



Registration of a Charge

Company name: **CITU LOW FOLD LEEDS LTD**

Company number: **09300752**



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Received for Electronic Filing: **11/01/2021**

Details of Charge

Date of creation: **08/01/2021**

Charge code: **0930 0752 0003**

Persons entitled: **IRE SECURITY LIMITED**

Brief description: **ITS INTEREST IN CITU (LOW FOLD) LLP (THE "LLP") (WHETHER ARISING UNDER THE MEMBERS' AGREEMENT, THE LIMITED LIABILITY PARTNERSHIP ACT 2000 (OR OTHER LAW OR REGULATION RELATING TO LIMITED LIABILITY PARTNERSHIPS) OR OTHERWISE), INCLUDING ALL OF ITS INTEREST IN THE CAPITAL OF, ALL OF ITS RIGHTS TO RECEIVE PROFITS OF, AND ALL OF ITS RIGHTS TO RECEIVE ANY DISTRIBUTION OF THE ASSETS, OF THE LLP AND ANY MEMBERSHIP INTERESTS, SECURITIES OR OTHER ASSETS NOW OR AT ANY TIME AFTER THE DATE OF THIS DEED OWNED BY OR OFFERED TO SUCH MEMBER BY WAY OF REDEMPTION, BONUS, PREFERENCE, OPTION, SUBSTITUTION, EXCHANGE OR OTHERWISE IN RESPECT OF ITS MEMBERSHIP INTERESTS IN THE LLP FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CLYDE & CO LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9300752

Charge code: 0930 0752 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th January 2021 and created by CITU LOW FOLD LEEDS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th January 2021 .

Given at Companies House, Cardiff on 12th January 2021

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

DATED 8 January 2021

CITU GROUP DEVELOPMENTS LTD and CITU LOW FOLD LEEDS LTD
as Members

IRE SECURITY LIMITED
as Security Trustee

CHARGE OVER MEMBERS' INTERESTS AND ASSIGNMENT OF SUBORDINATED DEBT

in relation to a £18,920,000 facility agreement dated on or about the date of this Deed
originally between, amongst others, Citu (Low Fold) LLP (as Borrower) and Ingenious Real
Estate Finance LLP (as Original Lender)

INGENIOUS

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DATED

8 January

2021

PARTIES

- (1) **CITU GROUP DEVELOPMENTS LTD** (company number 08725546) whose registered office is at W9 Greenhouse, Beeston Road, Leeds, West Yorkshire, LS11 6AD and **CITU LOW FOLD LEEDS LTD** (company number 09300752) whose registered office is at Citu, Workspace 9, Citu, Beeston Road, Leeds, England, LS11 6AD (each being a "**Member**" and together the "**Members**")
- (2) **IRE SECURITY LIMITED** (company number 11099864) whose registered office is at 15 Golden Square, London, W1F 9JG (the "**Security Trustee**" which expression includes its successors and assigns as security trustee for the Secured Parties)

BACKGROUND

- (A) The Original Lender has agreed to advance or to continue to advance monies or otherwise arrange credit or afford other financial facilities to the Borrower pursuant to the Facility Letter.
- (B) The Members have agreed to charge and/or assign certain of their assets as Security in favour of the Security Trustee as set out in this Deed to secure the payment and discharge of the Liabilities.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Act**" means the Law of Property Act 1925.

"**Borrower**" means Citu (Low Fold) LLP (company number OC389227).

"**Facility Letter**" means the £18,920,000 facility letter (including the Standard Terms) dated on or about the date of this Deed and made between (amongst others) the Borrower, the Security Trustee and the Original Lender and any agreement, letter or instrument entered into under or supplemental to it or amending, restating or novating it.

