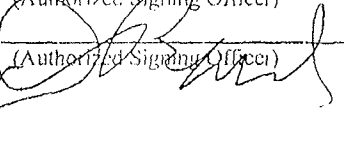
Per: 

(Authorized Signing Officer)

**ARCTIC GLACIER VERNON INC.,
as Guarantor**

Per: 

(Authorized Signing Officer)

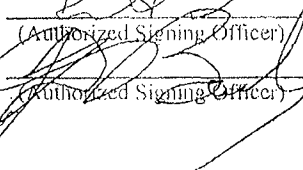
Per: 

(Authorized Signing Officer)

ARCTIC GLACIER WISCONSIN INC.,
as Guarantor

Per: 

(Authorized Signing Officer)

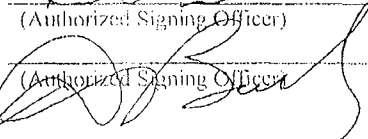
Per: 

(Authorized Signing Officer)

DIAMOND ICE CUBE COMPANY, INC.,
as Guarantor

Per: 

(Authorized Signing Officer)

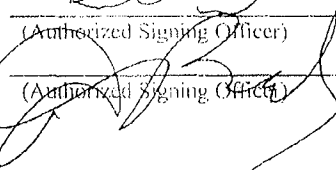
Per: 

(Authorized Signing Officer)

DIAMOND NEWPORT CORPORATION,
as Guarantor

Per: 

(Authorized Signing Officer)

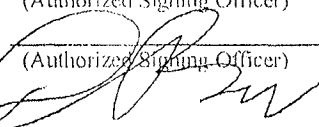
Per: 

(Authorized Signing Officer)

GLACIER ICE COMPANY, INC.,
as Guarantor


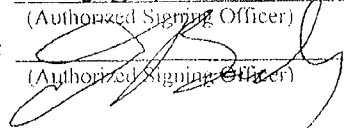
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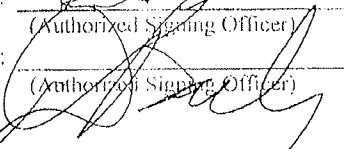
Per: 

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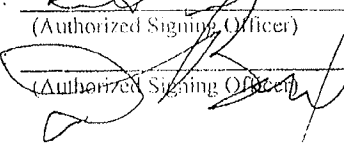
GLACIER VALLEY ICE COMPANY, L.P.,
by MOUNTAIN WATER ICE COMPANY, its
sole general partner,
as Guarantor

Per: 
(Authorized Signing Officer)
Per: 
(Authorized Signing Officer)


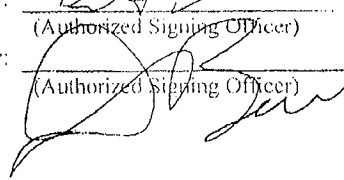
ICE PERFECTION SYSTEMS INC.,
as Guarantor

Per: 
(Authorized Signing Officer)
Per: 
(Authorized Signing Officer)

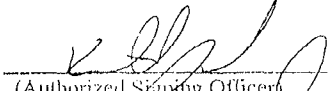
ICESURANCE INC.,
as Guarantor

Per: 
(Authorized Signing Officer)
Per: 
(Authorized Signing Officer)

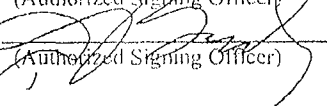
JACK FROST ICE SERVICE, INC.,
as Guarantor

Per: 
(Authorized Signing Officer)
Per: 
(Authorized Signing Officer)

KNOWLTON ENTERPRISES, INC.,
as Guarantor

Per: 

(Authorized Signing Officer)

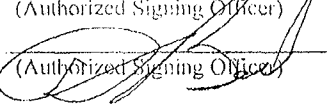
Per: 

(Authorized Signing Officer)

MOUNTAIN WATER ICE COMPANY,
as Guarantor

Per: 

(Authorized Signing Officer)

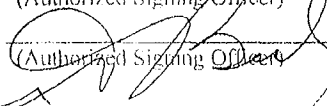
Per: 

(Authorized Signing Officer)

R&K TRUCKING, INC.,
as Guarantor

Per: 

(Authorized Signing Officer)

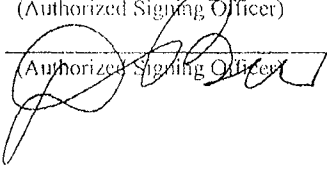
Per: 

(Authorized Signing Officer)

**WINKLER LUCAS ICE AND FUEL
COMPANY,**
as Guarantor

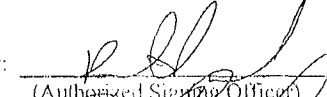
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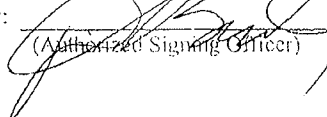
Per: 

(Authorized Signing Officer)

WONDERLAND ICE, INC.,
as Guarantor

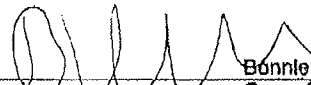
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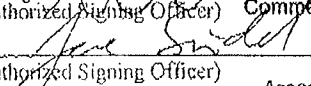
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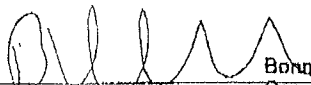
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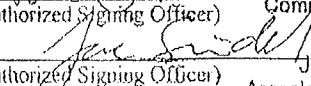
**THE TORONTO-DOMINION BANK,
as Canadian Revolver Lender**

