

Dated: 22ND MAY **2023**

(1) **WH2022 Limited**

and

(2) **Alpha Trustee Services Limited**

Equitable Mortgage

BETWEEN:

- (1) **WH2022 Limited** a company incorporated in England and Wales with registration number 14344187 whose registered office at 136 Warkworth Drive, Chester Le Street, County Durham, DH2 3TW (**Company**); and
- (2) **Alpha Trustee Services Limited** a company incorporated in England and Wales with incorporation number 14669552 and having its registered office at 80 High Street, 1st & 2nd Floor, Yarm, North Yorkshire, England, TS15 9AP (as trustee for the Loan Note Holders (as defined below)) (**Security Trustee**).

BACKGROUND

- (A) Pursuant to the Loan Notes (as defined below), the Loan Note Holders (as defined below) have made or have agreed to make, or will agree or intend to make, loan, financial, credit, and/or lending facilities, or other sums, available to the Borrower (as defined below) through the subscription of the Loan Notes.
- (B) In consideration of the Loan Note Holders giving or continuing to give loan, financial, credit, and/or lending facilities, or other sums, to the Borrower through the subscription of Loan Notes, the Company enters into this deed with the Security Trustee.
- (C) The Security Trustee agrees to hold the security created by this deed as security trustee on behalf, and for the benefit, of the Loan Note Holders pursuant to the terms of the Security Trust Deed (as defined below).

IT IS AGREED AS FOLLOWS:

1. **Definitions and interpretation**

1.1 The following definitions apply in this deed:

Borrower: Northumberland Living (Alnwick) Limited a company incorporated in England and Wales with registration number 14573785 whose registered office at 136 Warkworth Drive Chester Le Street, County Durham, DH2 3TW and any of its successors, permitted assigns and permitted transferees.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business; and **Business Days** shall be construed accordingly.

Encumbrance: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect; and **Encumbrances** shall be construed accordingly.

Event of Default: the happening or occurrence of any of the following events:

- (a) the non-payment of any amount that becomes due, owed, outstanding owing, or payable, by the Company to the Security Trustee from time to time including but without limitation pursuant to, under, in accordance with, the terms of any of the Finance Documents;
- (b) the Company fails (other than a failure to pay any amount) to perform and/or discharge any liabilities or obligations owed by the Company to the Security Trustee from time to time including but without limitation any failure to comply with any provisions of any Finance Documents and (if the Security Trustee considers, acting reasonably, that such default or breach is capable of remedy) such default or breach is not remedied within 10 Business Days of the earlier of:

- (i) the Security Trustee notifying the Company of the default or breach and the remedy required; and
- (ii) the Company becoming aware of the default or breach;
- (c) any representation, warranty or statement made or repeated, or deemed made or repeated, by the Company in, under, or pursuant to, any Finance Documents is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- (d) the Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business;
- (e) the Company stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due; or
- (f) the Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Security Trustee) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).
- (g) the Company is or becomes unable to pay its debts as they fall due, or the Company commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of, or a composition with, its creditors;
- (h) the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Company or any other person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets;
- (i) a distress, execution, attachment or other legal process is levied, or enforced on or sued against, all or any part of the assets of the Company and remains undischarged for 20 Business Days;
- (j) an encumbrancer takes possession of the whole or any part of the revenues or assets of the Company;
- (k) the convening of any meeting of the members or directors of the Company to consider a resolution to wind up the Company or put it into administration;
- (l) a resolution being passed or an order being made for the winding up, dissolution, administration or re-organisation of the Company;
- (m) the appointment of a liquidator or an administrator (whether out of court or otherwise) to the Company;
- (n) any persons levying or attempting to levy any distress, execution or other process against any Security Assets;
- (o) the Company ceasing to carry on business or a substantial part of it or ceasing to be a going concern;
- (p) the Company stopping making payments to its creditors or giving notice to creditors that it intends to stop payment;
- (q) the Company creating or attempting to create a trust over the Property;

- (r) the holder of any other Security Interest whether ranking in priority to, or pari passu with, or after, the charges and security contained in this deed, or the Company appointing requesting the appointment of, and administrator, an administrative receiver, receiver, manager or receiver and manager in respect of the Company; or
- (s) any floating charge granted by the Company to any person crystallizing for any reason whatsoever.