"**Members' Agreement**" means the members' agreement dated 1 August 2017 and made between the Members in relation to the formation of the Borrower;

"**Membership Interests**" means:

- (a) each Member's interest in the Borrower (whether arising under the Members' Agreement, the Limited Liability Partnership Act 2000 (or other law or regulation relating to limited liability partnerships) or otherwise), including all of its interest in the capital of, all of its rights to receive profits of, and all of its rights to receive any distribution of the assets, of the Borrower; and
- (b) any membership interests, securities or other assets now or at any time after the date of this Deed owned by or offered to such Member by way of redemption, bonus, preference, option, substitution, exchange or otherwise in respect of its Membership Interests,

and any income, offer right or benefit in respect of any of its Membership Interests;

"Liabilities" means all monies, obligations and liabilities which shall from time to time (and whether on or at any time after any demand or judgment) be due, owing or incurred from any Obligor to any Secured Party under the Finance Documents (as may be varied, amended or restated from time to time), whether actual or contingent, present or future and whether solely or jointly with any other person and in whatever style or name and whether as principal or surety.

"Obligor" means the Members, the Borrower, the Subsidiaries, the Subordinated Creditor(s) and any guarantor of the Borrower's obligations to the Finance Parties under the Finance Documents or any part of them (including any Guarantors specified in clause 3 (*Key Facility Terms*) of the Facility Letter).

"Original Lender" means Ingenious Real Estate Finance LLP.

"Party" means a party to this Deed.

"Receiver" means an administrative receiver, receiver and/or manager appointed by the Security Trustee under this Deed (whether sole, joint and/or several and including any substitute).

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements.

"Related Assets" means:

- (a) the proceeds of sale and/or other realisation of all or any part of the Membership Interests;
- (b) the proceeds of sale and/or other realisation of all or any part of the Subordinated Debt;
- (c) all options, agreements, rights, benefits, indemnities, guarantees, warranties or covenants for title in respect of any Membership Interests and/or the Subordinated Debt;
- (d) any interest, capital contribution or income paid or payable in relation to or deriving from any Membership Interests;
- (e) all rights, powers, offers, benefits, claims, contracts, warranties, remedies, Security Interests, guarantees, indemnities or covenants for title in respect of the Membership Interests and/or the Subordinated Debt; and
- (f) all monies and proceeds paid or payable (including, without limitation and as applicable, any distributions) in respect of the Membership Interests and/or the Subordinated Debt,

both present and future (including all rights against, as applicable, any trustee, nominee, fiduciary or clearing system).

"Secured Assets" means the Membership Interests, the Subordinated Debt, each Subordinated Agreement and any Related Assets.

"Secured Parties" has the meaning given to that term in the Standard Terms.

"Security Interest" means a mortgage, charge, assignment, pledge, lien, standard security, assignation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Standard Terms" means the standard terms and conditions attached to the Facility Letter (and a reference in this Deed to a **"Condition"** shall be to the relevant Condition in the Standard Terms).

"Subordinated Agreement" means any agreement or other document (including any entry by way of intra company account) evidencing the terms of any Subordinated Debt from time to time.

"Subordinated Debt" means the aggregate of all monies and liabilities of whatever nature (whether actual or contingent, as principal or surety) which are now or may at any future time be outstanding or otherwise due from the Borrower (as borrower/debtor) to any of the Members (as lender/creditor) in respect of any Financial Indebtedness.

"Subordination Period" means the period beginning on the date of this Deed and ending on the date upon which the Security Trustee confirms in writing that the whole of the Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Subsidiaries" means the subsidiaries of the Borrower as specified in clause 3 (*Key Facility Terms*) of the Facility Letter.

1.2 Construction

1.2.1 All defined terms in the Facility Letter and the Standard Terms have the same meaning in this Deed, unless otherwise defined in this Deed .

1.2.2 The construction and interpretation provisions set out at Conditions 1.2 (*Construction*) and 1.3 (*Interpretation*) of the Standard Terms shall apply equally to this Deed.

1.2.3 If any provision of this Deed shall conflict with any term of the Facility Letter (or the Standard Terms) then the relevant term of the Facility Letter (or, as applicable, the Standard Terms) shall prevail.

1.2.4 Condition 14 (*Set off*) of the Standard Terms is incorporated in this Deed as if set out in full and with necessary changes.

