



Registration of a Charge

Company name: **INNISFREE CANADA ISF 2 LIMITED**

Company number: **10517696**



X921PEDL

Received for Electronic Filing: **01/04/2020**

Details of Charge

Date of creation: **30/03/2020**

Charge code: **1051 7696 0001**

Persons entitled: **COMPUTERSHARE TRUST COMPANY OF CANADA**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **NORTON ROSE FULBRIGHT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10517696

Charge code: 1051 7696 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th March 2020 and created by INNISFREE CANADA ISF 2 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st April 2020 .

Given at Companies House, Cardiff on 2nd April 2020

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

I certify that, save for material redacted pursuant to s. 859C of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Norton Rose Fulbright LLP

Sign & Dated: 31 March 2020

**LIMITED RECOURSE GUARANTEE AND
SECURITIES PLEDGE AGREEMENT
INNISFREE CANADA ISF 2 LIMITED**

THIS LIMITED RECOURSE GUARANTEE AND SECURITIES PLEDGE AGREEMENT is made as of March 30, 2020.

BY:

INNISFREE CANADA ISF 2 LIMITED

(Company Number: 10517696)
(the "Corporation")

to and in favour of Computershare Trust Company of Canada as security trustee (together with its successors and permitted assigns, the "Security Trustee") for and on behalf of:

(i) Dexia Crédit Local S.A., acting through its New York Branch, in its capacity as administrative agent (together with its successors and permitted assigns, the "Administrative Agent") under the Credit Agreement for and on behalf of the Lenders and the Hedge Providers (as such terms are hereinafter defined);

(ii) Dexia Crédit Local S.A., acting through its Canada Branch, FMS Wertmanagement AöR (as successor to DEPFA Bank plc) and such other financial institutions and other Persons (as such term is defined in the Credit Agreement) as may from time to time be parties to the Credit Agreement, as lenders (collectively, the "Lenders"); and

(iii) Dexia Crédit Local, New York Branch, DEPFA BANK plc and such other Persons as may, from time to time, be parties to Hedging Agreements (as such term is defined in the Credit Agreement) in their capacity as hedge providers (collectively, the "Hedge Providers").

(the Security Trustee, the Administrative Agent, the Lenders and the Hedge Providers, are collectively referred to herein as the "Secured Parties")

RECITALS:

- (A) The Administrative Agent and the Lenders have agreed to make certain credit facilities available to ISL Health (Victoria) General Partnership (the "Borrower") upon the terms and conditions contained in a credit agreement dated as of July 18, 2008 among the Borrower, as borrower, the Lenders, as lenders, the Hedge Providers, as hedge providers, the Administrative Agent, as agent for the Lenders and the Hedge Providers, the Security Trustee, as security trustee for and on behalf of the Lenders, the Hedge Providers and the Administrative Agent, and Dexia Crédit Local S.A., acting through its Canada Branch, and DEPFA BANK plc as arrangers (FMS Wertmanagement AöR having succeeded to the interest of DEPFA Bank plc) (such credit agreement as it has been amended and as it may at any time or from time to time, be amended, supplemented, restated or replaced, the "Credit Agreement"). Terms used herein and not otherwise defined have the meanings ascribed thereto in the Credit Agreement.
- (B) From time to time, the Hedge Providers may enter into Hedging Agreements with the Borrower.
- (C) The Corporation is the holder of eighty-four percent (84%) of all of the issued and outstanding shares in the capital stock of Innisfree ISL Health (Victoria) GPCO Ltd. (the "Partner") and the Partner holds a general partnership interest in the Borrower.

- (D) The Security Trustee has agreed to act as security trustee and to hold in trust and as agent for the rateable benefit of itself and the other Secured Parties any and all security for the payment and performance of all debts, liabilities and obligations of the Corporation under this agreement and the other Financing Documents to which the Corporation is a party.
- (E) It is a condition of the maintenance of the credit facilities to the Borrower pursuant to the Credit Agreement that the Corporation execute and deliver this agreement to and in favour of the Security Trustee, for and on behalf of itself and the other Secured Parties, as security for the payment and performance of the Corporation's obligations under this agreement.

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Corporation, the Corporation and the Security Trustee agree as follows:

Article 1 INTERPRETATION

1.1 Terms Incorporated by Reference

Terms defined in the *Personal Property Security Act* (British Columbia) (as amended from time to time, the "PPSA") and used in this agreement have the same meanings. Any reference to the "STA" in this agreement means the *Securities Transfer Act* (British Columbia), as amended from time to time. Where a reference is made to the Security Trustee, it shall be deemed to include, as applicable, any nominee appointed by the Security Trustee to hold or otherwise take possession of the Collateral (as hereinafter defined).

1.2 References

Unless otherwise specified, references in this agreement to Sections and Schedules are to sections and schedules of this agreement. All uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder" and similar expressions refer to this agreement and not to any particular section or portion of it. Where the expression "including" or "includes" is used, it shall be construed as "including, without limitation" or "includes, without limitation".

