



Registration of a Charge

Company name: **THE UNIVERSITY OF CHICHESTER**

Company number: **04740553**



X7ER79GB

Received for Electronic Filing: **18/09/2018**

Details of Charge

Date of creation: **17/09/2018**

Charge code: **0474 0553 0004**

Persons entitled: **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**

Brief description: **FREEHOLD LAND AND BUILDINGS AT UNIVERSITY COLLEGE CHICHESTER, BOGNOR REGIS CAMPUS, UPPER BOGNOR ROAD, BOGNOR REGIS PO21 1HR WITH TITLE NUMBER WSX273982. FOR MORE DETAILS PLEASE REFER TO SCHEDULE 1 (THE PROPERTY) OF 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 SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

PINSENT MASONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4740553

Charge code: 0474 0553 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th September 2018 and created by THE UNIVERSITY OF CHICHESTER was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th September 2018 .

Given at Companies House, Cardiff on 20th September 2018

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 17 September **2018**

**(1) THE UNIVERSITY OF CHICHESTER
(AS MORTGAGOR)**

**(2) HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
(AS SECURITY TRUSTEE)**

LEGAL MORTGAGE



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THIS DEED is made on

17 September 2018

BETWEEN:-

- (1) **THE UNIVERSITY OF CHICHESTER** (a company limited by guarantee registered in England and Wales with company number 04740553 and an exempt charity pursuant to the Charities Act 2011) whose registered office is at Bishop Otter Campus, College Lane, Chichester, West Sussex, PO19 6PE (the "**Mortgagor**"); and
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** a company incorporated under the laws of England and Wales with company number 06447555 and with its registered office located at 8 Canada Square, London, E14 5HQ as security trustee for the Finance Parties (the "**Security Trustee**" which expression, unless the context otherwise requires, includes its successors as such).

IT IS AGREED as follows:-

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed:-

"AIB 2006 Facility Agreement"	the facility agreement between AIB Group (UK) p.l.c. and the Mortgagor dated 2 March 2006 as amended by an amendment and consent letter dated on or about the date of this Deed and as otherwise amended from time to time
"AIB 2014 Facility Agreement"	the facility agreement between AIB Group (UK) p.l.c. and the Mortgagor dated 29 July 2014 as amended by an amendment and consent letter dated on or about the date of this Deed and as otherwise amended from time to time
"Authorisation"	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
"Charged Property"	means all the property, assets and undertaking of the Mortgagor which from time to time are, or are expressed to be, the subject of the Security created in favour of the Security Trustee by or pursuant to this Deed
"Default Rate"	means 5 per cent. per annum above the highest rate of non-default interest from time to time payable under the Existing Facility Agreements
"Environment"	means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground) (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers) and

	(c)	land (including, without limitation, land under water)
"Environmental Claim"		means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law
"Environmental Law"		means any applicable law or regulation which relates to:-
	(a)	the pollution or protection of the Environment
	(b)	the conditions of the workplace or
	(c)	the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste
"Environmental Permits"		means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Mortgagor conducted on or from the properties owned or used by the Mortgagor
"Event of Default"		means an event of default (however described) occurring under any or all of the Finance Documents (as the case may be)
"Existing Facility Agreements"		means:-
	(a)	the AIB 2006 Facility Agreement
	(b)	the AIB 2014 Facility Agreement and
	(c)	the HSBC Existing Facility Agreement
"Facility Agreements"		means the Senior Facility Agreement and the Existing Facility Agreements
"Finance Documents"		means any document creating or evidencing the Secured Liabilities
"Finance Party"		means:-
	(a)	each of the Secured Creditors (as such term is defined in the Intercreditor Agreement) and
	(b)	any Receiver
"Fixtures"		means all things of any kind now or at any time affixed to land for any purpose, including trade and tenants' fixtures
"HSBC Existing Facility Agreement"		the facility agreement dated 20 October 2016 between HSBC Bank UK plc and the Mortgagor as amended on 19 July 2017 and 26 March 2018 and by an amendment and consent letter dated on or about the date of this Deed and as otherwise amended from time to time
"Insurances"		means all contracts and policies of insurance or assurance in force at any time in relation to the Charged Property (other

than third party liability policies)

"Intercreditor Agreement"

means the intercreditor agreement dated the date of this Deed and made between, among others, the Mortgagor, AIB Group (UK) p.l.c., HSBC UK Bank plc and the Security Trustee