1.2.5 Unless the contrary intention appears, references in this Deed to:

- (a) any party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (b) **"in connection with", "under", "pursuant to", "by virtue of" and "in relation to"** shall include each of the others;
- (c) **"assets"** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (d) **"insolvency"** includes any of the following or any steps in relation to the following:

- (i) any insolvency, bankruptcy, liquidation, reorganisation, administration, receivership or dissolution;
- (ii) any voluntary arrangement or assignment for the benefit of creditors; or
- (iii) any similar or analogous event in any jurisdiction whatsoever;
- (e) an obligation of a Member to do something includes an obligation to procure that it is done and an obligation not to do something includes an obligation not to permit, suffer or allow it; and
- (f) references to this Deed or any other agreement, deed or document are references to them in force for the time being as amended, varied, novated, supplemented or consolidated from time to time.

2 LIABILITY

2.1 Limited Recourse

Notwithstanding the other provisions of this Deed (including Clause 3 (*Covenant to pay*)), the amount recoverable from the Members under and/or pursuant to this Deed shall be limited to the amount of any proceeds received by the Security Trustee from the enforcement of its rights under this Deed against the Secured Assets.

2.2 Joint and several

The liability of the Members under this Deed shall be joint and several.

3 COVENANT TO PAY

Subject always to the provisions of Clause 2 (*Limited Recourse*), the Members (jointly and severally) covenant with the Security Trustee that they will:

- (a) on demand, pay and discharge each and all of the Liabilities when due; and
- (b) indemnify and keep the Security Trustee indemnified from and against all actions, charges, claims, costs, damages, proceedings and other liabilities occasioned by any breach of any of its covenants or other obligations to the Security Trustee.

4 SECURITY INTEREST

4.1 General

All of the Security Interests created under this Deed are created in favour of the Security Trustee as continuing Security Interests for the payment and discharge of the Liabilities with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.2 Fixed charge

Each Member charges by way of a first fixed charge each of the following:

- (a) all of its right, title, benefit and interest from time to time in its Membership Interests;

- (b) all its interest in the Subordinated Debt (including all rights of enforcement of the same); and
- (c) all Related Assets.

4.3 **Assignment**

Each Member assigns absolutely subject to the provisions of Clause 12 (*Discharge*) all of its rights and interests (including all rights of enforcement of the same) under each Subordinated Agreement.

5 **PERFECTION OF SECURITY INTEREST**

5.1 **Notice of Assignment**

5.1.1 Citu Group Developments Limited shall immediately upon the execution of this Deed give notice substantially in the form set out in Part 1 of Schedule 2 (*Form of notice to counterparties in respect of Subordinated Agreement*) to the Borrower of the assignment pursuant to Clause 4.3 of its interest in each Subordinated Agreement and shall procure that the Borrower will promptly provide an acknowledgement to the Security Trustee in the form set out in Part 2 of Schedule 2 (*Form of acknowledgement to counterparties in respect of Subordinated Agreement*).

5.1.2 Each Member shall within three (3) Business Days of the entry into any Subordinated Agreement not in existence as at the date of this Deed give notice substantially in the form set out in Part 1 of Schedule 2 (*Form of notice to counterparties in respect of Subordinated Agreement*) to the Borrower and any counterparty to each Subordinated Agreement of the assignment pursuant to Clause 4.3 of its interest in the applicable Subordinated Agreement and shall use all reasonable endeavours to ensure that each addressee of such notice will promptly provide an acknowledgement to the Security Trustee in the form set out in Part 2 of Schedule 2 (*Form of acknowledgement to counterparties in respect of Subordinated Agreement*).

5.2 **Further assurance**

- (a) The Members shall execute and do at their own cost and in such form as is required by the Security Trustee:
 - (i) such further additional mortgages, charges, assignments, transfers and conveyances; and
 - (ii) such assurances, deeds, documents, acts and things,

as the Security Trustee may require to perfect or protect the Security Interests created or intended to be created by this Deed and/or to facilitate or effect any dealing with the Secured Assets in connection with this Deed.
- (b) The obligations of the Members under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6 **REPRESENTATIONS AND WARRANTIES**

Each Member makes the representations and warranties set out in this Clause 6 (*Representations and warranties*) to the Security Trustee for the benefit of each Finance Party.