Article 2 LIMITED RECOURSE GUARANTEE

2.1 Guarantee

- (a) The Corporation irrevocably and unconditionally guarantees the due and punctual payment to the Security Trustee and the other Secured Parties, whether stated at maturity, by acceleration or otherwise, of all present and future debts, liabilities and obligations, direct or
- (b) indirect, absolute or contingent, matured or unmatured, at any time due or accruing due, of the Borrower to the Security Trustee and the other Secured Parties or any one of them arising pursuant to, or in respect of, the Credit Agreement and the other Financing Documents, whether incurred by the Borrower alone or with another or others and whether as principal or surety (such obligations, together with the expenses, costs and charges set out in Section 3.2(b) being herein called the "Guaranteed Obligations"), and promises to pay, on demand, any and all out-of-pocket expenses (including reasonable counsel fees and disbursements) incurred by the Security Trustee for or on behalf of itself and the other Secured Parties in enforcing any of their respective rights under this guarantee.

- (c) The Corporation irrevocably and unconditionally agrees to indemnify the Security Trustee and each of the other Secured Parties from time to time on demand by the Security Trustee from and against any loss whatsoever, whether direct or indirect, including expenses, costs and damages, judgments, penalties, fines, charges, claims, demands, liabilities and any and all legal fees and disbursements, except any such loss representing loss of profit ("Loss") incurred by the Security Trustee or the other Secured Parties as a result of any obligation of the Borrower under or pursuant to the Credit Agreement or the other Financing Documents being or becoming void, voidable, unenforceable or ineffective against the Borrower for any reason whatsoever, whether or not known to the Security Trustee or any other Secured Party or any other Person, the amount of such Loss being the amount which the Person or Persons suffering such Loss would otherwise have been entitled to recover from the Borrower (the "Indemnifiable Amounts"), and such Indemnifiable Amounts are to be added to and form a part of the Guaranteed Obligations.
- (d) If the Guaranteed Obligations are not paid when due and are not recoverable for any reason whatsoever, the Guarantor agrees that the Guaranteed Obligations will, as a separate and distinct obligation, be recoverable from it as primary obligor.

2.2 Limitation on Recourse

Notwithstanding any other provision of this agreement, if the Corporation shall default in its obligations hereunder, the sole recourse of the Security Trustee and the other Secured Parties against the Corporation in respect of such default shall be with respect to the Security Interest (as hereinafter defined) granted to the Security Trustee in the Collateral (as hereinafter defined) pursuant to this agreement and the Security Trustee and the other Secured Parties shall not have any right to payment from the Corporation or against any of its property or assets other than the Collateral. For greater certainty, the Security Trustee shall not be entitled to sue or to commence any action or proceeding against the Corporation in respect of a default hereunder unless the Security Trustee determines that such suit, action or proceeding is necessary or desirable to permit the Secured Parties to realize upon and dispose of the Collateral and to gain the full benefits of this agreement with respect to the Collateral. Notwithstanding the foregoing, nothing herein shall restrict the Security Trustee (i) from commencing a suit, action or proceeding arising out of or related to any loss suffered as a result of the negligence, fraud, misconduct or wrongful acts of the Corporation other than in connection with this agreement, or (ii) from defending any suit, action or proceeding in which it is a named party or participate as a third party if named in any suit, action or proceeding.

2.3 Absolute Liability

The Corporation guarantees that the Guaranteed Obligations will be paid to the Security Trustee and the other Secured Parties strictly in accordance with their terms and conditions, that the Corporation shall be liable as principal debtor and not solely as surety with respect to the payment of the Guaranteed Obligations and that the liability of the Corporation under this guarantee is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any term of the Credit Agreement or the other Financing Documents;
- (b) any contest by the Borrower or any other Person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Credit Agreement or any other Financing Documents or the priority of any security granted to the Security Trustee or the other Secured Parties by the Borrower or any other Person;
- (c) any loss of, or loss of value of, any security granted to the Security Trustee or the other Secured Parties;

- (d) any defence, counter-claim or right of set-off available to the Borrower or any other Person;
- (e) any extension of time or times for payment of the Guaranteed Obligations or any other indulgences which the Security Trustee or the other Secured Parties may grant to the Borrower or any other Person or any amendment to, or alteration or renewal of the Credit Agreement, the other Financing Documents or the Guaranteed Obligations;
- (f) any dealings with the security which the Security Trustee or the other Secured Parties hold or may hold pursuant to the Credit Agreement or other Financing Documents, including the taking, giving up or exchange of security, the variation or realization thereof, the accepting of compositions and the granting of releases and discharges;
- (g) the assignment, of all or any part of the benefits of the guarantee provided by the Corporation in this agreement;
- (h) any invalidity, non-perfection or unenforceability of any security held by the Security Trustee or by the other Secured Parties, or any irregularity or defect in the manner or procedure by which the Security Trustee or the other Secured Parties realize on such security; and
- (i) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Corporation, the Borrower or any other Person in respect of the Guaranteed Obligations or the guarantee provided by the Corporation in this agreement.

