

**GUARANTEE**

THIS GUARANTEE dated the 22<sup>nd</sup> day of March, 2002.

BY:

**ARCTIC GLACIER INC.**

(the "Guarantor")

IN FAVOUR OF:

**THE TORONTO-DOMINION BANK**, as Agent,  
for and on behalf of itself and the Lenders (as  
defined below) pursuant to the Loan Agreement (as  
defined below)

(the "Agent")

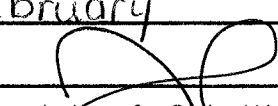
*Arctic Glacier Guarantee*

This is Exhibit "7" referred to in the

Affidavit of Keith McMahon

SWORN before me this 21<sup>st</sup> day

of February, A.D. 2012

  
A Commissioner for Oaths / Notary Public  
in and for the Province of Manitoba

~~My Commission expires~~

**WHEREAS** the Guarantor has executed a loan agreement dated as of March 22, 2002 among Arctic Glacier Inc. and Arctic Group International Inc. ("**Arctic International**"), as Borrowers (each, a "**Borrower**" and collectively, the "**Borrowers**") and Guarantors, Arctic Glacier Income Fund, Arctic North Dakota Inc., Arctic Nebraska Inc., KAMA, Inc., Plainview Ice & Cold Storage, Inc., Arctic Iowa Inc., Host Ice & Beverage Equipment Co., Inc., Iceberg Acquisition, Inc., North Star Ice, Inc. and Ice Perfection Systems Inc., as Guarantors, Arctic Glacier Canadian Water Co. Inc., The Toronto-Dominion Bank, RoyNat Inc. and such other lenders as may from time to time become parties thereto as Canadian Lenders (the "**Canadian Lenders**"), Toronto Dominion (Texas), Inc., RoyNat Business Capital Inc. and such other lenders as may from time to time become parties thereto as U.S. Lenders (the "**U.S. Lenders**") (the Canadian Lenders and the U.S. Lenders are hereinafter collectively referred to as the "**Lenders**"), TD Securities, as Lead Arranger and Book Manager, The Toronto-Dominion Bank, as Canadian Administration Agent, Toronto Dominion (Texas), Inc., as U.S. Administration Agent and RoyNat Inc., as Syndication Agent (as amended, supplemented, replaced or restated from time to time, the "**Loan Agreement**");

**AND WHEREAS** the Guarantor will receive direct economic and financial benefits from Advances made available to Arctic International under the Loan Agreement;

**AND WHEREAS** the Guarantor has agreed to enter into this Guarantee and has determined that it is in its best interests to enter into this Guarantee;

**AND WHEREAS** the Guarantor's entry into this Guarantee is an inducement to the Agent and the Lenders to enter into the Loan Agreement;

**NOW THEREFORE**, in consideration of the foregoing and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Guarantor), the Guarantor hereby covenants and agrees as follows:

## ARTICLE I INTERPRETATION

### 1.1 Defined Terms.

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement. In this Guarantee, the following terms shall have the following meanings:

**"Affected"** means limited, lessened, prejudiced, mitigated, impaired, released, discharged or otherwise affected in any way whatsoever, **"Affecting"** means limiting, lessening, prejudicing, mitigating, impairing, releasing or otherwise affecting in any way whatsoever and **"Affect"** means limit, lessen, prejudice, mitigate, impair, release or otherwise affect in any manner whatsoever; and

**"Guarantor's Liabilities"** means all obligations, indebtedness and liabilities of the Guarantor under, in connection with or relating to this Guarantee.

### 1.2 Interpretation.

This Guarantee shall be interpreted in accordance with the following:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) the division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee;
- (c) references to "this Guarantee" refer to this entire Guarantee, including the indemnities in Article VII hereof;
- (d) the word "including" shall mean "including without limitation" and "includes" shall mean "includes without limitation";
- (e) unless otherwise provided, references to the "Agent" are to the Agent in its capacities as Canadian Administration Agent for the Lenders under the Loan Agreement, and for individual Lenders for the purpose of taking and holding security in respect of the Hedging Transactions from time to time;
- (f) unless otherwise provided, references to "Lenders" include the Lenders in their capacity as Lenders under the Loan Agreement, and individual Lenders from time to time as counterparties under the Hedging Transactions; and
- (g) unless otherwise provided, references to "Loan Documents" include the Loan Documents as defined under the Loan Agreement, and documents entered into in respect of the Hedging Transactions from time to time.