"Land"

means any estate, right or interest or over land, whether legal or equitable, and wherever the land is situated, including any buildings and Fixtures on land, and the benefit of any covenants or rights owned to any person or enforceable by him by virtue of the ownership, possession or occupation of land, but for these purposes, **"Land"** excludes heritable property situated in Scotland

"Legal Reservations"

has the meaning given to it in the Senior Facility Agreement

"LPA"

means the Law of Property Act 1925

"Material Adverse Effect"

means, in the reasonable opinion of the Security Trustee, a material adverse effect on:-

- (a) the business, operations, assets, condition (financial or otherwise) or prospects of the Mortgagor or
- (b) the ability of the Mortgagor to perform its obligations under the Finance Documents or
- (c) subject to the Legal Reservations, the validity or enforceability of, or the effectiveness or ranking of any of the Security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents

"Party"

means a party to this Deed

"Permitted Disposal"

means any sale, lease, licence, transfer or other disposal being:-

- (a) permitted by clause 21.13 (*Disposals*) of the Senior Facility Agreement, clause 11.2.3 (*Disposals*) of the AIB 2006 Facility Agreement, clause 19.4 (*Disposals*) of the AIB 2014 Facility Agreement or clause 21.8 (*Disposals*) of the HSBC Existing Facility Agreement
- (b) a licence to occupy in respect of any business incubation project
- (c) a lease or licence to occupy in respect of the Residential Units to:-
 - (i) students of the Mortgagor for a period not exceeding 52 consecutive weeks
 - (ii) delegates attending conferences held on the Mortgagor's property for a period not

exceeding 12 consecutive weeks

- (iii) persons occupying the Residential Units for the purposes of a holiday for a period not exceeding 12 consecutive weeks or
- (iv) any person other than such student, delegate or holiday maker by an assured shorthold tenancy within the meaning of Section 19A of the Housing Act 1988 for a term not exceeding 52 weeks not granted in consideration of a fine or premium and not permitting the lessee to underlet,

provided that no student, delegate or holiday maker at any time has or acquires any legal estate or interest in or in respect of the relevant property

- (d) any lease by the Mortgagor of office space, laboratory space or other space forming part of the engineering and digital technology park building on the Mortgagor's campus at Bognor Regis with a term not exceeding 3 years provided that the aggregate floor space leased by the Mortgagor under this paragraph shall not exceed one third of the entire floor space of the buildings in such technology park at any time and
- (e) any other disposal with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed)

"Permitted Security"

means:-

- (a) any Security arising under this Deed
- (b) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Mortgagor and
- (c) any other Security with the prior written consent of the Security Trustee

"Receiver"

means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property

"Residential Units"

means student accommodation leased or owned by the Mortgagor

"Related Rights"

means in relation to any Charged Property:-

- (a) the proceeds of sale of any part of the Charged Property
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of the Charged Property
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title

in respect of the Charged Property and

- (d) any moneys and proceeds paid or payable in respect of the Charged Property

"Secured Liability"	means any present or future obligation or liability expressed to be due, owing or payable by the Mortgagor to any Finance Party (in any capacity) on any current or other account or otherwise in any manner whatsoever (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise) including without limitation under any of the Facility Agreements and in relation to interest, commission, costs, charges and expenses charged by any Finance Party (in any capacity) on rates agreed between it and the Mortgagor (together the "Secured Liabilities")
"Security"	means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Security Period"	means the period beginning on the date of this Deed and ending on the date on which the Security Trustee is satisfied that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and all facilities which might give rise to Secured Liabilities have terminated
"Senior Facility Agreement "	means the term facility agreement dated on or about the date of this Deed made between, among others, the Mortgagor as Borrower, the Lenders referred to therein and the Security Trustee

1.2 Interpretation

1.2.1 Unless a contrary indication appears, any reference in this Deed to:-

- (a) any **"Finance Party"**, any **"Party"**, the **"Security Trustee"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Trustee any person for the time being appointed as Security Trustee or Security Trustees in accordance with the Finance Documents;
- (b) **"assets"** includes present and future properties, revenues and rights of every description;
- (c) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality);
- (d) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (e) a provision of law is a reference to that provision as amended or re-enacted;
- (f) an Event of Default is **"continuing"** if it has not been waived in writing; and

(g) a time of day is a reference to London time.