2.4 Payment on Demand

The obligation of the Corporation under this agreement to pay the amount of the Guaranteed Obligations to the Security Trustee or any of the other Secured Parties shall arise upon the occurrence and during the continuance of an Event of Default, and the Corporation shall make such payments immediately after demand for same is made in writing to it. The liability of the Corporation shall bear interest from the date of such demand at the rate or rates of interest then applicable to the Guaranteed Obligations under and calculated in the manner provided in the Financing Documents.

2.5 Remedies

The Security Trustee and the other Secured Parties need not seek or exhaust their recourse against the Borrower or any other Person or realize on any security they may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Security Trustee or any other Secured Party elect to realize on any security they may hold in respect of the Guaranteed Obligations (including, for certainty, the Collateral), either before, concurrently with or after demand for payment hereunder and either before, concurrently with or after realization of the Collateral hereunder, the Corporation shall have no right of discussion or division. Nothing in the preceding sentence is intended to require the Corporation to make payment hereunder if no demand is made in writing to it pursuant to Section 2.4 of this agreement.

2.6 Impairment of Security

Any loss of, or in respect of, the Collateral or any other security received by the Security Trustee or the other Secured Parties from the Borrower or any other Person does not discharge *pro tanto* or limit or lessen the liability of the Corporation hereunder.

2.7 Amount of Guaranteed Obligations

Any account settled or stated by or among the Security Trustee, the other Secured Parties and the Borrower, or if any such account has not been settled or stated immediately before demand for payment hereunder, any account stated by the Security Trustee or any of the other Secured Parties shall, in the absence of manifest error, be accepted by the Corporation as conclusive evidence of the amount of the Guaranteed Obligations which is due from the Borrower to the Security Trustee and the other Secured Parties and remains unpaid by the Borrower to Security Trustee and the other Secured Parties.

2.8 Suspension of Corporation Rights

So long as there are any Guaranteed Obligations, the Corporation shall not exercise any rights which it may at any time have by reason of the performance of any of its obligations hereunder (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee or the other Secured Parties under the Credit Agreement and any other Financing Documents.

2.9 No Prejudice to Security Trustee or Secured Parties

The Security Trustee and the other Secured Parties will not be prejudiced in any way in their right to enforce any provision of this agreement by any act or failure to act on the part of the Borrower, the Security Trustee or the other Secured Parties. The Security Trustee and the other Secured Parties may, at any time and from time to time, in such manner as they may determine is expedient, without any consent of, or notice to, the Corporation, and without impairing or releasing the obligations of the Corporation, (i) change the manner, place or terms of payment or change or extend the time of payment of, or renew or alter, the Guaranteed Obligations, (ii) renew, determine, vary or increase any credit or credit facilities to, or the terms or conditions in respect of any transaction with, the Borrower or any other Person, (iii) release, compound or vary the liability of the Borrower or any other Person liable in any manner under or in respect of the Guaranteed Obligations, (iv) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Corporation or any other Person, and (v) apply any sums from time to time received to the Guaranteed Obligations. In their dealings with the Borrower, the Security Trustee and the other Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Borrower.

2.10 No Subrogation

Notwithstanding any other provisions of this agreement, the Corporation irrevocably waives any claim, remedy or other right which it now has or may hereafter acquire against the Borrower that arises from the existence, payment, performance or enforcement of the Corporation's obligations under this agreement, including any right of subrogation, reimbursement, exoneration, indemnification or any right to participate in any claim or remedy of the Security Trustee or any of the other Secured Parties against the Borrower or any of the collateral (including, for certainty, the Collateral), which the Secured Parties now have or hereafter acquire, whether or not such claim, remedy or other right is reduced to judgment or is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and whether or not such claim, remedy or other right arises in equity or under contract, statute or common law. The Corporation further agrees that the Borrower is an intended third party beneficiary of the Corporation's waiver contained in this Section 2.10. If any amount is paid to the Corporation in violation of this Section 2.10 and, at such time, the Security Trustee's and the other Secured Parties' claims against the Borrower in respect of the Guaranteed Obligations have not been paid in full, any amount paid to the Corporation will be deemed to have been paid to the Corporation for the benefit of, and held in trust for, the Secured Parties, and must immediately be paid to the Security Trustee to be credited and applied upon such Guaranteed Obligations. The Corporation acknowledges that it will receive direct and indirect benefits from the transactions contemplated hereunder and that the waiver set forth in this Section 2.10 is knowingly made in contemplation of such benefits.