- 6.1 **Status**
- 6.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of England and Wales.
- 6.1.2 It has the power to own its assets and carry on the business which it conducts and/or proposes to conduct.
- 6.2 **Binding obligations**
- The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.
- 6.3 **Non-conflict**
- The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:
- (a) any law or regulatory requirement applicable to it;
 - (b) its constitutional documents; or
 - (c) any material agreement or instrument binding upon it or any of its assets.
- 6.4 **Power and authority**
- It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- 6.5 **Validity and admissibility in evidence**
- Each authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required:
- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and
 - (b) to make this Deed admissible in evidence in England and Wales,
- has been obtained or effected and is in full force and effect.
- 6.6 **No proceedings pending or threatened**
- No litigation, arbitration or administrative proceedings of, or before, any court, arbitral body or agency have been started or threatened against it.
- 6.7 **Solvency**
- No step has been taken for its insolvency.
- 6.8 **Members' Agreement and Interest**
- (a) All contributions payable by it under the Members' Agreement have been made or paid in full and there are no monies or liabilities outstanding in respect of them.
 - (b) The Members are the only members of the LLP.

- (c) It has not appointed any nominee to exercise or enjoy all or any of its rights in relation to its Membership Interests or any Related Assets.
- (d) Each Member has consented to each other Member entering into and performing this Deed.
- (e) The entry into and performance by it of, and the transactions contemplated by, this Deed does not and will not conflict with the Members' Agreement or any other material agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such material agreement or instrument.

6.9 Legal and beneficial ownership

- (a) The Members together are the legal and beneficial owners of the Secured Assets with the right to transfer with full title guarantee all or any part of the Secured Assets and they have good and marketable title to the Secured Assets.
- (b) The Security Assets are free from any encumbrance or Security Interest except as created by this Deed.

6.10 Effective Security Interest

This Deed is an effective Security Interest over the Secured Assets.

6.11 Repetition of representations

The representations and warranties set out in this Clause 6 (*Representations and warranties*) are made by each Member on the date of this Deed and in addition are deemed to be made by any of the Members by reference to the facts and circumstances then existing on the date of each Drawdown Request and each Payment Date.

7 COVENANTS

Each Member gives the undertakings in this Clause 7 (*Covenants*) which remain in force from the date of this Deed until this Deed is discharged.

7.1 Information

Each Member shall supply to the Security Trustee such information regarding its financial condition, business and operations as the Security Trustee may reasonably request.

7.2 Negative pledge

No Member shall create or permit to subsist any Security Interest over any of the Secured Assets save for the Security Interests created pursuant to this Deed.

7.3 Disposals

It shall not sell, lease, transfer or otherwise dispose of any of the Secured Assets.

7.4 Deposit of document or title deeds

Each Member will deposit with the Security Trustee, promptly upon the Security Trustee's request any deeds, documents of title (or documents evidencing title or the right to title) and agreements relating to a Security Asset;

7.5 Calls

Each Member shall duly and promptly pay all calls, instalments or other payments which may be due and payable in respect of its Membership Interests.

7.6 Nominees

No Member shall appoint any nominee to exercise or enjoy all or any of its rights in relation to its Membership Interests.

7.7 Changes to Members' Agreement

- (a) No Member shall permit the addition of a new member of the Borrower without the prior written consent of the Security Trustee.
- (b) No Member shall amend, waive, supplement or permit any amendment, waiver or supplement (by conduct or otherwise) of, any material provision of the Members' Agreement without the prior written consent of the Security Trustee.
- (c) No Member shall exercise any right to rescind, cancel or terminate the Members' Agreement.
- (d) Each Member will perform all of its obligations under the Members' Agreement in a diligent and timely manner.

7.8 Changes to Members

Following a Default which is continuing, upon the Security Trustee's request, each Member shall procure (by amending the terms of the Members' Agreement or otherwise), the transfer of its Membership Interests to the Security Trustee or its nominee and procure the appointment of the Security Trustee (or its nominee) as a designated member of the Borrower and shall itself resign as a member of the Borrower.