Per:  **Bonnie Kletke, Analyst**
(Authorized Signing Officer) **Commercial National Accounts**

Per:  **Joe Seidel**
(Authorized Signing Officer) **Associate Vice President**
Commercial National Accounts

**TORONTO-DOMINION BANK, as Canadian
Facility Lender**

Per:  **Bonnie Kletke, Analyst**
(Authorized Signing Officer) **Commercial National Accounts**

Per:  **Joe Seidel**
(Authorized Signing Officer) **Associate Vice President**
Commercial National Accounts

**THE BANK OF NOVA SCOTIA, as Canadian
Facility Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

ROYNAT INC., as Canadian Facility Lender

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE TORONTO-DOMINION BANK,
as Canadian Revolver Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)


**TORONTO-DOMINION BANK, as Canadian
Facility Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE BANK OF NOVA SCOTIA, as Canadian
Facility Lender**

Per:  David Patterson
Director
(Authorized Signing Officer)

Per:  Steve Holyman
Associate Director
(Authorized Signing Officer)

ROYNAT INC., as Canadian Facility Lender

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE TORONTO-DOMINION BANK,
as Canadian Revolver Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**TORONTO-DOMINION BANK, as Canadian
Facility Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE BANK OF NOVA SCOTIA, as Canadian
Facility Lender**

Per: _____
(Authorized Signing Officer)


Per: _____
(Authorized Signing Officer)

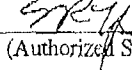
ROYNAT INC., as Canadian Facility Lender

Per: _____
(Authorized Signing Officer) *[Signature]*

Per: _____
(Authorized Signing Officer)

**THE BANK OF NOVA SCOTIA, as U.S.
Lender**

Per:  David Patterson
(Authorized Signing Officer) Director

Per:  Steve Holyman
(Authorized Signing Officer) Associate Director

**ROYNAT BUSINESS CAPITAL INC.,
as U.S. Lender**

Per: _____
(Authorized Signing Officer)

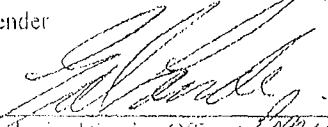
Per: _____
(Authorized Signing Officer)

**THE BANK OF NOVA SCOTIA, as U.S.
Lender**

Per: _____
(Authorized Signing Officer)

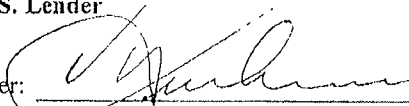
Per: _____
(Authorized Signing Officer)

**ROYNAT BUSINESS CAPITAL INC.,
as U.S. Lender**

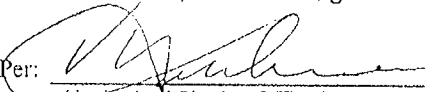
Per:  _____
(Authorized Signing Officer) *Wade, CEO*

Per: _____
(Authorized Signing Officer)

**TORONTO DOMINION (TEXAS) LLC, as
U.S. Lender**

Per: 
(Authorized Signing Officer)
Per: **Victor J. Huebner**
(Authorized Signing Officer)

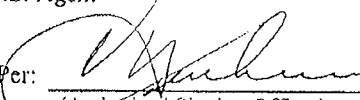
**THE TORONTO DOMINION BANK, NEW
YORK BRANCH, as U.S. Swing Line Lender**

Per: 
(Authorized Signing Officer)
Per: **Victor J. Huebner**
(Authorized Signing Officer) **Authorized Signing Officer**

**THE TORONTO-DOMINION BANK,
as Canadian Agent**

Per: /
(Authorized Signing Officer)
Per: _____
(Authorized Signing Officer)

**TORONTO DOMINION (TEXAS) LLC, as
U.S. Agent**

Per: 
(Authorized Signing Officer)
Per: **Victor J. Huebner**
(Authorized Signing Officer) **Authorized Signing Officer**

**TORONTO DOMINION (TEXAS) LLC, as
U.S. Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE TORONTO DOMINION BANK, NEW
YORK BRANCH, as U.S. Swing Line Lender**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**THE TORONTO-DOMINION BANK,
as Canadian Agent**

Per:  _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

**TORONTO DOMINION (TEXAS) LLC, as
U.S. Agent**

Per: _____
(Authorized Signing Officer)

Per: _____
(Authorized Signing Officer)

EXHIBIT "I"

ANTI-TRUST INVESTIGATIONS AND ONGOING LITIGATION

Antitrust matters

On October 13, 2009, a subsidiary of the Fund entered into an agreement with the Antitrust Division of the DOJ related to its investigation into the U.S. packaged ice industry. The agreement was accepted by the U.S. District Court on February 11, 2010 and settled all charges related to allegations that three former employees conspired with a co-conspirator company from January 2001 through July 2007 to allocate packaged ice customers in southeastern Michigan. Under terms of the agreement, the subsidiary agreed to plead guilty to one charge of customer allocation in southeast Michigan and to pay a fine of \$9.0 million, payable in installments over a five year period. This obligation was recorded as long-term debt at its discounted present value of \$6.4 million. The first installment of \$1.0 million was paid on March 5, 2010 and the second installment of \$1.0 million was paid on March 3, 2011. The Fund also agreed to cooperate with the DOJ's ongoing investigation of other companies and individuals in relation to the U.S. packaged ice industry. The agreement concludes the DOJ's investigation as it relates in any way to the Fund, its board, management and staff in all markets.