2.11 Continuing guarantee

This guarantee is a continuing guarantee. It extends to all present and future Guaranteed Obligations, applies to and secures the ultimate balance of the Guaranteed Obligations due or remaining due to the Secured Parties and is binding as a continuing obligation of the Corporation until the Secured Parties release the Corporation. This guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by any of the Secured Parties upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

2.12 No Set-off

To the fullest extent permitted by law, the Corporation shall perform all obligations under this agreement without regard to any defence, counter-claim or right of set-off available to it.

Article 3 PLEDGE

3.1 Pledge of Collateral

- (a) As general and continuing security for the due payment and performance by the Corporation of the Guaranteed Obligations under this agreement, the Corporation hereby assigns, transfers, sets over, mortgages, charges, hypothecates and pledges to the Security Trustee, for its own benefit and for the rateable benefit of itself and the other Secured Parties, and grants to the Security Trustee, for its own benefit and for the rateable benefit of itself and the other Secured Parties, a security interest in the following property and assets (collectively, the "Collateral"):
- (i) all certificated and uncertificated securities issued by the Partner registered in the name of the Corporation and described in Schedule "A", together with any other certificated and uncertificated securities issued by the Partner and other equivalent interests and participations in the Partner (regardless of how created) acquired by the Corporation from time to time (collectively, the "Pledged Securities");
 - (ii) all options, warrants and rights, whether as an addition to, in substitution of, as a conversion of, or in exchange for, the Pledged Securities;
 - (iii) all dividends, distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for any of the Collateral described in this Section 3.1 (i) (ii) (iv) and (v), other than dividends or distributions received by the Corporation from the Distribution Account and only to the extent that such distributions or dividends were made from Distributable Cash on a Distribution Date and the Equity Lock-Up Conditions were met, all in accordance with the terms and conditions set forth in Section 9.6 of the Credit Agreement;
 - (iv) all other rights and claims of the Corporation in respect of, in exchange for or in connection with, the foregoing; and
 - (v) all proceeds arising out of the foregoing.

The grants, mortgages, charges, hypothecations, transfers, assignments, pledges and security interest herein created and granted hereby are collectively called the "Security Interest".

- (b) For greater certainty, the Collateral includes any substitutions or additions arising out of any consolidation, subdivision, reclassification, stock dividend, unit distribution or similar increase or decrease in, or alteration to, the capital of any issuer of the Pledged Securities.

3.2 Obligations Secured

- (a) The Security Interest secures the payment and performance of the Guaranteed Obligations.
- (b) All expenses, costs and charges incurred by or on behalf of the Security Trustee and the other Secured Parties in connection with this agreement, the Security Interest or the realization of the Collateral including all legal fees, court costs, receiver's or agent's remuneration and other expenses of, or of taking or defending any action in connection with, taking possession of, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of the Collateral or other lawful exercise of the powers conferred on Security Trustee in this agreement and each of the other Financing Documents to which the Corporation is a party are to be added to and form a part of the Guaranteed Obligations.

3.3 Attachment, Perfection and Control.

- (a) The Corporation acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a duplicate original copy of this agreement.
- (b) The Corporation will deliver to the Security Trustee, immediately upon receipt thereof, any and all certificates representing the Pledged Securities and, to the extent applicable, the other Collateral, in each case accompanied by a duly executed stock power of attorney or similar transfer form constituting an effective endorsement.
- (c) If the Corporation becomes entitled to receive or receives any certificate (including, without limitation, any certificate representing a stock dividend, unit distribution or any certificate issued in connection with any reclassification, increase or reduction of capital or a return of contributions or any reorganization), option, warrant or right (if in deliverable form) in respect of the Collateral, whether in addition to, in substitution for, as a conversion of, or in exchange for, any of the Collateral, the Corporation will accept it as the agent of the Security Trustee and hold the same in trust for the Security Trustee in the form received, and will immediately deliver it to the Security Trustee together with a duly executed stock power of attorney or transfer form constituting an effective endorsement, as applicable.
- (d) If and to the extent any of the Pledged Securities or, to the extent applicable, any other Collateral are or become uncertificated, the Corporation will enter into and cause the issuer of such Collateral to enter into such custodial, control or other similar agreements as the Security Trustee reasonably requires in order to ensure that the Security Trustee has control (as such term is used in the STA and the PPSA) of the uncertificated Collateral.
- (e) If and to the extent the Corporation now or hereafter has one or more securities accounts arising out of or relating to the Pledged Securities or, to the extent applicable, any other Collateral (collectively, the "**Pledged Securities Accounts**"), it shall take all action necessary to cause the relevant securities intermediary to enter into a control agreement with the Security Trustee in form and substance satisfactory to the Security Trustee,

acting reasonably, pursuant to which the securities intermediary will agree, among other things, to comply with entitlement orders originated by the Security Trustee or its nominee in respect of the Pledged Securities Accounts and the financial assets held therein without further consent of the Corporation or any other Person.