7.9 Subordinated Agreements and Subordinated Debt

7.9.1 Each Member shall, duly and promptly perform their obligations under each Subordinated Agreement.

7.9.2 After the security created by this Deed has become enforceable, the Security Trustee may exercise, without any further consent or authority on the part of the Members and irrespective of any direction given by the Members, each of the Member's rights under each Subordinated Agreement.

7.9.3 Each of the Members hereby confirm that the Subordinated Debt is subordinated to the Liabilities in all respects.

7.9.4 Each of the Members covenant that, at all times during the Subordination Period, they will not:

- (a) demand, sue, claim, prove for, accept or receive payment, prepayment or repayment of, or any distribution in respect or on account of, any of the Subordinated Debt in cash or in kind and whether on account of principal, interest or damages for breach of the terms of the Subordinated Debt;
- (b) discharge, release or reduce any of the Subordinated Debt by set-off, netting, any right of combination of accounts or in any other manner;

- (c) assign, transfer, charge or otherwise dispose of its rights or obligations in respect of the Subordinated Debt;
- (d) accept or permit to subsist any Security Interest over any of the assets of the Borrower or any other party for any of the Subordinated Debt;
- (e) amend, vary, waive or release any term of any of the Subordinated Agreements;
- (f) enter into any arrangement under which the relevant Member is not to enforce the Borrower's obligations in relation to the Subordinated Debt;
- (g) enter into an arrangement for its benefit where the value provided by the Borrower exceeds the value received by the Borrower;
- (h) receive credit from the Borrower, or permit the Borrower to grant any guarantee or Security Interest in respect of any of the Member's liabilities;
- (i) receive any kind of distribution of the Borrower's assets, whether in cash, shares or otherwise;
- (j) take or omit to take any action whereby the subordination of the Subordinated Debt under this Deed might be terminated, impaired or adversely affected;
- (k) make any application or take any step (including presentation of a petition, convening a meeting or passing a resolution) or otherwise give support for the insolvency or re-organisation of the Borrower (unless otherwise instructed by the Security Trustee (and where the Security Trustee so instructs the Members shall act on those instructions)); or
- (l) register or attempt to register any interest or restriction in respect of the Property whether referable to any Subordinated Debt owed to it or otherwise,

and to the extent that any Member receives any amount on account of the Subordinated Debt during the Subordination Period it shall promptly notify the Security Trustee and shall hold those proceeds on trust for the Security Trustee and pay them to the Security Trustee immediately upon demand and the Security Trustee shall apply the same in accordance with Clause 9.

- 7.9.5 Each Member further covenants that, at all times during the Subordination Period, they will remain entitled to their respective Subordinated Debt legally and beneficially, free from any Security Interest (other than pursuant to this Deed), option, subordination or other rights in favour of any person, and will procure that the Subordinated Debt is not subject to any set-off, counterclaim or other defence.

8 RIGHTS OF ENFORCEMENT

8.1 Enforcement

- 8.1.1 The Liabilities shall be deemed to have become due for the purposes of section 101 of the Act immediately upon the date of this Deed.

- 8.1.2 The enforcement powers of the Security Trustee in connection with this Deed shall be immediately exercisable:

- (a) upon an Event of Default; or,

(b) at the Security Trustee's discretion, at the request of the Members.

8.1.3 Clause 8.1.2 shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

8.1.4 The restrictions imposed by section 103 of the Act shall not apply to the Security Interests created by this Deed.

8.1.5 In addition to all other protection afforded by statute, every purchaser (as defined by section 205 of the Act) or other party dealing with the Security Trustee or any Receiver shall be entitled to assume without enquiry that an Event of Default has occurred and that the Liabilities are outstanding and have become due.

8.2 **Security Trustee's and Receiver's powers and rights**

8.2.1 The Security Trustee shall have the power:

- (a) to appoint a Receiver of the whole or any part of the Secured Assets and (so far as the law allows) to remove and/or substitute any such appointee; and/or
- (b) to appropriate the Secured Assets in accordance with Clause 8.3 (*Right of appropriation*).