1.3 **Severability.**

If any provision of this Guarantee is, or becomes, illegal, invalid or unenforceable, such provision shall be severed from this Guarantee and be ineffective to the extent of such illegality, invalidity or unenforceability. The remaining provisions hereof shall be unaffected by such provision and shall continue to be valid and enforceable.

1.4 **Governing Law.**

This Guarantee shall be governed by, and interpreted in accordance with, the Laws of the Province of Manitoba and the Laws of Canada applicable therein, without giving effect to any conflicts of law rules thereof. The Guarantor hereby irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Manitoba with respect to any matter arising under or relating to this Guarantee.

**ARTICLE II  
GUARANTEE**

2.1 **Guarantee.**

The Guarantor hereby irrevocably, absolutely and unconditionally, and jointly and severally with all other Guarantors, guarantees to the Agent and the Lenders, as and by way of a continuing guarantee, the due, prompt and complete payment, performance and satisfaction of the Obligations of Arctic International strictly in accordance with the terms thereof. The Guarantor shall be primarily liable to the Agent and the Lenders for all such Obligations.

2.2 **Limit.**

To the extent that any mandatory and non-waivable provision of applicable Law pertaining to: (i) fraudulent transfer or fraudulent conveyance otherwise would render any of the Guarantor's Liabilities voidable, invalid or unenforceable, or (ii) corporate dividends or distributions otherwise would render the payment of any of the Guarantor's Liabilities a violation of any such provision, the Guarantor's Liabilities shall be limited to the maximum amount which does not result in such voidability, invalidity, unenforceability or violation. In any action, suit or proceeding pertaining to this Guarantee, the burden of proof, by clear and convincing evidence, shall be on the Person claiming that this Section 2.2 applies to limit the Guarantor's Liabilities, or claiming that any of the Guarantor's Liabilities is avoidable, invalid or unenforceable or claiming such a violation, as to each element of any such claim.

2.3 **Dealings with the Borrowers and Guarantors.**

The Guarantor hereby acknowledges receipt of complete communication of all the terms and conditions of the Loan Agreement and the Loan Documents and consents to and approves the same. The Agent and the Lenders may deal with either of the Borrowers and any other Guarantor as the Agent and the Lenders may see fit, whether or not such dealings are in breach (intentional, negligent or otherwise) of the Agent's and Lenders' agreements (express or implied) with any of the Borrowers and the other Guarantors, without Affecting any of the Guarantor's Liabilities and without obtaining the consent of or giving notice to the Guarantor.

Without limiting the foregoing, the Agent and the Lenders may, without Affecting any of the Guarantor's Liabilities and without obtaining the consent of, or giving notice to, the Guarantor: (i) in accordance with the Loan Agreement or the Loan Documents, amend, supplement, restate, substitute or delete any terms and conditions of the Loan Agreement or the Loan Documents (except for the terms and conditions of this Guarantee); (ii) grant time, renewals, extensions, indulgences, releases and discharges to, and accept compositions from any of the Borrowers and the other Guarantors; (iii) renew, extend, rollover, convert, vary or terminate any Accommodation made or available under the Loan Agreement; (iv) take Liens and Guarantees from any of the Borrowers or any other Person or abstain from taking, perfecting, preserving, protecting, valuing, realizing or enforcing any such Liens or Guarantees; (v) renew, exchange, modify, release or discharge or otherwise deal with any Lien or Guarantee now or hereafter held against or from any of the Borrowers and the other Guarantors; (vi) apply all moneys received from any of the Borrowers and the other Guarantors upon such parts of the Guarantor's Liabilities as the Agent or the Lenders may see fit and change any such application, in whole or in part, from time to time; and (vii) prove or refrain from proving a claim in any bankruptcy, winding-up, dissolution or liquidation of any of the Borrowers and the other Guarantors and receive or refrain from receiving any dividends and other payments in respect of any such claim.