1.2.2 Section, Clause and Schedule headings are for ease of reference only.

1.2.3 "£" denotes the lawful currency of the United Kingdom.

1.2.4 In this Deed, unless the context otherwise requires, a reference to a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, restated or replaced (however fundamentally) and includes any increase in, extension of, or change to, any facility made available under that Finance Document or other agreement or instrument and includes any increase in, extension of or change to any facility made available under that Finance Document or other agreement or instrument.

1.3 **Acknowledgement**

The Mortgagor acknowledges that the Security Trustee enters into this Deed for itself and as trustee for the Finance Parties who shall be entitled to the full benefit of this Deed.

1.4 **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.

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

The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of an interest in Land contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 **Third party rights**

1.6.1 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 ("**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Deed.

1.6.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.6.3 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.6.2 above and the provisions of the Third Parties Act.

1.7 **Designation**

This Deed is designated a Finance Document (for this purpose only, as such term is defined in each of the Facility Agreements) for the purposes of each Facility Agreement.

2. **COVENANT TO PAY**

The Mortgagor covenants that it will on demand pay and discharge any or all of the Secured Liabilities when due.

3. **GRANT OF SECURITY**

3.1 **Security**

As a continuing security for payment of the Secured Liabilities the Mortgagor with full title guarantee:-

- 3.1.1 charges to the Security Trustee all its right, title and interest from time to time in and to each of the following:-
- (a) by way of first legal mortgage all Land described in Schedule 1 (*The Property*);
 - (b) by way of first fixed charge:-
 - (i) all Land described in Schedule 1 (*The Property*) (to the extent not effectively charged by Clause 3.1.1(a)); and
 - (ii) all Related Rights in respect of the Charged Property; and
- 3.1.2 assigns absolutely in favour of the Security Trustee all its right, title and interest from time to time in and to the Insurances and all benefits accruing under the Insurances, subject to a proviso for reassignment on redemption; and
- 3.1.3 to the extent that they have not been effectively assigned under Clause 3.1.2 above, the Mortgagor charges by way of a first fixed charge all of the Insurances and all benefits accruing under the Insurances.

3.2 **Trust**

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Mortgagor shall hold it on trust for the Security Trustee.

4. **UNDERTAKINGS BY THE MORTGAGOR**

4.1 **Deposit of title documents**

The Mortgagor will deposit with the Security Trustee or a firm of solicitors approved by the Security Trustee for that purpose:-

- 4.1.1 all deeds and documents of title relating to the Charged Property, including without limitation all deeds and documents of title relating to the Land described in Schedule 1 (*The Property*); and
- 4.1.2 all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of the Mortgagor,

(each of which the Security Trustee or the relevant firm of solicitors shall be entitled to retain during the Security Period).

4.2 **Notices of assignment**

The Mortgagor must promptly and in any event within 2 Business Days following completion of this Deed:-

- 4.2.1 serve a notice of assignment, substantially in the form of Schedule 2 (Notice of assignment), on each counterparty to an Insurance; and
- 4.2.2 use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form attached to the notice at Schedule 2 (Notice of assignment).

4.3 **Payments without deduction**

The Mortgagor shall calculate and make all payments under this Deed without (and free and clear of any deduction for) set-off or counterclaim.

4.4 **Land**

- 4.4.1 The Mortgagor must exercise its rights and comply in all respects with any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property.
- 4.4.2 The Mortgagor may not agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Charged Property.
- 4.4.3 Without prejudice to Clause 6.3 (*Further assurance*) of this Deed, the Mortgagor must promptly take all such steps as may be necessary or desirable to enable the Security created by this Deed to be registered, where appropriate, at the applicable Land Registry.
- 4.4.4 The Mortgagor must grant the Security Trustee or its lawyers on request all facilities within the power of the Mortgagor to enable the Security Trustee or its nominee to:-
- (a) carry out investigations of title to the Charged Property; and
 - (b) make such enquiries in relation to any part of the Charged Property as a prudent mortgagee might carry out.