Finance Documents: this deed, the Security Trust Deed, the Loan Notes, and any other documents, agreements, contracts, arrangements, or commitments, entered into between the Company and the Security Trustee on or at any time prior to the date of this deed, and/or at any time and from time to time after the date of this deed, under or pursuant to which the Company owes or has any liabilities or obligations to the Security Trustee; and **Finance Document** shall be construed accordingly.

Further Loan Notes: any loan notes issued by the Borrower from time to time after the date of this deed (other than the Original Loan Notes) and which are expressed to be secured by this deed.

Loan Notes: the Original Loan Notes and any Further Loan Notes; and **Loan Note** shall be construed accordingly.

Loan Note Holders: the holders of any Loan Notes from time to time; and **Loan Note Holder** means any one of them;

LPA 1925: the Law of Property Act 1925.

Original Loan Notes: the Northumberland Living (Alnwick) Limited £2,500,000 12% per annum paid quarterly, or 12% per annum plus a 2% overall bonus paid on maturity of the 18 months term, 18 months fixed rate secured loan notes 2024-2025 issued, or to be issued, by the Borrower pursuant to a loan note instrument executed or to be executed by the Borrower and dated on or around the date of this deed for the purpose of the Company raising finance for property acquisition, investment and/or development and which are expressed to be secured by this deed;

Parties: the parties to this deed; and **Party** means any of them.

Permitted Security: means the debenture dated 25th November 2022 executed by the Company in favour of SGGL.

Property: All the leasehold property legally and beneficially owned and held by, and registered in the name of, the Company known as Gas Peaking Facility, Southbrook Farm, Sudbrook, Caldicot, NP26 5SR and registered at HM Land Registry under title number CYM821169 together with all rights, interests, estates, benefits, and privileges held or accruing to the Seller and that attach (or may in the future attach) to that property.

Ravensmount Property: means the freehold property known as and situate at Ravensmount Residential Care Home, Alnmouth Road, Alnwick, Northumberland, NE66 2QG and registered at HM Land Registry under title number ND136963.

Ravensmount Property Transaction: means the proposed purchase by the Borrower of the Ravensmount Property which is currently ongoing, and has not yet been completed, as at the date of this deed.

Rent: all amounts payable to or for the benefit of the Company by way of rent, licence fee, ground rent and rent charge in respect of any part of the Property and other monies payable to or for the benefit of the Company in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

Secured Liabilities: all and any amounts and sums which are or may become due, owing, owed, payable, or outstanding by or from the Borrower to the Loan Note Holders under, in respect of, or pursuant to, the Loan Notes, and references to the Secured Liabilities include references to any of them.

Security Period: the period starting on the date of this deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Security Trust Deed: means the security trust deed entered into or to be entered into between (1) the Security Trustee; (2) the Company; (3) the Borrower; and (4) the Loan Note Holders; and dated on or around the date of this deed as may be amended, modified, updated, supplemented, or varied, from time to time at any time following the date of this deed.

SGGL: means Southbrook Gas Generation Limited a company incorporated in England and Wales with registration number 12190094 whose registered office at 1 Cuthbert House, Tower Road, Washington, Tyne and Wear, NE37 2SH.

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 In this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes fax and email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed (or that provision) or such other agreement or document as may be amended, modified, updated, supplemented, or varied (in each case, other than in breach of the provisions of this deed) from time to time;

- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 **Clawback**

If the Security Trustee considers that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 **Nature of security over real property**

A reference in this deed to a charge or mortgage of or over the Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
- 1.4.2 the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of the Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale, or agreement for lease, in respect of the Property.

1.5 **Nature of security over Investments**

A reference in this deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of any other Finance Documents and of any side letters between any parties in relation to any other Finance Document are incorporated into this deed.