- (f) At the election of the Security Trustee and immediately upon written notice being provided by the Security Trustee to the Corporation, the Corporation will take all action required to (i) permit the Collateral to be transferred to and registered in the name of the Security Trustee or as it may direct, and (ii) cause any Pledged Securities Accounts and any security entitlements in respect of and financial assets from time to time held in, listed, described or recorded on the Pledged Securities Accounts or any statement in respect thereof (the "Pledged Security Entitlements") to be transferred to the Security Trustee or as it may direct so that it or its nominee becomes the entitlement holder thereof. The Corporation covenants that, at the time of any such transfer, it will provide all required consents and approvals and cause the issuer of the Pledged Securities or the securities intermediary, as the case may be, to make appropriate notations on its share register or in the relevant Securities Account, as applicable.
- (g) The Corporation hereby authorizes the Security Trustee to file such financing statements, financing change statements and other documents and do such acts, matters and things (including, upon the occurrence of an Event of Default and while it continues, registering the Collateral in its name or as it may direct, transferring all or any of the Collateral and filling in all blanks in any transfers of stocks, bonds or debentures or any power of attorney or other documents delivered to the Security Trustee in connection with the Collateral) as the Security Trustee may deem appropriate to perfect on an ongoing basis and continue the Security Interest constituted hereby, to protect and preserve the Collateral and the Corporation hereby irrevocably constitutes and appoints the officer or officers of the Security Trustee the true and lawful attorney of the Corporation, with full power of substitution, to do any of the foregoing in the name of the Corporation whenever and wherever it may be deemed necessary or expedient. The power of attorney granted hereunder shall be a continuing power of attorney and shall withstand any subsequent incapacity on the part of the Corporation.

3.4 Care and Custody of Collateral.

The Security Trustee is not be required to see to the collection of dividends on, or exercise any option or right in connection with, the Collateral. It has no obligation to protect or preserve the Collateral from depreciating in value or becoming worthless and is hereby released from all responsibility for any loss or diminution of value. The Security Trustee is bound to exercise in the physical keeping of the Collateral only the same degree of care as it would exercise with respect to its own similar investment property kept at the same place.

3.5 Absence of Fiduciary Relationship

No implied agreements, covenants or obligations on the part of the Security Trustee or any of the other Secured Parties with respect to the Corporation, a securities intermediary or an issuer of any of the Collateral are to be read into this agreement against the Security Trustee or any of the other Secured Parties. The Security Trustee and the other Secured Parties do not owe any fiduciary duty to the Corporation, any issuer of the Collateral, any securities intermediary or any other Person.

3.6 Representations and Warranties of the Corporation.

The Corporation represents and warrants to the Security Trustee and to the other Secured Parties that:

- (a) it is the registered, legal and beneficial owner of the Collateral;

- (b) the Collateral is free and clear of all liens, mortgages, charges and security interests whatsoever other than those created in favour of the Security Trustee and none of the Collateral is held by the Corporation in a trust capacity other than as specified in Section 3.8(b);
- (c) Schedule "A" correctly sets out the issuer, the certificate number and the number and class of the Pledged Securities as at the date hereof which schedule may be amended from time to time;
- (d) the Pledged Securities constitute eighty-four percent (84%) of all of the issued and outstanding shares in the capital stock of the Partner representing all of the issued and outstanding shares in the capital stock of the Partner owned by the Corporation and the Pledged Securities have been validly issued and are fully paid and non-assessable;
- (e) this agreement creates a legal, valid and binding agreement of the Corporation enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights) and the Security Interest in the Collateral is a perfected security interest for purposes of the PPSA;
- (f) except to the extent that the Security Trustee has given "control" (as defined in the STA) to another Person over the Pledged Securities, the Security Trustee has obtained "control" (as defined in the STA) pursuant to the PPSA of the Pledge Securities and the Security Trustee is a protected purchaser within the meaning of the PPSA;
- (g) except to the extent that the Security Trustee has given "control" (as defined in the STA) to another Person or has created a right in favour of another Person to obtain "control" (as defined in the STA) over the Pledged Securities, no Person other than the Security Trustee has "control" (as defined in the STA) or has the right to obtain control within the meaning of the PPSA of any Pledged Securities;
- (h) no Person, has any option, warrant, call, commitment, conversion, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in the Collateral;
- (i) there are no restrictions on the voting rights associated with any of the Collateral and there are no restrictions on the right to transfer the Collateral; and
- (j) the articles of the Corporation do not provide for nor are there any special resolutions passed by the Corporation providing for the inclusion in the articles of the Corporation of, any transfer of the power of the directors of the Corporation to manage or supervise the management of the business and affairs of the Corporation as such power relates to the Collateral, all in accordance with section 137 of the *Business Corporations Act* (British Columbia) S.B.C. 2002, as amended.

The Corporation agrees and acknowledges that all representations and warranties made by the Corporation in this agreement (a) are material, (b) have been relied on by the Security Trustee and the other Secured Parties, and (d) will survive the execution and delivery of this agreement, any investigation made at any time by or on behalf of the Security Trustee or any of the other Secured Parties and any disposition or payment of the Guaranteed Obligations.