4.5 **Insurances**

- 4.5.1 Subject to Clause 4.5.2, the Mortgagor shall at all times during the subsistence of this Deed:-
- (a) ensure that each contract or policy of Insurance includes a standard mortgagee protection clause and that a note of the Security Trustee's interest has been endorsed on each such contract or policy of Insurance;
 - (b) if requested by the Security Trustee, promptly prior to expiry of the existing cover under any policy or contract of Insurance, give the Security Trustee a copy of the renewal cover note evidencing that a new policy or contract of Insurance is in place with effect from expiry of the existing cover, together with a copy of the premium receipt evidencing payment for the renewal of the new policy or contract of Insurance;
 - (c) promptly notify the Security Trustee of any material change to or termination or expiry of any such contract or policy of Insurance and promptly, when asked by the Security Trustee, deliver to the Security Trustee copies of all policies and contracts of Insurance;
 - (d) cause each Insurance to contain (in form and substance satisfactory to the Security Trustee) an endorsement naming the Security Trustee as first loss payee in respect of all claims over and above £50,000 per claim;
 - (e) comply with all reasonable risk improvement requirements of its insurers;
 - (f) keep the Charged Property insured:-
 - (i) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) against all normally insurable risks of loss or damage for property of the type comprising the Charged Property; and
 - (ii) against such other risks as a prudent company or other person in the same business as the Mortgagor would insure; andin each case in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Security Trustee;

- (g) promptly, and in any event no later than their due date, pay all premiums and other moneys payable under all its Insurances or procure that such is done and promptly upon request, produce to the Security Trustee evidence (acceptable to the Security Trustee) of the payment of such sums (or procure that such is done);
 - (h) comply with the terms of all Insurances and renew each policy in good time prior to its expiry date;
 - (i) not do or permit anything to be done which may make void or voidable any of the Insurances and if any Insurances become void or voidable, immediately, at its own cost, effect a new Insurance of the same value as the void or voidable policy; and
 - (j) ensure that all moneys received in respect of any Insurances in respect of the Charged Property are applied in accordance with the terms of the Intercreditor Agreement.
- 4.5.2 The Mortgagor shall not be required to comply with the obligations in Clauses 4.5.1(a), (d), (f), (h), (i) and (j) to the extent that the Mortgagor is unable to comply with those obligations because the relevant Land is leasehold and buildings thereon are separately insured by the landlord of such Land.
- 4.5.3 If the Mortgagor defaults in complying with Clause 4.5.1, the Security Trustee may effect or renew any such Insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate, and all moneys expended by the Security Trustee in doing so shall be reimbursed by the Mortgagor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the Default Rate.

4.6 **Application of Insurance Proceeds**

- 4.6.1 All moneys received under any Insurance shall, prior to the occurrence of an Event of Default, be applied in accordance with the terms of clause 7.2 (*Application of Insurance Proceeds*) of the Intercreditor Agreement.
- 4.6.2 After the occurrence of an Event of Default, the Mortgagor shall hold such moneys received under any Insurance upon trust for the Security Trustee pending payment to the Security Trustee for application at the option of the Security Trustee (in its absolute discretion) in making good the loss or damage in respect of which the moneys are received or in accordance with Clause 9 (*Application of Moneys*) and the Mortgagor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

4.7 **Maintenance**

Save where any Finance Party has consented in writing to any development in respect of any part of the Charged Property, the Mortgagor must ensure that all buildings and fixtures and fittings on the Charged Property are in, and maintained in:-

- 4.7.1 good and substantial repair and condition and, as appropriate, in good working order; and
- 4.7.2 if applicable such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations; for this purpose, a law or regulation will be regarded as applicable if it is either:-
 - (a) in force; or
 - (b) it is expected to come into force and a prudent property owner in the same business as the Mortgagor would ensure that its buildings, fixtures and fittings

were in such condition, repair and order in anticipation of that law or regulation coming into force.

4.8 **Environmental compliance**

4.8.1 The Mortgagor shall:-

- (a) comply with all Environmental Law;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits; and
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

4.8.2 The Mortgagor shall, promptly upon becoming aware of the same, inform the Agent in writing of:-

- (a) any Environmental Claim against the Mortgagor which is current, pending or threatened; and
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against the Mortgagor,

where the claim, if determined against the Mortgagor, has or is reasonably likely to have a Material Adverse Effect.

4.9 **Power to remedy**

If the Mortgagor fails to comply with any of its obligations in relation to any of its assets subject to Security pursuant to this Deed or the other Finance Documents, or the Security Trustee reasonably considers that a Mortgagor has failed to comply with any such obligations, the Security Trustee may, if it thinks fit (but without any obligation) take such steps as it deems appropriate to remedy such failure (including, without limitation, the carrying out of repairs, the putting in place of insurance or the payment of costs, charges or other expenses) and the Mortgagor will co-operate with and will grant the Security Trustee or its agents or contractors such access as the Security Trustee may require to the relevant assets or otherwise in order to facilitate the taking of such steps.