1.7 **Perpetuity period**

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.8 **Schedules**

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2. **Covenant to pay**

In consideration of the Loan Note Holders giving or continuing to give loan, financial, credit, and/or lending facilities, or other sums, to the Borrower through the subscription of Loan Notes, the Company hereby irrevocably and unconditionally guarantees to and covenants with the Security Trustee, whenever the Borrower does not pay any of the Secured Liabilities when due, to pay on demand the Secured Liabilities.

3. **Grant of security**

3.1 **Equitable mortgage**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company charges the Property, with full title guarantee, to the Security Trustee by way of an equitable mortgage.

3.2 **Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee assign to the Security Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, the Rent and the benefit of any guarantee or security in respect of the Rent, provided that nothing in this clause 3.2 shall constitute The Security Trustee as mortgagee in possession.

4. **Perfection of security**

4.1 **Restriction**

The Company consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form N to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by Alpha Trustee Services Limited of 80 High Street, 1st & 2nd Floor, Yarm, North Yorkshire, England, TS15 9AP or its conveyancer."

4.2 **Cautions against first registration and notices**

Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Company's title to the Property, the Company shall immediately provide the Security Trustee with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Company shall immediately, and at its own expense, take such steps as the Security Trustee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5. **Liability of the Company**

5.1 **Liability not discharged**

The Company's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced, or affected by:

- 5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, The Security Trustee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 5.1.2 the Security Trustee renewing, determining, varying, or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 5.1.3 any other act or omission that, but for this clause 5.1 might have discharged, or otherwise prejudiced or affected, the liability of the Company.

5.2 **Immediate recourse**

The Company waives any right it may have to require the Security Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Company.

6. **Representations and warranties**

The Company represents and warrants to the Security Trustee in the terms set out in 0 on each day during the Security Period.

7. **Covenants**

The Company covenants with the Security Trustee in the terms set out in 0.

8. **Powers of The Security Trustee**

The Security Trustee shall have the powers set out in 0.

9. **Possession**

The Company agrees and declares that the Security Trustee shall have the same rights to possession of the Property as it would have if the charge created by this deed had been a legal mortgage created by way of demise for the term of 3000 years.

10. **Enforcement of security**

10.1 **When security becomes enforceable**

The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between The Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this deed, but the Security Trustee shall not exercise such power of sale or other powers until an Event of Default occurs (whether or not such Event of Default is still continuing) whereupon it shall become immediately exercisable.

10.2 **When statutory powers arise**

Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this deed.

11. **Costs**

The Company shall pay to, or reimburse the Security Trustee on demand, on a full indemnity basis, all costs and liabilities incurred by The Security Trustee, in relation to the drafting, negotiation and execution of this deed, the maintenance of the security constituted by this deed and the suing for, or recovering, any of the Secured Liabilities, including, without limitation, costs arising from any enforcement of The Security Trustee's rights under this deed; or costs incurred in or suffered by any default or delay by the Company in performing any of its obligations under this deed.

12. **Release**

On the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Company, take whatever action is necessary to release the Property from the security constituted by this deed.

13. **Power of Attorney**

13.1 **Appointment of attorneys**

By way of security, the Company irrevocably appoints the Security Trustee, any receiver of the Security Trustee and any delegate of either the Security Trustee or a receiver separately to be its attorney and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

13.1.1 it is required to execute and do under this deed; or

13.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities, and discretions conferred by this deed or by law on the Security Trustee, any receiver, or any delegate.

13.2 **Ratification of acts of attorneys**

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities, and discretions, referred to in clause 13.1.

14. **Assignment and transfer**

14.1 **Assignment by The Security Trustee**

The Security Trustee may assign or transfer the whole or any part of the Security Trustee's rights and/or obligations under this deed to any person.

14.2 **Assignment by the Company**

The Company may not assign any of its rights, or transfer any of its obligations, under this deed or enter into any transaction which would result in any of those rights or obligations passing to another person, in each case without prior written consent the Security Trustee.

15. **Continuing security**

15.1 **Continuing security**

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities unless and until the Security Trustee discharges this deed in writing.

15.2 **Rights cumulative**

The rights and remedies of the Security Trustee provided under this deed are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to, and not exclusive of, any rights and remedies provided by law.