2.4

**Guarantee not Affected.**

The Guarantor's Liabilities shall not be Affected by:

- (a) any assignment or participation of the Obligations or the Loan Documents, in whole or in part, by the Agent or the Lenders or any assignment by any of the Borrowers and the other Guarantors of any of their respective obligations, indebtedness and liabilities under the Loan Documents;
- (b) any cessation or termination of the Obligations from any cause whatsoever, whether by consent or by operation of Law;
- (c) any amalgamation, merger, arrangement, consolidation, reorganization, winding-up, dissolution, liquidation or termination of any of the Borrowers and the other Guarantors or their respective Businesses or any change in the name, status, composition, control or ownership of any of the Borrowers ;
- (d) any disposition of, Lien on or other dealing with any Property of any of the Borrowers and the other Guarantors;
- (e) any insolvency or bankruptcy of any of the Borrowers and the other Guarantors or any voluntary or involuntary participation by any of the Borrowers and the other Guarantors in any assignment, settlement, arrangement, composition or other proceeding for the benefit of its creditors;
- (f) anything done, omitted, suffered or permitted by the Agent or the Lenders in connection with any of the Borrowers, the Guarantors, the Obligations and the Guarantor's Liabilities or any Lien held by the Agent or the Lenders;

- (g) any loss in respect of any Lien held by the Agent or the Lenders against or from any of the Borrowers and the other Guarantors, whether caused by the fault of the Agent or the Lenders or otherwise;
- (h) any failure by the Agent or the Lenders to pursue any recourse which may otherwise be available, whether by deficiency judgment or otherwise;
- (i) any defect, irregularity or informality in, omission from or lack of validity or enforceability of any of the Loan Documents, any limitation, disability or incapacity of any of the Borrowers and the other Guarantors or any lack of authority of any director, officer or other Person purporting to be acting on behalf of any of the Borrowers and the other Guarantors; or
- (j) any other act, omission, thing or circumstance which would or might, but for this provision, constitute a legal or equitable discharge or defence of a surety.

**2.5      Waivers of Notices.**

The Guarantor hereby waives: (i) demand, presentment, diligence, protest, notice of dishonour, notice of acceptance and any other notices whatsoever of; and (ii) any duty on the part of the Agent or the Lenders to disclose to the Guarantor, anything which the Agent or the Lenders may now or hereafter know concerning any of the Borrowers and the other Guarantors or any other matter whatsoever, even if the Agent or the Lenders have reason to believe any such information materially increases the risk beyond that which the Guarantor intends to assume hereunder.

**2.6      Security.**

The Guarantor has not taken and does not hold and shall not take or hold, without the prior written consent of the Agent, any Lien from Arctic International in connection with this Guarantee, and any Lien so taken or held shall be held in trust for the Agent and the Lenders and as security for the Guarantor's Liabilities in accordance with Section 6.2.

**2.7      No Set-Off by Guarantor.**

The Guarantor shall, to the fullest extent permitted by applicable Law, make all payments and perform all obligations hereunder without regard to any right or alleged right of set-off, counterclaim or appropriation or the application of any Claim that any of Arctic International and the other Guarantors may have or may allege to have against the Agent, the Lenders or any other Person.

**2.8      Set-Off by Agent and Lenders.**

The Guarantor hereby irrevocably authorizes the Agent and the Lenders to, upon the occurrence of an Event of Default or the provisions of Section 5.6 becoming applicable, set-off and apply any and all deposits (whether general or special, provisional or final, time or demand) at any time held for the Guarantor and any and all or other indebtedness and liabilities owing to the Guarantor against any and all of the Guarantor's Liabilities, to the fullest extent

permitted by applicable Law, irrespective of whether or not demand has been made for payment hereunder or under any of the Loan Documents or whether any of the Guarantor's Liabilities are contingent or unmatured.