3.7 Covenants of the Corporation.

The Corporation covenants and agrees with Security Trustee, for the benefit of itself and the other Secured Parties, that from and after the date of this agreement for so long as there shall remain any Guaranteed Obligations outstanding, the Corporation shall:

- (a) not create, permit or suffer to exist, and the Corporation will defend the Collateral against, and take such other action as is necessary to remove, any Lien on the Collateral (other than a Lien created by this agreement in the Collateral in favour of the Security Trustee and the other Secured Parties) and shall defend the right, title and interest of Security Trustee in and to all of the Corporation's rights in the Collateral against the claims and demands of all persons whomsoever;
- (b) not cause or permit any Person other than the Security Trustee (or any of its assignees and nominees) to have control of any financial asset or investment property constituting part of the Collateral;
- (c) not sell, exchange, release, abandon or otherwise dispose of, absolutely or by way of security, any of its right, title or interest in and to the Collateral without the prior written consent of the Security Trustee;
- (d) promptly deliver to the Security Trustee copies of all notices or other communications received by it in respect of the Collateral; and
- (e) it shall, from time to time, whether before or after the Security Interest has become enforceable, do all such acts and things necessary or expedient to be done, observed or performed by it for the purpose of creating, perfecting, maintaining and keeping maintained this agreement as a valid and effective mortgage, pledge, assignment, transfer, charge and security interest on and in the Collateral, including filing such financing statements, executing such further agreements, assignments, documents and doing such other acts, matters and things necessary to preserve, protect and perfect the Collateral secured by this agreement and necessary to ensure that the Security Trustee and the other Secured Parties obtain the full benefits of this agreement.

3.8 Rights of the Corporation.

- (a) Until the Security Interest becomes enforceable, the Corporation may vote the Pledged Securities, give consents, ratifications or waivers, make entitlement orders, exercise all rights of conversion or other similar rights with respect to the Collateral and receive, to the extent permitted pursuant to the Credit Agreement, all cash dividends and other distributions, money or property relating to the Collateral. Whenever the Security Interest becomes enforceable, all rights of the Corporation to vote, make entitlement orders, give consents, ratifications or waivers, exercise other rights or receive dividends or other money or property will cease and all such rights will become vested solely and absolutely in the Security Trustee, for and on behalf of itself and the other Secured Parties.
- (b) Any dividends or other distributions, money or property received by the Corporation contrary to Section 3.8(a) are received by the Corporation as trustee for the Security Trustee and the other Secured Parties and will be immediately paid over to the Security Trustee.
- (c) In order to permit the Security Trustee to exercise the voting and other rights which it may be entitled to exercise hereunder and receive all dividends and other distributions, money and property which it may be entitled to receive, the Corporation shall promptly execute and deliver (or cause to be executed and delivered) to the Security Trustee all such

proxies, dividend and distribution payment orders (as applicable) and other instruments as the Security Trustee may from time to time request.

3.9 Waiver of Delivery.

To the extent permitted by applicable law, the Corporation waives the Corporation's right to receive a copy of any financing statement or financing change statement registered by the Security Trustee or by any Secured Party, or any verification statement registered by the Security Trustee or any other Secured Party.

Article 4 ENFORCEMENT

4.1 Enforcement.

The Security Interest shall be and become enforceable against the Corporation upon the occurrence and during the continuance of an Event of Default.

4.2 Remedies.

Whenever the Security Interest becomes enforceable, the Security Trustee may, at any time in its sole discretion:

- (a) realize upon or otherwise dispose of or contract to dispose of the Collateral by sale, transfer, delivery or otherwise;
- (b) obtain possession or control of any Collateral which it does not already hold or control, by any method permitted by law;
- (c) notify any parties obligated in respect of any Collateral to make payment thereof to the Security Trustee or as it may direct;
- (d) file proofs of claim and other documents in order to have the claims of the Security Trustee and the other Secured Parties lodged in any bankruptcy, winding-up or other judicial proceeding relating to the Corporation;
- (e) exchange any and all of the Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Collateral, and in connection therewith, deposit and deliver or direct the sale or other disposition of any of the Collateral with any committee, depository, securities intermediary, clearing house (whether CDS or otherwise), transfer agent, registrar or other designated agency upon such terms and conditions as it may determine; or
- (f) exercise and enforce all rights and remedies of a holder of the Collateral as if the Security Trustee were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Security Trustee if not already done or its nominee, and dealing with security entitlements, securities accounts and securities intermediaries holding security entitlements as if it were an entitlement holder thereof including making such entitlement orders as it deems appropriate and instructing any such securities intermediary to transfer financial assets held in any Pledged Securities Accounts into an account in the name of the Security Trustee or as it may direct), all without demand of performance or other demand, advertisement or notice of any kind to or upon the Corporation.