15.3 **Waivers**

Any waiver of any right or remedy by the Security Trustee under this deed or by law is only effective if given in writing and signed by the Security Trustee and shall not be deemed a waiver of any other breach or default. It applies only in the circumstances for which it is given, and shall not prevent the Security Trustee from subsequently relying on the relevant provision.

15.4 **Further exercise of rights**

No act or course of conduct or negotiation by or on behalf of the Security Trustee shall, in any way, preclude the Security Trustee from exercising any right or power under this deed or constitute a suspension or variation of any such right or power.

15.5 **Delay**

No delay or failure to exercise any right or power under this deed shall operate as a waiver.

16. **Counterparts**

16.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the deed.

16.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If this method of delivery is adopted, without prejudice to the validity of the mortgage thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

16.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

17. **Third party rights**

A person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed.

18. **Notices**

18.1 **Delivery**

Any notice or other communication given to a party under or in connection with this deed shall be:

18.1.1 in writing;

18.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service; and

18.1.3 sent to:

(a) the Company at its registered office address marked for the attention of William Richard Jackson

(b) the Security Trustee at its registered office address marked for the attention of William Richard Jackson

or to any other address as is notified in writing by one party to the other from time to time.

18.2 **Receipt by Company**

Any notice or other communication that the Security Trustee gives to the Company shall be deemed to have been received:

18.2.1 if delivered by hand, at the time it is left at the relevant address; and

18.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 18.2.1 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

18.3 **Receipt by the Security Trustee**

Any notice or other communication given to the Security Trustee shall be deemed to have been received only on actual receipt.

18.4 **Service of proceedings**

This clause 18.4 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

18.5 **No notice by email**

A notice or other communication given under or in connection with this deed is not valid if sent by email.

19. **Governing law and jurisdiction**

19.1 This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

19.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Security Trustee to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

19.3 The Company irrevocably consents to any process in any legal action or proceedings under clause 19.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

20. **Security Trust Deed**

20.1 The Security Trustee holds all obligations and liabilities of the Company and all the Security Trustee's rights under this deed as trustee on behalf of the Loan Note Holders pursuant to the terms of the Security Trust Deed.

20.2 The security created by this deed is created with the benefit of and subject to the provisions of the Security Trust Deed, the provisions of which the Company hereby acknowledges including the Security Trustee's right to use monies received by it in respect of the Secured Liabilities to reduce the Secured liabilities in accordance with the terms of the Security Trust Deed.

20.3 In the event of any conflict or inconsistency between the terms or provisions of the Security Trust Deed and this deed, the terms and provisions of the Security Trust Deed shall at all times prevail and take precedence.

21. **Subordination of security**

21.1 If, at any time during the Security Period, the Company receives any offer, agreement in principal, quotation, proposal, terms sheet, heads of terms, or memorandum of understanding, for the provision of any investment in, and/or any financing, funding, loan, or other credit facilities to, the Buyer (whether structured as debt or equity or a mixture of both) from a third party investor, funder, fund, bank, or other lender which is acceptable to the Company (a "**Funding Transaction**") and it is a term or condition thereof that such third party (the "**Lender**") receives a first legal charge over all or any one or more of the freehold, leasehold or other properties and/or land owned or held by the Company and/or a first debenture over all the assets and undertaking of the Company (in either case referred to as the "**Lender's Security**") upon completion of the Funding Transaction ("**Completion**"), then the Security Trustee hereby irrevocably and unconditionally agrees with the Company (at the Security Trustee's own cost and expense) to promptly and diligently:

21.1.1 enter into, execute, and deliver to the Company (on behalf of the Lender), or to the Lender, such documents, deeds, and agreements in favour of the Lender (in such terms, form and substance acceptable to the Lender); and/or

21.1.2 take or do such steps and actions, prior to, on, and/or at any time following Completion;

as may be reasonably and properly requested by the Company or the Lender in relation to, for the purposes of, or in connection with, this deed in order (i) to give effect to the Lender's Security on Completion; and (ii) to enable, with effect from Completion, that all security interests created under this deed in favour of the Security Trustee (and all the rights of the Security Trustee under this deed and such security interests) shall rank behind, and be fully subordinated and postponed to, the Lender's Security (and all rights of Lender thereunder) on such terms as may be requested by the Lender.