**2.9            Evidence of Obligations.**

The Guarantor agrees that the account records maintained by the Agent and the Lenders as to the amount of any of the Obligations or the Guarantor's Liabilities or any judgment determining such amounts obtained by the Agent or the Lenders against any of the Borrowers and the Guarantor, as the case may be, shall be *prima facie* evidence against the Guarantor as to the amount of such Obligations and the Guarantor's Liabilities, as the case may be, absent manifest error. The failure of the Agent or the Lenders to correctly record any amount or date shall not Affect the obligation of the Guarantor to pay amounts due hereunder to the Agent and the Lenders in accordance with this Guarantee.

**2.10           Termination.**

This Guarantee shall be additional to any other Guarantee or Lien now or hereafter held by the Agent or the Lenders from the Guarantor or any other Guarantors. This Guarantee shall not be considered as released or satisfied by any intermediate payment or satisfaction of the whole or any part of the Obligations but shall be a continuing security and shall remain in force until all of the Guarantor's Liabilities shall have been fully paid, performed and satisfied. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or is otherwise required to be returned by the Agent or the Lenders upon the insolvency, bankruptcy or reorganization of any of the Borrowers or otherwise, all as though such payment had not been made.

**ARTICLE III  
REPRESENTATIONS AND WARRANTIES**

**3.1            Representations and Warranties.**

The Guarantor hereby makes each of the following representations and warranties in favour of the Agent and the Lenders:

- (a)    **Incorporation by Reference.** Each of the representations and warranties set out in Article VII (or any successor Article) of the Loan Agreement, which representations and warranties are hereby incorporated by reference in this Guarantee and shall have the same scope and apply to the same Persons in this Guarantee as in the Loan Agreement.
- (b)    **No Breach of Contracts.** Each of the agreements material to the Guarantor is in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act (including the execution of this Guarantee and the granting of any Lien therefor) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default thereunder. The Guarantor has not violated or breached, in any

material respect, any of the terms or conditions of any such agreement, and all the material covenants to be performed by it have been fully performed.

- (c) **Recitals.** All of the recitals hereto are in all respects true and correct.
- (d) **Subsidiaries.** Arctic International is a direct wholly-owned Subsidiary of the Guarantor.

**3.2      Survival of Representations and Warranties.**

All the representations and warranties of the Guarantor contained in Section 3.1 shall survive the execution and delivery of this Guarantee and shall continue in full force and effect until all the Guarantor's Liabilities have been paid, performed and satisfied in full notwithstanding any investigation made at any time by or on behalf of the Agent or the Lenders.

**ARTICLE IV  
COVENANTS**

**4.1      Affirmative Covenants.**

So long as any amount owing under the Loan Documents remains unpaid or any of the Lenders has any Commitment under the Loan Agreement, and unless the Agent, upon direction from the Majority Lenders, shall otherwise consent, the Guarantor agrees that it shall:

- (a) **Incorporation by Reference.** Do, perform and comply with each of the affirmative covenants applicable to the Guarantor set out in Section 8.1 (or any successor Section) of the Loan Agreement, which covenants are hereby incorporated by reference in this Guarantee and shall have the same scope and apply to the same Persons in this Guarantee as in the Loan Agreement.
- (b) **Further Assurances.** At its cost and expense, upon request of the Agent, duly execute and deliver or cause to be duly executed and delivered to the Agent such further instruments and other documents and do and cause to be done such further acts as may be necessary or desirable in the opinion of the Agent, acting reasonably, to carry out more effectually the provisions and purposes of the Loan Documents.

**4.2      Negative Covenants.**

So long as any amount owing under the Loan Documents remains unpaid or any of the Lenders has any Commitment under the Loan Agreement and unless the Agent, upon direction from the Majority Lenders, shall otherwise consent, the Guarantor agrees that it shall comply with each of the negative covenants applicable to the Guarantor set out in Section 8.2 (or any successor Section) of the Loan Agreement, which covenants are hereby incorporated by reference in this Guarantee and shall have the same scope and apply to the same Persons in this Guarantee as in the Loan Agreement.