On October 29, 2010, the largest company in the packaged ice industry, Reddy Ice, disclosed that the DOJ will not be taking action against them related to the investigation into the U.S. packaged ice industry, indicating that the DOJ's extensive investigation of the leading manufacturers of packaged ice in the U.S. has concluded. The Fund believes that this demonstrates that the wide-ranging allegations of antitrust activity between industry leaders in pending civil claims have no basis in fact.

On March 28, 2008, a subsidiary of the Fund received a Civil Investigative Demand ("CID") notice from the Florida Attorney General seeking documents and information in order to determine whether Florida's antitrust laws had been violated by the Fund and its subsidiaries or other packaged ice manufacturers. On June 11, 2008, the Arizona Attorney General served a subsidiary of the Fund with a similar CID notice. A total of 17 other states have signed information sharing agreements with the Florida Attorney General in order to review and share information. The Fund and its subsidiaries are cooperating with authorities in the course of these state antitrust investigations and have provided all requested information over one year ago. There have been no further requests for information made of the Fund since then. At this time, the Fund is unable to predict the timeline or final outcome of these state investigations or any potential effect they may have on the Fund or its operations.

A subsidiary of the Fund received additional CID notices from the Michigan Attorney General on June 11, 2009 and June 2, 2010 regarding claims that the subsidiary violated Michigan's antitrust laws. On September 3, 2010, the subsidiary entered into an agreement with the Michigan Attorney General, without any admission of wrongdoing, to resolve all allegations that it violated Michigan's antitrust laws. Under terms of the agreement, the subsidiary agreed to pay the amount of \$350,000 in two installments in September and December 2010. The first payment of \$125,000 was made on September 3, 2010 and the final payment of \$225,000 was made on December 6, 2010. The settlement concludes and resolves all investigations, inquiries, claims and proceedings by the Michigan Attorney General related to any alleged violations of applicable state and federal antitrust laws.

On November 25, 2008, the United States DOJ Civil Division advised Arctic Glacier of its commencement of a civil investigation of the packaged ice industry under the U.S. federal *False Claims Act*. The purpose of this investigation was to determine whether the U.S. federal government or its contractors had been overcharged in their purchases of packaged ice as a result of the conduct investigated by the DOJ Antitrust Division. Subsequent to the end of the year, on March 21, 2011, the DOJ Civil Division advised that its investigation with respect to Arctic Glacier was closed and no action would be taken against the Fund and its subsidiaries.

On March 30, 2009, the Fund's Executive Vice President, Operations and Vice President, Sales and Marketing were suspended from their duties with pay at the direction of the board of directors of the Fund's operating subsidiary, Arctic Glacier Inc. The board directed an internal investigation to be undertaken and on the basis of its results, the board believes these individuals may have violated certain of the company's policies. Both individuals resigned from their positions shortly following their suspensions.

Civil Litigation

Following the announcement that the DOJ was undertaking an investigation of the U.S. packaged ice industry, a number of civil actions were commenced by direct and indirect purchasers against several packaged ice companies in the United States, including subsidiaries of the Fund, alleging violations of antitrust laws and seeking damages. Pursuant to an order from the Judicial Panel on Multidistrict Litigation, the civil actions pending in U.S. federal courts have been transferred and consolidated for pretrial proceedings in the United States District Court for the Eastern District of Michigan. On September 15, 2009, the plaintiffs in these actions filed consolidated amended complaints.

Subsequent to the end of the year, on or about March 31, 2011, the Fund agreed to settle the direct purchasers' action. Under terms of the agreement, which remains subject to approval by U.S. District Court, a settlement of \$12,500,000 will be paid in two installments. The first installment of \$2,500,000 is payable on the later of July 15, 2011 or 15 days after the settlement receives preliminary court approval and a final installment of \$10,000,000 is payable on the later of November 1, 2011 or 30 days after the settlement receives final court approval.

Subsequent to the year, on March 11, 2011, the Court partially granted a motion filed by the Fund to dismiss the non-Michigan claims in the indirect purchasers' action. The Court dismissed many of the indirect purchaser's state law claims restricting all claims to those states in which the named plaintiffs reside, reducing dramatically the number of claims pending in the action.

On July 23, 2008, an individual, who became an employee of a subsidiary of the Fund for a short period of time in the course of an acquisition before accepting terms of severance, commenced an action in the United States District Court for the Eastern District of Michigan. The action purports to bring antitrust claims as well as state law claims in connection with his termination from employment with Arctic Glacier and his allegation that the defendant manufacturers illegally conspired to prevent his future employment in the ice industry. On May 29, 2009 the court dismissed the bulk of this case, including antitrust claims relating to both federal and state jurisdictions. The Fund is of the opinion that the claim is without merit and will vigorously contest the resulting and narrowed action in court.