21.2 During the Security Period, the Security Trustee hereby irrevocably and unconditionally agrees with the Company (at the Security Trustee's own cost and expense) to promptly and diligently:

21.2.1 enter into, execute, and deliver to the Company (on behalf of SGGL), or to SGGL, such documents, deeds, and agreements in favour of SGGL (in such terms, form and substance acceptable to SGGL); and/or

21.2.2 take or do such steps and actions;

as may be reasonably and properly requested by the Company or SGGL in relation to, for the purposes of, or in connection with, this deed in order that all security interests created under this deed in favour of the Security Trustee (and all the rights of the Security Trustee under this deed and such security interests) shall at all times on and after the date of this deed rank behind, and be fully subordinated and postponed to, the Permitted Security (and all rights of SGGL thereunder) on such terms as may be requested by SGGL.

21.3 The Security Trustee hereby irrevocably and unconditionally appoints any director of the Company as its duly authorised attorney (the "**Attorney**") for and on their behalf to do or take any steps and actions, and/or enter into, sign, execute, exchange, complete, and deliver any documents, deeds and agreements, referred to in clauses 21.1 and 21.2.

21.4 The Security Trustee hereby irrevocably and unconditionally agrees to ratify anything done or carried out by the Attorney acting in their capacity as duly authorised attorney for and on behalf of the Security Trustee under or pursuant to clause 21.3.

22. **Substitution of security**

22.1 The Security Trustee hereby irrevocably and unconditionally agrees with the Company, if at any time following completion of the Ravensmount Property Transaction, the Borrower executes and delivers to the Security Trustee a first ranking debenture over all the assets and undertaking of the Borrower (in such terms, form and substance as is acceptable to the Security Trustee acting reasonably and in good faith) as security for the Secured Liabilities:

22.1.1 to release and discharge the Property from the security constituted by this deed, and reassign the Property to the Company, in each case with effect from the date of such debenture; and

22.1.2 to (at the cost and expense of the Security Trustee) promptly and diligently take all steps and actions, and execute and deliver to the Company such documentation including but without limitation a deed of release and Form DS1 (in each case in terms, form and substance acceptable to the Company), as the Company may reasonably request in order to give effect to (i) the release, discharge, and re-assignment referred to in clause 22.1.1; and (ii) the removal, release, and discharge of any notices, cautions, or restrictions registered against the Property at HM Land Registry in respect of, in relation to, or in connection with, the security constituted by this deed.

IN WITNESS of which the Parties have executed and delivered this Deed on the date first appearing above.

SCHEDULE 1

Representations and warranties

1. Binding obligations

1.1 This deed creates:

1.1.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

1.1.2 subject to registration at the Land Registry, perfected Security over the assets expressed to be subject to security in it,

in favour of the Security Trustee, having the priority and ranking expressed to be created by this deed and ranking ahead of all (if any) Security other than the Permitted Security.

2. Ownership of Property

The Company is the legal and beneficial owner of the Property and has good and marketable title to the Property.

3. No Encumbrances

The Property is free from any Encumbrances other than the Permitted Security and the Encumbrance created by this deed.

4. Adverse claims

The Company has not received or acknowledged notice of any adverse claim by any person in respect of the Property or any interest in it.

5. Adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights, or other matters whatsoever, which materially adversely affect the Property.

6. No breach of laws

There is no breach of any law or regulation which materially adversely affects the Property.

7. No interference in enjoyment

No facility necessary for the enjoyment and use of the Property is subject to terms entitling any person to terminate or curtail its use.

8. No overriding interests

Nothing has arisen, has been created, or is subsisting, which would be an overriding interest in the Property.

9. Avoidance of security

No Encumbrance expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the bankruptcy of the Company or otherwise.

10. **No prohibitions or breaches**

There is no prohibition on the Company assigning its rights in the Property and the entry into this deed by the Company does not and will not constitute a breach of any policy, agreement, document or instrument binding on the Company or its assets.