## ARTICLE V DEFAULT AND ENFORCEMENT

### 5.1 Default.

In the event of the occurrence of an Event of Default, the Agent for and on behalf of itself and the Lenders may, notwithstanding any contrary arrangement with any of the Borrowers, demand from the Guarantor immediate payment, performance and satisfaction of the Obligations of Arctic International and other Guarantor's Liabilities. Forthwith upon such demand, the Guarantor shall immediately pay, perform and satisfy in full all of the Obligations of Arctic International and other Guarantor's Liabilities. All payments received by the Agent or the Lenders pursuant to this Guarantee will be applied in accordance with the provisions of the Loan Agreement.

### 5.2 Interest.

All amounts payable by the Guarantor to the Agent or the Lenders hereunder shall bear interest from and including the date of demand for payment of such amount hereunder, calculated monthly, not in advance, both before and after judgment until all of the Obligations of Arctic International and other Guarantor's Liabilities are paid, performed and satisfied in full, at a rate per annum equal at all times to the Floating Rate plus 3% per annum.

### 5.3 Enforcement.

Upon the occurrence of an Event of Default, the Agent for and on behalf of itself and the Lenders may, at any time enforce any or all of their property rights and remedies hereunder, enforce any Lien from or against the Guarantor or on any of its Property and exercise any right or remedy available under applicable Law. Without limiting the foregoing, the Agent for and on behalf of itself and the Lenders may proceed to enforce such rights, remedies and Liens prior to, contemporaneously with or after any action taken in respect of any Lien given to the Agent for and on behalf of itself and the Lenders by any of Arctic International and the other Guarantors. Neither the Agent nor the Lenders shall be required to take any action or proceeding against or demand payment from or otherwise exhaust their recourse against any of Arctic International and the other Guarantors, or pursue any other right or remedy available to the Agent or the Lenders before being entitled to require the Guarantor to pay, perform and satisfy the Obligations and other Guarantor's Liabilities in full.

### 5.4 Waiver.

No failure on the part of the Agent or the Lenders to exercise, and no delay in exercising, any right or remedy under this Guarantee shall operate as a waiver of such right or remedy; nor shall any single or partial exercise of any right or remedy under this Guarantee preclude any other or further exercise thereof or the exercise of any other right or remedy; nor shall any waiver of one provision be deemed to constitute a waiver of any other provision (whether or not similar). No waiver of any of the provisions of this Guarantee shall be effective unless it is in writing duly executed by the waiving party, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.



5.5

**Subrogation.**

This Guarantee shall apply to the ultimate balance owing by Arctic International to the Agent or the Lenders in respect of its Obligations and, until all of such Obligations have been paid, performed and satisfied in full, the Guarantor shall not be entitled to: (i) share in any Lien held or money received by the Agent or the Lenders on account of the Obligations; (ii) stand in the place of the Agent or the Lenders in respect of any Lien or money; or (iii) take any step to enforce any right or Claim against any of Arctic International and the other Guarantors in respect of any monies paid by the Guarantor to the Agent or the Lenders hereunder or exercise any rights as surety in competition with the Agent or the Lenders. Any moneys paid by or recovered from the Guarantor hereunder shall be deemed to be paid in discharge of the Guarantor's Liabilities, but not in discharge of the Obligations. Any right of subrogation acquired by the Guarantor by reason of payment under this Guarantee shall not be exercised until all of the Obligations of Arctic International and all other Guarantor's Liabilities have been paid, performed and satisfied in full. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when any of the Obligations and the Guarantor's Liabilities have not been paid, performed and satisfied in full, such amount shall be held in trust for the benefit of the Agent and the Lenders and shall forthwith be paid to the Agent.