Any remedy may be exercised separately or in combination and is in addition to, and not in substitution for, any other rights the Security Trustee and the other Secured Parties may have, however created. The Security Trustee shall not be bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Security Trustee and the other Secured Parties in respect of the Guaranteed Obligations but specifically excluding the right to claim for any deficiency.

4.3 Standards of Sale.

Without prejudice to the ability of the Security Trustee to dispose of the Collateral in any manner which is commercially reasonable, the Corporation acknowledges that a disposition of Collateral by the Security Trustee which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Security Trustee, any one of the other Secured Parties or a customer or client of such Person;
- (d) any sale conducted by the Security Trustee shall be at such time and place, on such notice and in accordance with such procedures as the Security Trustee, in its sole discretion, may deem advantageous;
- (e) Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the securities) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) the Security Trustee may establish an upset or reserve bid or price in respect of the Collateral; and
- (g) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Security Trustee, in its sole discretion, may deem advantageous.

4.4 Securities of Public Corporation

The Corporation acknowledges that the Security Trustee may be unable to complete a public sale of any or all of the Collateral by reason of certain prohibitions contained in applicable securities laws or otherwise. In connection therewith, it may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account for investment and not with a view to the distribution or resale thereof. Any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, the Corporation agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner by reason of it being a private sale. The Security Trustee is under no obligation to delay a sale of any or all of the Collateral for the period of time necessary to permit the issuer thereof to register such Collateral for public sale under applicable securities law or otherwise, even if the issuer agrees to do so.

4.5 Dealing with the Collateral.

- (a) The Security Trustee and the other Secured Parties are not obliged to exhaust their recourse against the Corporation, or any other Person or against any other security they may hold in respect of the Guaranteed Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Security Trustee may consider desirable.
- (b) The Security Trustee and the other Secured Parties may grant extensions or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Corporation and with other Persons, sureties or security as they may see fit without prejudice to the Guaranteed Obligations, the liability of the Corporation or the rights of the Security Trustee and the other Secured Parties in respect of the Collateral.
- (c) The Security Trustee and the other Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

4.6 Appointment of Attorney.

The Corporation irrevocably appoints the Security Trustee (and its officers) as attorney of the Corporation effective upon the occurrence of Event of Default that is continuing (with full power of substitution) to do, make, execute and deliver in the name of and on behalf of the Corporation all such acts, documents, deeds and things which the Security Trustee may deem necessary or advisable to accomplish the purposes of this agreement including the endorsement and delivery of the Collateral to the Security Trustee and its transferees. The Security Trustee is empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Corporation might do. This power of attorney is an addition to, and not in substitution for, any stock power of attorney delivered by the Corporation and such powers of attorney may be relied upon by the Security Trustee severally or in combination. All acts of the attorney are hereby ratified and approved, and the attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except to the extent caused by its own gross negligence or wilful misconduct. This appointment and power of substitution, being coupled with an interest, are irrevocable and will not terminate upon the bankruptcy, dissolution, winding up or insolvency of the Corporation.

4.7 Dealings by Third Parties.

- (a) No Person dealing with the Security Trustee, any of the other Secured Parties or an agent or receiver thereof is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Security Trustee or to any of the other Secured Parties by the Corporation, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale, lease or other disposition is made, (v) the propriety or regularity of any sale or other dealing by the Security Trustee, any other Secured Party or any other Person with the Collateral, or (vi) how any money paid to the Security Trustee, the other Secured Parties or agent or receiver has been applied.
- (b) Any purchaser of Collateral from the Security Trustee or the other Secured Parties shall hold the Collateral absolutely, free from any claim or right of any kind whatever, including any equity of redemption, of the Corporation. The Corporation waives (to the fullest

extent permitted by law) as against any such purchaser, all rights of redemption, stay or appraisal which the Corporation has or may have under any rule of law or statute now existing or hereafter adopted.

4.8 Application of Proceeds.

Any and all moneys realized by the Security Trustee, whether pursuant to this agreement or otherwise, may be applied by the Security Trustee to such part of the Guaranteed Obligations as the Security Trustee in its sole discretion determines. The Security Trustee has, at all times and from time to time, the right to change any application so made.

Article 5 GENERAL

5.1 Notices.

Any notice, direction, demand or other communication required to be made or permitted to be given under this agreement shall, except as otherwise permitted hereunder, be in writing and given in the same manner as provided in the Credit Agreement, if to the Corporation, to:

Innisfree Canada ISF 2 Limited
c/o HCP Social Infrastructure (Canada)
1321 Blanshard St., Suite 301
Victoria, BC V8W 0B6
Attention: Debra Nawosad

and if to the Security Trustee or to any of the other Secured Parties, to the Security Trustee at:

3rd Floor – 510 Burrard Street,
Vancouver, British Columbia V6C 3B9
Attention: Manager, Corporate Trust
Telecopier: 604-661-9403

Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address. Any such notice, direction, demand or other commands shall be deemed to be delivered on the dates and times set forth in Section 16.1 of the Credit Agreement.