SCHEDULE 2

Covenants

Part 1 - General covenants

1. Negative pledge and disposal restrictions

The Company shall not at any time, except with the prior written consent of the Security Trustee:

1.1.1 create or permit any Encumbrance on, or in relation to, the Property other than any Encumbrance created by this deed;

1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner all or any part of, or any interest in, the Property; or

1.1.3 create or grant any interest in the Property in favour of a third party;

other than, in each case, pursuant to the Permitted Security.

2. Notification of default

The Company shall notify the Security Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

3. Preservation of Property

The Company shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise, or otherwise prejudice, the security held by the Security Trustee or materially diminish the value of the Property or the effectiveness of the security created by this deed.

4. Enforcement of rights

The Company shall use its reasonable endeavours to enforce any rights and start, continue, or defend, any proceedings relating to the Property which the Security Trustee may require from time to time.

5. Compliance with laws

The Company shall comply with all laws and regulations for the time being in force relating to or affecting the Property and shall obtain and promptly renew from time to time and comply with the terms of all consents which may be necessary to enable it to preserve, maintain or renew the Property.

6. Notice of breaches

The Company shall, promptly on becoming aware of any of the same, give the Security Trustee notice in writing of any breach of:

6.1.1 any representation or warranty set out in 0; and

6.1.2 any covenant set out in 0.

Part 2 - Property covenants

1. Repair and maintenance

The Company shall keep all fixtures and fittings on the Property in good repair and condition and shall keep the Property adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use by others of a like nature and equal value.

2. No alterations

2.1 The Company shall not, without the prior written consent of the Security Trustee:

2.1.1 pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or

2.1.2 make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with paragraph 0 of this 0 of 0).

2.2 The Company shall promptly give notice to the Security Trustee if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

3. Development restrictions

The Company shall not, without the prior written consent of the Security Trustee:

3.1.1 make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

3.1.2 carry out or permit or allow any development, as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008, to be carried out on the Property or change or permit or allow the use of the Property to be changed.

4. Insurance

4.1 The Company shall insure and keep insured (or where insurance is the responsibility of the landlord under the terms of the lease, procure that the landlord insures and keeps insured) the Property against fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, escape of water or oil, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, malicious damage, theft or attempted theft, falling trees and branches and aerials, subsidence, heave, landslip, collision, accidental damage to underground services, public liability to anyone else and any other risks which the Security Trustee reasonably requires to be insured against from time to time.

4.2 The Company shall, if requested by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to any such insurance required by paragraph 0 of this 0, 0 (or where such insurance is effected by the landlord, such evidence of insurance as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

5. Insurance premiums

The Company:

5.1.1 shall promptly pay all premiums in respect of any insurance policy on the Property and do all other things necessary to keep such policy in full force and effect; and

5.1.2 shall (if the Security Trustee so requires) produce to the Security Trustee the receipts for all premiums and other payments necessary for effecting and keeping up the insurance policies (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

6. No invalidation of insurance

The Company shall not do or omit to do or permit to be done or omitted anything that may invalidate or otherwise prejudice any insurance policies relating to the Property.

7. Insurance Policies' proceeds

All monies payable under any of the insurance policies relating to the Property at any time (whether or not the security constituted by this deed has become enforceable) shall:

7.1.1 immediately be paid to the Security Trustee; or

7.1.2 if they are not paid directly to the Security Trustee by the insurers, be held, pending such payment, by the Company upon trust for the Security Trustee.

8. Leases and licences affecting the Property

The Company shall not, without the prior written consent of the Security Trustee, grant, or agree to grant, any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing (or agreeing to lease) in respect of the Property, let any person into occupation of or share occupation of the whole or any part of the Property, where the relevant interest in the Property granted, or to be granted, by the Company:

8.1.1 is not an assured shorthold tenancy within the regime laid down by the Housing Act 1988;

8.1.2 features rentals that are (in the view of the Security Trustee, acting reasonably) significantly below the normal market rental for a property of that nature; or

8.1.3 is for less than 6 months' or more than 3 years' duration,

other than where such interest subsists as at the date of this deed (in which case any extension, renewal or other amendment or supplement thereof or thereto shall constitute the grant of a new such interest for the purposes of this provision).