Two civil actions were filed by direct purchasers of packaged ice in state courts in Kansas and Wisconsin, alleging violations of state antitrust laws and related claims and seeking similar damages to those sought in the federal actions described above. On February 26, 2009, the Kansas state court dismissed the action commenced in that state, concluding the plaintiff had failed to advance an actionable claim against the Company. On January 22, 2010, the Wisconsin state court denied that plaintiff's request for class certification, effectively restricting the action to a single customer. Subsequent to the end of the year, on March 18, 2011, the Fund resolved the Wisconsin action for \$3,000 and nominal legal expenses and the matter is now closed.

On May 7, 2009, a civil lawsuit (the "May 2009 Action") was filed against a subsidiary of the Fund in Ontario Superior Court seeking damages of C\$110 million on behalf of a proposed class of customers in Ontario that had purchased packaged ice directly from the subsidiary during a proposed class period commencing January 1, 2001. The plaintiffs to this action have agreed to have it dismissed.

On March 1, 2010, a second claim was issued by the same law firm that commenced the May 2009 Action in the Ontario Superior Court on behalf of one of the two plaintiffs in the May 2009 Action. This action (the "March 2010 Action") is brought against a subsidiary of the Fund, a former employee and another packaged ice company on behalf of a proposed class of purchasers in Ontario, British Columbia, Manitoba, Saskatchewan and Quebec during a proposed class period commencing January 1, 2001. The March 2010 Action alleges anticompetitive behavior by the subsidiary and the other packaged ice company and seeks damages of C\$110 million plus interest and costs. A certification motion hearing is pending and could be heard by mid-2011.

A similar civil lawsuit was filed against a subsidiary of the Fund in Alberta Superior Court on June 24, 2009 also seeking damages of C\$110 million on behalf of a proposed class of customers in Alberta that had purchased packaged ice directly from the subsidiary during a proposed class period commencing January 1, 2001. This action alleges anticompetitive behavior by the subsidiary and a number of U.S. manufacturers of packaged ice. No substantive steps have been taken by the plaintiff in this action. This claim is aligned with the March 2010 Action and together they should be considered as one claim as they deal with exactly the same alleged activity and claim the same relief.

On April 26, 2010, an indirect-purchaser complaint asserting claims under Michigan's antitrust law was filed in the Eastern District of Michigan against three former employees of a subsidiary of the Fund. The complaint asserts the same factual basis as that presented in the consolidated indirect purchasers' action pending against subsidiaries of the Fund, except that the plaintiffs are only seeking damages relating to conduct in Michigan. The Fund and its subsidiaries were not named in this action, however, in accordance with its bylaws, a subsidiary of the Fund is obligated to pay for the representation of and to indemnify the three former employees in this action.

Subsequent to the end of the year, on March 4, 2011, a class action complaint was filed in Kansas state court on behalf of indirect purchasers of packaged ice. The action alleges that the Fund, a subsidiary and three former employees, among other defendants, engaged in conduct similar to that alleged in the indirect purchaser actions in violation of Kansas state law. The Fund has not yet been served in this action.

At this time, the Fund is unable to predict the timeline or final outcome of the remaining state investigations and litigation matters, or any potential effect they may have on the Fund or its operations, which may be material. No financial provisions have been made regarding these matters except as noted.

Securities Litigation

On October 24, 2008, the Fund was named in a class action civil lawsuit filed in Ontario Superior Court. The action has been amended several times. The plaintiffs propose to represent a class of people or entities that acquired units of the Fund between March 13, 2002 and September 16, 2008, and claim damages of C\$245 million, alleging against the Fund, its trustees, and a subsidiary and its directors and certain officers, as defendants that they failed to make full and timely disclosure. A motion by the plaintiffs for certification and for leave to amend to add a statutory cause of action for secondary market misrepresentation against the existing defendants and to add two former employees of the subsidiary as defendants to the statutory cause of action was granted by the Court on March 1, 2011. The Fund and other defendants will seek leave to appeal that outcome. The Fund denies the allegations in the lawsuit and will continue to vigorously contest the action in court. At this time, the final outcome of this litigation cannot be predicted or any potential effect it may have on the Fund or its operations. No financial provision has been made regarding this matter and the Fund has notified carriers of its directors' and officers' liability insurance of the action.

Costs of Antitrust Investigations and Related Litigation

On October 13, 2009, a subsidiary of the Fund entered into an agreement with the United States Department of Justice ("DOJ") Antitrust Division, settling all charges related to allegations that three former employees conspired with a co-conspirator company from January 2001 through July 2007 to allocate packaged ice customers in southeastern Michigan and the Detroit metropolitan area. On February 11, 2010, the plea agreement was accepted by the United States District Court for the Southern District of Ohio. Under terms of the agreement, the subsidiary agreed to plead guilty and to pay a fine of \$9,000,000, payable in installments of \$1,000,000 due 30 days after entry of judgment which occurred on March 4, 2010; \$1,000,000 at the one-year anniversary date; \$1,500,000 at each of the two, three and four-year anniversary date; and a final payment of \$2,500,000 at the five-year anniversary date. This obligation has been recorded in long-term debt at its discounted present value of \$5,959,000 (2009 – \$6,264,000). The Fund has also agreed to cooperate with the DOJ's ongoing investigation of other companies and individuals in relation to the U.S. packaged ice industry. The agreement concludes the DOJ's investigation as it relates in any way to the Fund, its board, management and staff in all markets.