8.2.2 The Security Trustee (without becoming a mortgagee in possession) and/or any Receiver (without personal liability) shall have the power to exercise:

- (a) all statutory and other powers and rights (including the powers conferred upon an administrative receiver by schedule 1 to the Insolvency Act 1986 whether or not the Security Trustee and/or any Receiver is an administrative receiver);
- (b) the powers and rights specified in Schedule 1 (*Security Trustee's and Receiver's powers*),

and may exercise them in the name of the Members and in such manner and on such terms as the person exercising them shall in its sole absolute discretion consider appropriate.

8.3 **Right of appropriation**

To the extent that any of the Secured Assets constitute "financial collateral" and this Deed and the obligations of the Members under it constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Regulations), the Security Trustee shall have the right to appropriate all or any part of it in or towards discharge of the Liabilities and transfer title in and to it to the Security Trustee. For this purpose, the Parties agree that the value of the financial collateral so appropriated shall be the market price of such financial collateral as determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation. The Parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

8.4 **Receiver as agent**

So far as the law allows, a Receiver shall be the agent of each of the Members, who shall be solely liable for his acts, defaults and remuneration, but the Security

Trustee shall be entitled to agree the Receiver's fees and expenses and the mode of payment thereof without further notice to any of the Members.

8.5 **Further powers**

If any Member defaults in the observance and performance of any obligation to the Security Trustee, the Security Trustee or its agents (without any of them becoming a mortgagee in possession) may at any time (but shall not be obliged to) do such things as it considers necessary to remedy the default.

8.6 **Power of attorney**

8.6.1 Each Member by way of Security Interest irrevocably appoints the Security Trustee and every Receiver jointly and severally to be its attorney (with full power of substitution) in its name and on its behalf to execute and deliver any documents and do or perfect anything which the Security Trustee and/or the Receiver shall consider appropriate for perfecting, maintaining, preserving, enhancing or enforcing the Security Interests created by this Deed and/or the value of any of the Secured Assets and/or for the purpose of enforcing the performance of each Member's obligations in connection with this Deed.

8.6.2 Each Member ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of its powers.

9 **APPLICATION OF RECEIPTS**

9.1 **Priority of payment**

Subject to sums secured by a Security Interest having priority to the Security Interests created by this Deed, all monies received by the Security Trustee and/or any Receiver in the enforcement of this Deed shall (subject as follows) be applied in the following order, in payment:

- (a) **firstly**, of all fees, costs, charges, taxes, liabilities and expenses in relation to any enforcement of this Deed (including in relation to any Receiver whether on its own behalf or on behalf of the Members or otherwise); and
- (b) **secondly**, to the Security Trustee for distribution in accordance with Condition 23 (*Application of Proceeds*) of the Standard Terms.

9.2 **Crediting to suspense account**

The Security Trustee or any Receiver may credit any monies received from the enforcement of this Deed to any suspense account in any manner and for such period as the Security Trustee or that Receiver thinks fit.

10 **NOTICES**

Any communication or notice to be made under or in connection with this Deed shall be made in accordance with Condition 25 (*Notices*) of the Standard Terms and for these purposes the Members acknowledge and agree that communications and notices in connection with this Deed may be effectively served on it by the Security Trustee (i) by effective service on the Borrower in accordance with Condition 25 (*Notices*) of the Standard Terms and/or (ii) otherwise in accordance with Condition 25 (*Notices*) of the Standard Terms (with the terms of Condition 25 (*Notices*) of the Standard Terms deemed to be incorporated herein) but using the following address, email address and attention details for each of the Members:

Address: W9 Greenhouse, Beeston Road, Leeds, West Yorkshire, LS11 6AD

E-mail address: iain@citv.co.uk

Attention: Iain Melville

11 DISCHARGE

11.1 If the Security Trustee is satisfied that the Liabilities have been unconditionally and irrevocably paid, repaid and discharged in full, the Security Trustee will, at the request and reasonable cost of the Members, discharge the Security Interests created by this Deed.