5.6

**Insolvency of Guarantor.**

The Guarantor agrees that if it shall: (i) become insolvent or generally not pay its debts as such debts become due; (ii) admit in writing its inability to pay its debts generally, or make a general assignment for the benefit of creditors; (iii) file a notice of intention to file a proposal under any applicable Law relating to bankruptcy, insolvency, reorganization or relief of creditors; (iv) institute or have instituted against it any proceeding seeking (A) to adjudicate it a bankrupt or insolvent, (B) any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any applicable Law relating to bankruptcy, insolvency or reorganization or relief of debtors, or (C) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property, and, in the case of any such proceeding instituted against it (but not instituted by it), such proceeding shall remain undismissed or unstayed for a period of 30 days or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its Assets) shall occur; or (v) take any action to authorize any of the foregoing events, and if any of such foregoing events shall occur at a time when any of the Obligations of Arctic International and other Guarantor's Liabilities may not then be due and payable, the Guarantor will forthwith pay to the Agent the full amount which would be payable hereunder by the Guarantor if all the Obligations of Arctic International and all other Guarantor's Liabilities were then due and payable, without prejudice to any other right or recourse of any of the Agent and the Lenders under the Loan Documents or under applicable Laws against any of the Borrowers, the Guarantors and any other Person.

5.7

**Deemed Guarantor's Liabilities**

All advances, renewals and credits made or granted by the Agent or the Lenders under or in connection with the Loan Agreement purportedly to or for any of the Borrowers after

the dissolution (or similar event), bankruptcy or insolvency of any of the Borrowers, but before the Agent or the Lenders have received notice thereof, shall be deemed to form part of the Guarantor's Liabilities. All advances, renewals and credit obtained from the Agent or the Lenders under or in connection with the Loan Agreement purportedly by or on behalf of any of the Borrowers shall be deemed to form part of the Guarantor's Liabilities, notwithstanding any lack of notice to the Guarantor, any lack or limitation of power of any of the Borrowers or of the directors, officers, employees, partners or agents thereof, the dissolution (or similar event) of any of the Borrowers, or that any of the Borrowers may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Agent or the Lenders had knowledge thereof. Any such advance, renewal or credit which may not be recoverable from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Agent on demand with interest at the rate set out in Section 5.2 hereof.

**5.8      Agent and Lenders as Attorney.**

The Guarantor hereby irrevocably appoints the Agent and any Person designated by the Agent, after the occurrence of an Event of Default, to sign, execute or do any deeds, documents, transfers, demands, assignments, assurances, consents or things that the Guarantor is required to sign, execute or do hereunder, and to commence, continue or defend any proceedings authorized to be taken hereunder and generally to use the name of the Guarantor in the exercise of all or any of the powers hereby conferred on the Agent or the Lenders.

**ARTICLE VI  
POSTPONEMENT AND ASSIGNMENT**

**6.1      Subordination and Postponement.**

All obligations, indebtedness, liabilities and Claims, present and future, of Arctic International to the Guarantor (the "**Postponed Obligations**") and all Liens in favour of the Guarantor from or against Arctic International or relating to the Postponed Obligations and from or against any other Person (the "**Postponed Liens**") are hereby subordinated and postponed to the Obligations and the Guarantor's Liabilities, and all monies received by the Guarantor in respect thereof shall be received in trust for the Agent and the Lenders and forthwith upon receipt shall be paid over to the Agent, without Affecting the Guarantor's Liabilities unless such amounts have been received in compliance with the Loan Documents. This Section 6.1 is independent of the other provisions of this Guarantee and shall remain in full force and effect until repayment in full of the Obligations and the Guarantor's Liabilities and the termination of the Loan Agreement, notwithstanding that the Guarantor's Liabilities may have been discharged or terminated.