Subsequent to the end of the year, on or about March 30, 2011, a subsidiary of the Fund settled the class action filed by direct purchasers of packaged ice in the United States. Under terms of the agreement, which is subject to approval by U.S. District Court, the subsidiary will pay a settlement of \$12,500,000 in two installments. The agreement provides for a first installment of \$2,500,000 to be payable on the later of July 15, 2011 or 15 days after the settlement receives preliminary court approval and a final installment of \$10,000,000 to be payable on the later of

November 1, 2011 or 30 days after the settlement receives final court approval. The settlement has been recorded in current liabilities at its discounted present value of \$11,393,000.

Total costs incurred in connection with the ongoing investigations and related litigation for the year ended December 31, 2010 are estimated at \$15,577,000 (2009 - \$11,253,000). For the year ended December 31, 2010, the costs are comprised of fines of \$nil, (2009 - \$6,264,000), the current value of the U.S. direct purchaser litigation settlement of \$11,393,000 (2009 - \$nil) and estimated legal and other costs of \$4,184,000 (2009 - \$4,989,000). See also Note 24.

Contingencies

In March 2008, a subsidiary of the Fund and certain members of management received subpoenas issued by a federal grand jury in the Eastern District of Michigan seeking documents and information in connection with an investigation by the Antitrust Division of the United States Department of Justice ("DOJ") into possible antitrust violations in the U.S. packaged ice industry. On October 13, 2009, the subsidiary entered into an agreement with the DOJ to conclude the investigation as it relates in any way to the Fund, its board, management and staff in all markets (Note 17). The agreement was accepted by the U.S. District Court on February 11, 2010.

The Fund and its subsidiaries received Civil Investigative Demand notices ("CID") from the Attorneys General for Florida and Arizona seeking information in order to determine if state antitrust laws had been violated. The Fund has been informed that 17 other states have signed information sharing agreements with Florida in order to review and share information. A subsidiary of the Fund received additional CID notices from the Michigan Attorney General seeking documents and information in order to determine whether Michigan's antitrust laws were violated. On August 31, 2010, the subsidiary entered into an agreement with the Michigan Attorney General to resolve, without any admission of wrongdoing, all allegations that it violated Michigan's antitrust laws. Under terms of the agreement, the subsidiary paid the amount of \$350,000 in two installments in September and December 2010. The settlement concludes and resolves all investigations, inquiries, claims and proceedings by the Michigan Attorney General related to any alleged violations of applicable state and federal antitrust laws. The Fund and its subsidiaries are cooperating with authorities in the course of the other state antitrust investigations and provided all requested information over one year ago. There have been no further requests for information made of the Fund since then.

Following the announcement that the DOJ was undertaking an investigation of the U.S. packaged ice industry, a number of civil actions were commenced by direct and indirect purchasers against several packaged ice companies in the United States, including subsidiaries of the Fund, alleging violations of antitrust laws and seeking damages. Pursuant to an order from the Judicial Panel on Multidistrict Litigation ("MDL"), the civil actions pending in federal courts have been transferred and consolidated for pretrial proceedings in the United States District Court for the Eastern District of Michigan. On September 15, 2009, the plaintiffs in these actions filed consolidated amended complaints.

Subsequent to the end of the year, on or about March 30, 2011, the Fund agreed to settle the MDL direct purchasers' action. Under terms of the agreement, which remains subject to approval by U.S. District Court, a settlement of \$12,500,000 will be paid in two installments.

The first installment of \$2,500,000 is payable on the later of July 15, 2011 or 15 days after the settlement receives preliminary court approval and a final installment of \$10,000,000 is payable on the later of November 1, 2011 or 30 days after the settlement receives final court approval.

Subsequent to the year, on March 11, 2011, the Court partially granted a motion filed by the Fund to dismiss the non-Michigan claims in the MDL indirect purchasers' action. The Court dismissed many of the indirect purchaser's state law claims restricting all claims to those states in which the named plaintiffs reside, reducing dramatically the number of claims pending in the action.

On July 23, 2008, an individual, who became an employee of a subsidiary of the Fund for a short period of time in the course of an acquisition before accepting terms of severance, commenced an action in the United States District Court for the Eastern District of Michigan. The action purports to bring antitrust claims as well as state law claims in connection with his termination from employment with the subsidiary and his allegation that the defendant manufacturers illegally conspired to prevent his future employment in the ice industry. On May 29, 2009 the court dismissed the bulk of this case, including antitrust claims relating to both federal and state jurisdictions. The Fund is of the opinion that the claim is without merit and will vigorously contest the resulting and narrowed action in court.

Two civil actions were filed by direct purchasers of packaged ice in state courts in Kansas and Wisconsin, alleging violations of state antitrust laws and related claims and seeking similar damages to those sought in the federal actions described above. On February 26, 2009, the Kansas state court dismissed the action commenced in that state concluding the plaintiff had failed to advance an actionable claim against the Fund. On January 22, 2010, the Wisconsin state court denied that plaintiff's request for class certification, effectively restricting the action to a single customer. Subsequent to the end of the year, on March 18, 2011, the Fund resolved the Wisconsin action for a nominal amount and the matter is now closed.