11.2 No discharge will be of any effect if any Security Interest or payment given or made in respect of the Liabilities is rescinded, avoided, reduced or invalidated whether in respect of any insolvency or otherwise.

12 GENERAL PROVISIONS

12.1 Trust provisions

The covenants, undertakings and representations made by each of the Members under this Deed are made in favour of the Security Trustee.

12.2 Immediate recourse

It shall not be necessary for the Security Trustee before taking any enforcement under this Deed to enforce or seek to enforce any guarantee or other Security Interest or other rights whether from or against the Members or any other person. This Clause 12.2 (*Immediate recourse*) applies irrespective of any law or any provision of a Finance Document to the contrary.

12.3 Exercise of powers and liability

12.3.1 This Deed is in addition to and will not merge in or in any way be prejudiced or affected by the holding or release by the Security Trustee of any other Security Interest at any time held by the Security Trustee.

12.3.2 The Security Trustee may, at any time after this Deed has become enforceable, redeem or transfer to itself any prior Security Interest against the Secured Assets and may settle and pay the accounts of the prior chargee (which shall be binding on the Members). All principal monies, interest, costs, charges and expenses of and incidental to such redemption or transfer shall be paid by the Members to the Security Trustee on demand.

12.3.3 None of the Security Trustee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Secured Assets or (c) taking possession of or realising all or any part of the Secured Assets.

12.4 Continuing security

(a) The security created by or pursuant to this Deed shall remain in full force and effect as a continuing security for the Liabilities unless and until the Liabilities have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.

(b) No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate

payment, discharge or satisfaction of the whole or any part of the Liabilities.

12.5 New Accounts

On receiving notice that the whole or any part of the Secured Assets has been encumbered by any Security Interest or disposed of:

- (a) the Security Trustee may close the Members' then subsisting account and open a new account with the Members, and (unless the Security Trustee gives the Members written notice otherwise) shall be deemed to have done so;
- (b) all payments made to the Finance Parties after that date will be credited (or be treated as having been credited) to the new account; and
- (c) no money credited or treated as credited to the new account shall reduce the Liabilities.

12.6 Consolidation

The restriction on the right of consolidating mortgage securities contained in section 93 of the Act shall not apply to the Security Interest created by this Deed.

12.7 Expenses

The Members must pay the Security Trustee within three Business Days of demand the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights against it under this Deed.

12.8 Rights of third parties

12.8.1 Other than in respect of a Receiver, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.8.2 The Parties may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

12.9 Partial invalidity

The illegality, invalidity or unenforceability for whatever reason of any provision of this Deed in any jurisdiction, shall not affect the legality, validity or enforceability of that provision in any other jurisdiction or the legality, validity or enforceability of the remaining provisions in any jurisdiction.

12.10 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

12.11 Counterparts

This Deed may be executed in any number of counterparts. This shall have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

12.12 **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and are not exclusive of any right or remedies provided by law.

13 **LAW AND JURISDICTION**

13.1 **Law**

This Deed and any non-contractual obligations arising out of or in relation to this Deed shall be governed by English law.

13.2 **Jurisdiction of English courts**

13.2.1 The courts of England have exclusive jurisdiction to settle any dispute, including, without limitation disputes relating to any non-contractual obligations arising out of or in connection with this Deed (a "**Dispute**").

13.2.2 The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

13.2.3 This Clause is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

This Deed has been executed as a deed and delivered on the date stated at the beginning of this Deed.

Schedule 1
Security Trustee's and Receiver's powers

1 CONDUCT OF BUSINESS

(a) Carry on business

To acquire any property, chattels, plant, machinery and materials.

(b) Compromise claims

To compromise any claim relating to the Secured Assets.

(c) Borrowing and advancing

To borrow, raise or advance money whether or not in priority to the Liabilities and with or without Security Interest.

(d) Employees

To employ solicitors, architects, surveyors, quantity surveyors, estate agents, contractors, builders, workmen, stockbrokers and others.

2 DEALING WITH EACH MEMBER'S ASSETS

(a) Possession

To enter upon and take possession of, get in, use and/or collect any Secured Asset.