**6.2      Assignment.**

As further continuing security for the Guarantor's Liabilities, the Guarantor hereby unconditionally and irrevocably assigns to the Agent for and on behalf of itself and the Lenders all the Postponed Obligations and the Postponed Liens, present and future. The Guarantor hereby undertakes on demand by the Agent to take all such steps that may be

reasonably necessary to enable the Agent for and on behalf of itself and the Lenders to enforce the rights assigned to the Agent for and on behalf of itself and the Lenders hereby. The Guarantor agrees that the Agent for and on behalf of itself and the Lenders shall be entitled: (i) at any time to notify Arctic International of this assignment, (ii) to collect and recover from Arctic International after the occurrence of an Event of Default or the failure by the Guarantor to pay, perform or satisfy any of the Obligations of Arctic International or the other Guarantor's Liabilities or any other provision hereof, any amounts covered thereby, and (iii) to, after the occurrence of an Event of Default or the failure by the Guarantor to pay, perform or satisfy any of the Obligations of Arctic International or the other Guarantor's Liabilities or any other provision hereof, compromise any Postponed Obligations and to release and discharge any Postponed Liens hereby assigned. The Guarantor hereby irrevocably authorizes the Agent for and on behalf of itself and the Lenders to sign and execute any and all documents on the Guarantor's behalf which may be necessary to give effect to or to enforce the rights afforded to the Agent for and on behalf of itself and the Lenders pursuant to this assignment. If the Agent for and on behalf of itself and the Lenders allow any payment to be made to the Guarantor and allows the Guarantor to accept and retain such payment, the Agent for and on behalf of itself and the Lenders shall not consequently lose any of their rights as assignees hereunder to any balance of any Postponed Obligations or Postponed Liens. No waiver, relaxation or omission on the part of the Agent for and on behalf of itself and the Lenders in the exercise of any of their rights as assignees in respect of any Postponed Obligations or Postponed Liens hereunder shall prejudice or otherwise affect the Guarantor's Liabilities. This Section 6.2 is independent of the other provisions of this Guarantee and shall remain in full force and effect until full and complete payment, performance and satisfaction of all of the Obligations and the Guarantor's Liabilities, notwithstanding that the Guarantor's Liabilities may have been discharged or terminated.

## ARTICLE VII INDEMNITIES AND INTEREST

### 7.1 Indemnities.

The Guarantor, as a primary obligor and as a separate and independent obligation and liability from its liabilities and obligations under Section 2.1, hereby irrevocably, absolutely and unconditionally agrees to indemnify, exonerate and hold the Agent and the Lenders and their respective officers, directors, employees, agents and other representatives (collectively, the "**Indemnified Parties**") free and harmless from and against any Claims and Losses paid, incurred or suffered by, or asserted against the Indemnified Parties or any of them, with respect to, or as a direct or indirect result of: (i) the failure of Arctic International to duly, promptly and completely pay, perform and satisfy all of its Obligations, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any Accommodation made or available under the Loan Agreement; (iii) the execution, delivery, performance or enforcement of any of the Loan Documents, except for any Claims or Losses that a court of competent jurisdiction determines arose on account of the relevant Indemnified Party's gross negligence or wilful misconduct; or (iv) any of the provisions of any of the Loan Documents being or becoming void, voidable, invalid or unenforceable.

7.2

**Computations of Interest.**

All computations of interest hereunder shall be made by the Agent for and on behalf of itself and the Lenders according to their practice daily, taking into account the actual number of days occurring in the period for which such interest is payable and on the basis of a year of 365 days.

Notwithstanding any provision to the contrary contained in this Guarantee, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada), as the same may be amended, replaced or re-enacted from time to time) payable under this Guarantee exceed the maximum amount of interest on the "credit advanced" (as defined in that section) under this Guarantee lawfully permitted under that section and, if any payment, collection or demand pursuant to this Guarantee in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Guarantor and the Agent or the Lenders and the amount of such payment or collection shall be refunded to the Guarantor. For purposes of this Guarantee, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of any dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent for and on behalf of itself and the Lenders will be conclusive for the purposes of such determination.