On November 24, 2008, the United States DOJ Civil Division advised Arctic Glacier of its commencement of a civil investigation of the packaged ice industry under the U.S. federal *False Claims Act* to determine if the U.S. federal government, or its contractors, were overcharged in their purchases of packaged ice as a result of the conduct investigated by the DOJ Antitrust Division. Subsequent to the end of the year, on March 21, 2011, the DOJ Civil Division advised that its investigation with respect to Arctic Glacier was closed and no action would be taken against the Fund and its subsidiaries.

On October 24, 2008, the Fund was named in a class action civil lawsuit filed in Ontario Superior Court. The action has been amended several times. The plaintiffs propose to represent a class of people or entities that acquired units of the Fund between March 13, 2002 and September 16, 2008 and claim damages of C\$245,000,000 alleging against the Fund, its trustees, and a subsidiary and its directors and certain officers, as defendants that they failed to make full and timely disclosure. A motion by the plaintiffs for certification and for leave to amend to add a statutory cause of action for secondary market misrepresentation against the existing defendants and to add two former employees of the subsidiary as defendants to the statutory cause of action was granted by the Court on March 1, 2011. The Fund and other defendants will seek leave to appeal that outcome. The Fund denies the allegations in the lawsuit and will continue to vigorously contest the action in court. At this time the final outcome of this litigation cannot be

predicted or any potential effect it may have on the Fund or its operations. The Fund has notified carriers of its directors' and officers' liability insurance of the action.

On May 7, 2009, a civil lawsuit was filed against a subsidiary of the Fund in Ontario Superior Court ("the May 2009 Action") seeking damages of C\$110,000,000 on behalf of a proposed class of customers in Ontario that had purchased packaged ice directly from the subsidiary during a proposed class period commencing January 1, 2001. The plaintiffs to this action have agreed to have it dismissed.

On March 1, 2010, a second claim was issued in the Ontario Superior Court on behalf of one of the two plaintiffs from the May 2009 Action. This action (the "March 2010 Action") is brought against a subsidiary of the Fund, a former employee and another packaged ice company on behalf of a proposed class of purchasers in Ontario, British Columbia, Manitoba, Saskatchewan and Quebec during a proposed class period commencing January 1, 2001. The March 2010 Action alleges anticompetitive behavior by the subsidiary and the other packaged ice company and seeks damages of C\$100,000,000 plus punitive and exemplary damages in the amount of C\$10,000,000 plus interest and costs. A certification motion hearing is pending and could be heard by mid-2011.

A similar civil lawsuit was filed against a subsidiary of the Fund in Alberta Superior Court on June 24, 2009 also seeking damages of C\$110,000,000 on behalf of a proposed class of customers in Alberta that had purchased packaged ice directly from the subsidiary during a proposed class period commencing January 1, 2001. This action alleges anticompetitive behavior by the subsidiary and a number of U.S. manufacturers of packaged ice. No substantive steps have been taken by the plaintiff in this action. This claim is aligned with the March 2010 Action and together they should be considered as one claim as they deal with exactly the same alleged activity and claim the same relief.

On April 26, 2010, an indirect-purchaser complaint asserting claims under Michigan's antitrust law was filed in the Eastern District of Michigan against three former employees of a subsidiary of the Fund. The complaint asserts the same factual basis as that presented in the consolidated indirect purchasers' action pending against subsidiaries of the Fund, except that the plaintiffs are only seeking damages relating to conduct in Michigan. The Fund and its subsidiaries were not named in this action, however, in accordance with its bylaws, a subsidiary of the Fund is obligated to pay for the representation of and to indemnify the three former employees in this action.

Subsequent to the end of the year, on March 4, 2011, a class action complaint was filed in Kansas state court on behalf of indirect purchasers of packaged ice. The action alleges that the Fund, a subsidiary and three former employees, among other defendants, engaged in conduct similar to that alleged in the indirect purchaser actions in violation of Kansas state law. The Fund has not yet been served in this action.

At this time, the Fund is unable to predict the timeline or final outcome of the remaining state investigations and litigation matters, or any potential effect they may have on the Fund or its operations, which may be material. No financial provisions have been made regarding these matters except as noted above.

Certain other litigation arising in the normal course of business is pending against the Fund and its subsidiaries. While the final outcome with respect to actions outstanding or pending as at December 31, 2010 cannot be predicted with certainty, the Fund is of the opinion that the

resolution of such litigation will not have a significant effect on the consolidated financial statements of the Fund and its subsidiaries.

EXHIBIT "II"
SCHEDULE A
INDIVIDUAL COMMITMENTS

Lender	Canadian Swing Line Facility (U.S. \$)	Canadian Facility (U.S. \$)	U.S. Swing Line Facility (U.S.\$)	U.S. Facility (U.S. \$)	Totals (US\$)
The Toronto-Dominion Bank	\$5,000,000	\$5,000,000		—	\$10,000,000
Toronto Dominion (New York) LLC	—	—		\$18,750,000	\$18,750,000
The Toronto-Dominion Bank, New York Branch	—	—	\$5,000,000	—	\$5,000,000
The Bank of Nova Scotia—		\$5,000,000	—	\$16,000,000	\$21,000,000
Roynat Business Capital Inc.	—	—	—	\$7,750,000	\$7,750,000
Roynat Inc.		\$5,000,000	—	—	\$5,000,000
Total Commitments	\$5,000,000	\$15,000,000	\$5,000,000	\$42,500,000*	\$67,500,000