5.2 Discharge.

The Security Interest will be discharged upon, but only upon, full payment and performance of the Guaranteed Obligations and at the request and expense of the Corporation. In that connection, the Security Trustee will execute and deliver to the Corporation such releases and discharges as the Corporation may reasonably require.

5.3 Amendments, Waivers; Cumulative Remedies.

- (a) None of the terms or provisions of this agreement may be waived, amended, supplemented or otherwise modified except by a written agreement executed by the Corporation and the Security Trustee. Any waiver, amendment or consent is effective only in the specific instance and for the specific purpose for which it was given.
- (b) Neither the Security Trustee nor any other Secured Party shall by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. No failure to exercise, nor any

delay in exercising, on the part of the Security Trustee or any other Secured Party, any right, power or privilege hereunder operates as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, power or privilege.

- (c) A waiver by the Security Trustee or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Security Trustee or any other Secured Party would otherwise have on any future occasion.

5.4 No Merger.

This agreement does not operate by way of merger of any of the Guaranteed Obligations and no judgment recovered by the Security Trustee or any of the other Secured Parties will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Security Trustee and the other Secured Parties in respect of the Guaranteed Obligations.

5.5 Further Assurances.

The Corporation shall from time to time, whether before or after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Security Trustee may reasonably require for (i) protecting the Collateral, (ii) perfecting the Security Interest, (iii) obtaining control of the Collateral, (iv) exercising all powers, authorities and discretions conferred upon the Security Trustee, and (v) otherwise enabling the Security Trustee to obtain the full benefits of this agreement and the rights and

powers herein granted. The Corporation shall, from time to time after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Security Trustee may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

5.6 Supplemental Security.

This agreement is in addition to, and without prejudice to, all other guarantees and security now held or which may hereafter be held by the Security Trustee and the other Secured Parties.

5.7 Successors and Assigns.

This agreement shall be binding upon the Corporation, its successors and assigns, and shall enure to the benefit of the Security Trustee and the other Secured Parties and each of their respective successors and assigns. All rights of the Security Trustee and the other Secured Parties are assignable in accordance with the Credit Agreement. Neither this agreement nor any rights, duties or obligations under this agreement are assignable or transferable by the Corporation.

5.8 Headings, etc.

The division of this agreement into articles and sections and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this agreement.

5.9 Gender and Number.

Any reference in this agreement to gender includes all genders and words importing the singular include the plural and vice versa.

5.10 Entire Agreement.

The provisions set forth in this agreement constitute the entire enforceable agreement between the parties and supersede all prior oral or written agreements, understandings, representations and warranties and course of conduct and dealing between the parties with respect to the matters referred to in this agreement. In the event of any conflict between the terms, conditions and provisions of this agreement and the Credit Agreement, the terms, conditions and provisions of the Credit Agreement shall prevail.

5.11 Severability.

If any provision of this agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this agreement and be ineffective to the extent of such illegality, invalidity or unenforceability and the remaining provisions will continue in full force and effect.

5.12 Governing Law and Submission to Jurisdiction.

- (a) This agreement is governed by and is to be interpreted, construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to conflict of law principles.
- (b) The Corporation irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of British Columbia, (ii) agrees that all claims in respect of any suit, action or proceeding may be heard and determined in such court, (iii) waives, to the fullest extent permitted by law, any objection which it may have based upon doctrines of venue or *forum inconvieniens*.

5.13 Successors of the Borrower

Any change or changes in the name of or reorganisation (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower or its business will not affect or in any way limit or lessen the liability of the Corporation under this agreement or any other Financing Documents. This agreement and any other security documents executed by the Corporation extend to any Person acquiring or from time to time carrying on the business of the Borrower.

5.14 Counterparts.

This agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this agreement by signing any such counterpart. A scanned copy (or other electronic means) of the signature of any party on any counterpart shall be effective as the signature of the party executing such counterpart for purposes of effectiveness of this agreement.

5.15 Executed Copy.

The Corporation acknowledges receipt of a fully executed copy of this agreement.

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

IN WITNESS WHEREOF the undersigned has caused this agreement to be duly executed and delivered as a deed as of the date first above written.

INNISFREE CANADA ISF 2 LIMITED

Executed as a deed by Innisfree Canada
ISF 2 Limited acting by:

 *STEPHEN TODD*

Director

.....
Director

IN WITNESS WHEREOF the undersigned has caused this agreement to be duly executed and delivered as a deed as of the date first above written.

INNISFREE CANADA ISF 2 LIMITED

Executed as deed by Innisfree Canada
acting by:

Director

Director

SCHEDULE "A" PLEDGED SECURITIES

ISSUER	CLASS OF SECURITIES	NUMBER OF SECURITIES	% OF ISSUED SECURITIES	CERTIFICATE NUMBER
Innisfree ISL Health (Victoria) GPCO Ltd.	Common shares without par value	168	84%	1