9. No restrictive obligations

The Company shall not, without the prior written consent of the Security Trustee, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatsoever in or over the whole or any part of the Property.

10. Proprietary rights

The Company shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Security Trustee.

11. Compliance with and enforcement of covenants

The Company shall:

- 11.1.1 observe and perform all covenants, stipulations, and conditions to which the Property, or the use of it, is or may be subject and (if the Security Trustee so requires) produce to the Security Trustee evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed; and
- 11.1.2 diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release, or vary, any of the same.

12. Notices or claims relating to the Property

The Company shall:

- 12.1.1 give full particulars to The Security Trustee of any notice, application or requirement given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- 12.1.2 if the Security Trustee so requires, immediately, and at the cost of the Company, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Security Trustee in making, such objections or representations in respect of any such Notice as the Security Trustee may desire.

13. Payment of rent and outgoings

The Company shall:

- 13.1.1 where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 13.1.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments, and other outgoings, relating to or imposed upon the Property or on its occupier.

14. Rent reviews

The Company:

- 14.1.1 shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of The Security Trustee, agree to any change in rent to less than the open market rental value of the relevant part of the Property; and
- 14.1.2 shall not, without the prior written consent of the Security Trustee, if the Property is leasehold, agree to any change in the rent payable under the lease in excess of the open market rental value and shall only agree to any upwards rent review in accordance with the terms of the lease.

15. Inspection

The Company shall permit the Security Trustee and any person appointed by them to enter on and inspect the Property on reasonable prior notice.

16. **VAT option to tax**

The Company shall not, without the prior written consent of the Security Trustee:

16.1.1 exercise any VAT option to tax in relation to the Property; or

16.1.2 revoke any VAT option to tax exercised prior to and disclosed to the Security Trustee in writing prior to the date of this deed.

17. **Notice of Assignment of Rent**

The Company shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, obligor or surety of the assignment under clause 3.2 of the Company's rights and interest to the Rent and each guarantee or security in respect of the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Security Trustee.

SCHEDULE 3

Powers of the Security Trustee

1. Power to remedy

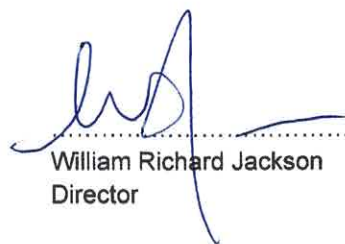
- 1.1 The Security Trustee shall be entitled (but shall not be obliged) to remedy a breach at any time by the Company of any of its obligations contained in this deed. Any monies expended by the Security Trustee in remedying a breach by the Company of any of its obligations contained in this deed shall be reimbursed by the Company to the Security Trustee on a full indemnity basis.
- 1.2 In remedying any breach in accordance with paragraph 0 of this 0, the Security Trustee and its agents shall be entitled to enter onto the Property and to take any action as the Security Trustee may reasonably consider necessary or desirable including, without limitation, carrying out any repairs or other works.


2. Exercise of rights

- 2.1 The rights of the Security Trustee under paragraph 1 of this 0 are without prejudice to any other rights of the Security Trustee under this deed. The exercise of those rights shall not make the Security Trustee liable to account as a mortgagee in possession.


EXECUTION PAGE


EXECUTED and **DELIVERED** as a **DEED** by
WH2022 LIMITED
acting by a director in the presence of:

) 
) William Richard Jackson
Director

W Signature: 
I Name: RENE MACKENZIE
T Address: 7 CHATTON CLOSE
N CHESTER LE STREET
E DHA 3HU
S
S Occupation: MANAGER

EXECUTED and **DELIVERED** as a **DEED** by
ALPHA TRUSTEE SERVICES LIMITED
acting by a director in the presence of:

) 
) Mark Anthony Kidd
Director

W Signature: 
I Name: RENE MACKENZIE
T Address: 7 CHATTON CLOSE
N CHESTER LE STREET
E DHA 3HU
S
S Occupation: MANAGER