The Commitments of the U.S. Lenders under the U.S. Facility shall be reduced on an annual basis on December 31st of each year, commencing December 31, 2011 and ending on December 31, 2012, by an amount equal to the Annual Mandatory Repayment Amount (equal to U.S.\$2,500,000.00 per annum, less the aggregate principal amount of any mandatory repayments in each such year pursuant to Sections 2.6(5), 2.6(6), 2.6(7) and 2.6(8)), with such annual reductions to be applied as shall have been specified by the Borrowers with notice to the Agent at least 5 Business Days prior to such scheduled reduction, to the U.S. Commitment. The Commitments of the U.S. Facility Lenders under the U.S. Facility shall be permanently reduced by U.S. \$10,000,000 and such reduction shall occur automatically on the date the U.S. Direct Purchaser Settlement is publicly announced by the Arctic Parties (the "**Settlement Reduction**"). For certainty, each such annual reduction and the Settlement Reduction shall be allocated in accordance with the U.S. Facility Pro Rata.

EXHIBIT "III"
SCHEDULE D
COMPLIANCE CERTIFICATE

TO: **THE TORONTO-DOMINION BANK, as Canadian Agent**

Reference is made to the fourth amended and restated loan agreement dated February 10th, 2010 among, *inter alia*, Arctic Glacier Inc. and Arctic Glacier International Inc., as Borrowers, the Canadian Agent, the U.S. Agent and the Lenders specified therein, as amended and restated, amended, modified, supplemented, restated or replaced from time to time (the "Loan Agreement"). All defined terms used, but not otherwise defined, in this notice shall have the respective meanings set forth in the Loan Agreement. This [annual/quarterly] Compliance Certificate is delivered pursuant to Section 8.1(2)(a) of the Loan Agreement for the Financial [Year/Quarter] ending ● (the "Period").

I, ●, the ● of each of the Borrowers, in such capacity and not personally, hereby certify that:

1. I am the duly appointed ● of each of the Borrowers and as such I am providing this certificate for and on behalf of the Borrowers pursuant to the Loan Agreement.
2. I am familiar with and have examined the provisions of the Loan Agreement including, without limitation, those of Articles 7, 8 and 9 therein.
3. To the best of my knowledge, information and belief, and after due inquiry;
 - (a) the representations and warranties of each of the Arctic Parties contained in the Loan Documents are true and correct as of the date hereof with the same force and effect as if such representations and warranties had been made on and as of the date hereof;
 - (b) each of the Arctic Parties have fulfilled and complied with all covenants contained in the Loan Documents to be performed or caused to be performed by it at or prior to the date hereof;
 - (c) enclosed herewith is a copy of Schedule "P" to the Loan Agreement as at [date of last Financial Quarter][Financial Year ended ●] which has been blacklined to show changes to the copy of Schedule "P" most recently delivered to the Agent with notes explaining the changes in reasonable detail;
 - (d) each of the Arctic Parties have paid all realty taxes due and payable by them during the Period except for such instances of non-payment that have not and could not reasonably be expected to result in a Material Adverse Effect; and
 - (e) no Default or Event of Default has occurred and is continuing as at the date hereof.

4. Without limiting the generality of Paragraph 3 above, the Arctic Parties were, at the end of the Period and as of the date of this Compliance Certificate, in compliance, in all material respects, with all applicable Environmental Laws.
5. The amounts and financial ratios referred to in Section 8.3 of the Loan Agreement for the Period or as of the end of the Period were as follows (detailed calculations are attached hereto as Annex I):

Financial Ratio	Actual Amount	Required Amount of Limit
(1) Leverage Ratio	●:1.0	Leverage Ratio Maximum ¹
(2) Senior Leverage Ratio	●:1.0	1.50:1.0
(3) Fixed Charge Coverage Ratio	●:1.0	1.00:1.0
(4) Interest Coverage Ratio	●:1.0	[1.15:1.0/1.25:1.00] ²
(5) Minimum Consolidated EBITDA	\$●	[\$45,000,000/\$48,000,000] ³
(6) Minimum Liquidity ⁴	\$● (Q1) \$● (Q2) \$● (Q3) \$● (Q4)	[\$15,000,000] [\$15,000,000] [\$30,000,000] [\$40,000,000]

6. Certain additional compliance items referred to in the Loan Agreement for the Period or as of the end of the Period were as follows (detailed calculations are attached hereto as Annex I):

Additional Compliance Items	Maximum Amount	Actual Amount
(a) Notional amount of Hedging Transactions (Aggregate)	U.S.\$150,000,000	\$●
(b) Mark to market amount of Hedging Transactions (Aggregate)	-	\$●

¹ The Leverage Ratio Maximum is as follows: (i) 4.90x at any time during the Financial Quarter ending March 31, 2011, (ii) 5.25x at any time during the Financial Quarter ending June 30, 2011, (iii) 4.50x at any time during the Financial Quarters ending September 30, 2011 and December 31, 2011, (iv) 5.00 at any time during the Financial Quarter ending March 31, 2012 (v) 3.75x at any time during the Financial Quarter June 30, 2012, (vi) 3.50x at any time thereafter until the Maturity Date.