(b) Payments

To pay any outgoings and payments charged on or otherwise relating to the Secured Assets or their ownership or use.

(c) Receipts

To give receipts and releases for any sums received.

(d) Assumption of rights

To assume, exercise, cancel and/or vary all or any of the powers and rights conferred on any of the Members under any Secured Asset.

(e) Insurance

To effect insurances on such terms as it thinks fit.

3 DISPOSALS

To sell or otherwise realise and deal with, and transfer title to, the Secured Assets, in return for such consideration as it thinks fit and whether or not:

(i) for immediate or deferred consideration;

(ii) in return for a single payment or instalments; and

(iii) for consideration wholly or partly in cash, property or securities in whatever form,

and in all cases the terms of which shall bind any subsequent mortgagee.

4 **GENERAL**

(a) General powers

To do or abstain from doing all such things as it considers necessary or desirable for perfecting, maintaining preserving or enhancing the value of any of the Secured Assets or for or in connection with the enforcement of the Security Interest charges created by this Deed or the realisation of any of the Secured Assets, whether or not in accordance with the Facility Letter, including:

- (i) executing, delivering and completing all or any deeds or other documents;
- (ii) using the name of each of the Members in connection with any of the purposes in this Schedule (*Security Trustee's and Receiver's powers*);
- (iii) commencing, carrying out and completing any acts, matters or proceedings in relation to any Secured Asset as if it were the sole and absolute beneficial owner of the Secured Assets; and
- (iv) obtaining, entering into and maintaining any bonds, covenants, commitments, engagements, guarantees and indemnities or other like arrangements.

(b) General

All its powers and discretions under this Deed shall be:

- (i) exercisable on such terms and conditions and otherwise as it may think fit; and
- (ii) as if it were the absolute and beneficial owner.

Schedule 2
Form of notice to counterparties in respect of Subordinated Agreement

PART 1

From: [Member/Members]

To: [Counterparty]

Date:

Dear Sirs,

We refer to the [describe relevant Subordinated Agreement] (the "**Agreement**")

We hereby notify you that pursuant to a share charge and assignment of subordinated debt dated [] (the "**Security Document**") we have assigned to IRE Security Limited (the "**Security Trustee**") absolutely (subject to a proviso for reassignment on redemption) all our right, title, interest and benefit in and to all our present and future rights, title and benefit in to and under the Agreement.

We further notify you that:

- (a) we may not agree to amend, modify or terminate the Agreement without the prior written consent of the Security Trustee;
- (b) subject to paragraph (a) above, you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Trustee. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Trustee;
- (c) you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;
- (d) until you receive written notice to the contrary from the Security Trustee, you should pay all monies to which we are entitled under the Agreement to us; and
- (e) the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) by way of confirmation that:

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

For and on behalf of
Member/Members

PART 2

Form of acknowledgment from counterparties in respect of Subordinated Agreement

From: [Counterparty]

To: [Security Trustee]

Copy to: [Member/Members]

Date:

We hereby acknowledge receipt of the notice dated [], a copy of which is attached to the acknowledgment (the "**Notice**") and confirm the matters therein including the matters set out in paragraphs (i) and (ii) of the Notice.

For and on behalf of

[Counterparty]

EXECUTION PAGE

MEMBERS


Executed as a deed by **CITU GROUP DEVELOPMENTS LTD** acting by a director in the presence of a witness:

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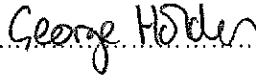
Director



Witness Signature:



Witness Name:



Witness Address:

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP


Executed as a deed by **CITU LOW FOLD LEEDS LTD** acting by a director in the presence of a witness:

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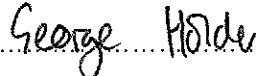
Director



Witness Signature:



Witness Name:



Witness Address:

Squire Patton Boggs (UK) LLP
6 Wellington Place
Leeds
LS1 4AP

Security Trustee

Executed as a deed by **IRE SECURITY
LIMITED** acting by a director in the
presence of a witness:

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)
)

Director

Witness Signature:

.....

Witness Name:

.....

Witness Address:

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