**ARTICLE VIII  
GENERAL PROVISIONS**

8.1

**Notices.**

Any and all demands, notices or other communications to be made or given under this Guarantee shall be in writing and shall be personally delivered to a trustee, an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable addresses or facsimile numbers, as the case may be, set opposite the parties' names in Schedule A or at or to such other address or addresses or facsimile number or numbers as any such party may from time to time designate to such other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal Business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal Business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

8.2

**Responsibility.**

The Guarantor acknowledges and confirms that neither of the Agent nor the Lenders have made any representations or warranties to the Guarantor and that the Guarantor is

relying solely on its own knowledge and has made all necessary and desirable investigations in connection with the making of this Guarantee.

**8.3      Settlements.**

Any settlement or discharge between the Guarantor and the Agent or the Lenders shall be conditional upon no Lien taken or held by or payment to the Agent or the Lenders being avoided or reduced by virtue of any applicable Laws and the Agent or the Lenders shall be entitled subsequently to recover from the Guarantor the value or amount by which any such Lien or payment shall have been avoided or reduced as if such settlement or discharge had not occurred.

**8.4      Rights Cumulative.**

All rights and remedies of the Agent and the Lenders set out in this Guarantee will be cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in the Loan Documents and any other Lien now or hereafter taken, held or acquired by the Agent or the Lenders as security for the Obligations. The taking of a judgment or judgments with respect to any of the Obligations or the Guarantor's Liabilities will not operate as a merger of any of the covenants contained in this Guarantee.

**8.5      Assignments and Participations.**

Any of the Agent and the Lenders may sell, assign, transfer or otherwise dispose of all or any of the Obligations in accordance with the provisions of the Loan Agreement governing the Obligations and, in such event, each and every immediate and successive assignee, transferee or holder of all or any of the Obligations shall have, in respect of the Obligations sold, assigned, transferred or otherwise disposed of, the full benefit hereof to the same extent as if it were an original party to the Obligations or the part thereof so sold, assigned, transferred or otherwise disposed of, without regard to any set-off, counterclaim or equities between any of the Guarantors and the Borrowers, and any of the Agent and the Lenders. None of the rights or obligations hereunder of the Guarantor may be assigned.

**8.6      Knowledge.**

Where any representation or warranty contained in this Agreement or any Ancillary Agreement is expressly qualified by reference to the knowledge of the Guarantor, or where any other reference is made herein or in any Ancillary Agreement to the knowledge of the Guarantor, it shall be deemed to refer to the knowledge of the Guarantor and each of its Subsidiaries. The Guarantor confirms that it has made due and diligent inquiry of those of the Guarantor's officers, senior employees, consultants and agents (including appropriate officers, senior employees, consultants and agents of its Subsidiaries) as it considers necessary as to the matters that are the subject of such representations, warranties or references.

8.7        **Enurement.**

This Guarantee shall enure to the benefit of, and be enforceable by, the Agent and the Lenders and their respective successors and assigns, and be binding upon the Guarantor and its successors and permitted assigns.

8.8        **Time of the Essence.**

Time shall be of the essence of this Guarantee.

8.9        **Amendment.**

This Guarantee may be amended only by written agreement of the Guarantor and the Agent on behalf of the Lenders.

8.10       **Receipt of Copy.**

The Guarantor acknowledges having received a signed copy of this Guarantee.

**[Remainder of page has been intentionally left blank]**

IN WITNESS WHEREOF the Guarantor has executed this Guarantee on the date first above written.

ARCTIC GLACIER INC.

Per:



Authorized Signing Officer

Per:

Authorized Signing Officer

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## **SCHEDULE A**

### **ADDRESSES FOR NOTICE**

#### **I. AGENT**

To: The Toronto-Dominion Bank  
TD Centre, TD Tower, 38<sup>th</sup> Floor  
66 Wellington Street West, P.O. Box 1  
Toronto, Ontario  
M5K 1A2

Attention: Vice-President-Loan Syndications, Agency  
Fax No.: 416-982-5535

#### **II. GUARANTOR**

To: Arctic Glacier Inc.  
625 Henry Avenue  
Winnipeg, Manitoba  
R3A 0V1

Attention: Chief Financial Officer  
Fax No.: 204-783-9857