² Interest Coverage Ratio is to be 1.15:1.00 for each Financial Quarter until the Financial Quarter ending December 31, 2011 and 1.25:1.00 for Financial Quarter until the Financial Quarter ending March 31, 2012 and thereafter.

³ The Minimum Consolidated EBITDA shall be \$45,000,000 until and including Fiscal Quarter ending March 31, 2012 and \$48,000,000 thereafter.

⁴ Minimum Liquidity requirements to be eliminated upon the reduction of U.S. Facility by \$10,000,000 as contemplated by Consent and Second Amendment to Loan Agreement dated March 30, 2011.

Additional Compliance Items	Maximum Amount	Actual Amount
(c) Notional amount of Hedging Transactions (Foreign Exchange)	U.S.\$45,000,000	\$●
(d) Mark to market amount of Hedging Transactions (Foreign Exchange)	-	\$●
(e) Notional amount of Hedging Transactions (Interest Rate Swaps)	U.S.\$100,000,000	\$●
(f) Mark to market amount of Hedging Transactions (Interest Rate Swaps)	-	\$●
(g) Notional amount of Hedging Transactions (Commodity Hedging)	U.S.\$5,000,000	\$●
(h) Mark to market amount of Hedging Transactions (Commodity Hedging)	-	\$●
(i) Disposed Property Amount (Section 8.2(3))	\$1,500,000/ Financial Year	\$●
(j) Purchase Money Debt (Section 8.2(5))	\$1,500,000 (Aggregate)	\$●
(k) Acquisitions to Date (Section 8.2(8)(iv))	U.S.\$5,000,000 (Aggregated Annually)	\$● ⁵
(l) Corporate Distributions (Section 8.2(10))	-	\$●
(m) Distributable Cash (Section 8.2(10))	-	\$●
(n) Deposit account balances (U.S.) (Section 8.1(19)) ⁶	U.S.\$1,000,000	[within limits][not within limits] See Annex II
(o) Amount of all Permitted Financial Investments, cash and Capital Stock in deposit accounts, investments accounts and securities accounts (for which control agreements have not been delivered) (Section 8.1(19)) ⁷	U.S.\$4,000,000 (Aggregate)	\$●

⁵ Please list date and amount of each acquisition, as well as aggregate amount of all acquisitions to date made pursuant to Section 8.2(8)(iv).

⁶ This information is to be delivered annually as part of the Compliance Certificate delivered following Financial Year-end.

⁷ This information is to be delivered annually as part of the Compliance Certificate delivered following Financial Year-end.

7. Based on the Leverage Ratio for the Financial Quarter ending ●, the Applicable Margin to become effective on ● is:

Floating Rate Advances U.S. Base Rate Advances U.S. Prime Rate Advances Swing Line Loans Canadian Swing Line Loans U.S. Swing Line Loans	Bankers' Acceptances BA Equivalent Notes LIBOR Advances Letters	Canadian Commitment Fee U.S. Commitment Fee Canadian Swing Line Commitment Fee U.S. Swing Line Commitment Fee
●%	●%	●%

8. The DOJ Payments (present value) as of the date hereof are U.S. \$● (detailed calculations are attached hereto as Annex I).
9. The Class-Action Settlement Payments (present value) as of the date hereof are U.S. \$● (detailed calculations are attached hereto as Annex III).
10. Capital Stock consisting of redeemable or retractable preferred shares as of the date hereof are [Cdn.\$][U.S.\$].

[NTD: Lenders to advise of any additional reporting requirements.]

DATED this day of , 20__.

ARCTIC GLACIER INC.

Name:

Title: Chief Financial Officer

ANNEX I
DETAILED CALCULATIONS

[see attached]

ANNEX II
DEPOSIT ACCOUNT BALANCES

[see attached]

ANNEX III

CLASS-ACTION SETTLEMENT PAYMENTS

EXHIBIT "IV"

OUTSTANDING POST-CLOSING MATTERS

A. *FARLA/CPPIB Post-Closing Matters:*

- 1) First Amendment to Fourth Amended and Restated Loan Agreement ("FARLA"). Delivery of executed signature pages to the First Amendment from the Arctic Parties by April 8th, 2011.
- 2) 50 Stewart Ave, Huntington NY. Delivery of the Phase 1 Environmental Report for this property by April 30th, 2011 using best efforts.
- 3) 556 River Road, Bronx NY. Delivery of the filed Leasehold Mortgage, Master Landlord estoppel, Title Insurance and Phase 1 Environmental Report for this property by April 30th, 2011 using best efforts.
- 4) Vehicle Undertaking. Delivery of an updated vehicle undertaking, satisfactory to Lenders by April 30, 2011.
- 5) Fairport Annual Certification. We have been advised that, in discussions with the NYDEC on August 26, 2009, Arctic's consultant, Haley & Aldrich, confirmed that the NYDEC has changed Arctic's status in its database such that the Fairport facility was no longer listed as a so-called Sector P facility required to monitor stormwater and submit discharge monitoring reports. The NYDEC stated that the only requirement for future submittals is an Annual Certification statement. Delivery of copies of the 2009 and 2010 Annual Certification statements to the Agent by April 30, 2011.

B. *ICESurance Matters:*

- 6) Insurance Cover Note. Delivery of an updated insurance cover note from Marsh, reflecting the addition of ICESurance as a named insured, in form and substance satisfactory to the Lenders by April 30, 2011.