5. **APPLICATION TO THE LAND REGISTRY**

The Mortgagor and the Security Trustee will apply to the Land Registry for the following to be entered on to the registered title to any Land described in Schedule 1 (*The Property*):-

5.1.1 a restriction in the following terms:-

"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 the proprietor for the time being of the charge dated [] [*date of charge*] in favour of HSBC Corporate Trustee Company (UK) Limited referred to in the charges register (Form P)"; and

5.1.2 a notice that the Finance Parties are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents and the security created by the charge dated [] [*insert date*] in favour of HSBC Corporate Trustee Company (UK) Limited has been created for the purpose of securing such further advances.

6. RESTRICTIONS AND FURTHER ASSURANCE

6.1 Security

The Mortgagor shall not create or permit to subsist any Security over any Charged Property during the Security Period other than Permitted Security.

6.2 Disposal

The Mortgagor shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, license, sub-license, transfer or otherwise dispose of any Charged Property during the Security Period other than a Permitted Disposal.

6.3 Further assurance

The Mortgagor shall promptly do whatever the Security Trustee requires:-

6.3.1 to perfect or protect the Security created or expressed to be created by this Deed, or its priority; or

6.3.2 to facilitate the realisation of the Charged Property or the exercise of any rights vested in the Security Trustee or any Receiver,

including executing any transfer, conveyance, charge, assignment or assurance of the Charged Property (whether to the Security Trustee or its nominees or otherwise), making any registration and giving any notice, order or direction. The obligations of the Mortgagor under this Clause 6.3 are in addition to the covenants for further assurance deemed to be included by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

7. DEMAND AND ENFORCEMENT

7.1 Enforcement

The Security created by this Deed shall become enforceable upon:-

7.1.1 the occurrence of an Event of Default which is continuing; and

7.1.2 any request being made by the Mortgagor to the Security Trustee for the appointment of a Receiver or for the Lender to exercise any other power or right available to it under this Deed.

7.2 Powers on enforcement

At any time after the Security created by this Deed has become enforceable, the Security Trustee may (without prejudice to any other rights and remedies and without notice to the Mortgagor) do all or any of the following:-

7.2.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions imposed by sections 103 or 109(1) of the LPA;

7.2.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA; and

7.2.3 subject to Clause 8.1 (*Method of appointment or removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Charged Property.

7.3 **Disposal of the Charged Property**

In exercising the powers referred to in Clause 7.2 (*Powers on enforcement*), the Security Trustee or any Receiver may sell or dispose of all or any of the Charged Property at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

7.4 **Same rights as Receiver**

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Security Trustee after the Security created by this Deed has become enforceable, whether or not the Security Trustee shall have taken possession or appointed a Receiver of the Charged Property.

7.5 **Delegation**

The Security Trustee may delegate in any manner to any person any rights exercisable by the Security Trustee under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Trustee thinks fit.

8. **RECEIVERS**

8.1 **Method of appointment or removal**

Every appointment or removal of a Receiver, any delegate or any other person by the Security Trustee under this Deed shall be in writing under the hand of any officer or manager of the Security Trustee (subject to any requirement for a court order in the case of the removal of an administrative receiver).

8.2 **Removal**

The Security Trustee may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time (before or after any person shall have vacated office or ceased to act as Receiver in respect of any of such Charged Property) appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

8.3 **Powers**

Every Receiver shall have and be entitled to exercise all the powers:-

- 8.3.1 of the Security Trustee under this Deed;
- 8.3.2 conferred by the LPA on mortgagees in possession and on Receivers appointed under the LPA;
- 8.3.3 of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 8.3.4 in relation to any Charged Property, which he would have if he were its only beneficial owner; and
- 8.3.5 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

8.4 **Receiver as agent**

The Receiver shall be the agent of the Mortgagor (and the Mortgagor shall be solely liable for the Receiver's acts, defaults, remuneration, losses and liabilities) unless and until the Mortgagor goes into liquidation, from which time the Receiver shall act as principal and shall not become the agent of the Security Trustee.

8.5 **Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

8.6 **Receiver's remuneration**

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by the Security Trustee and the maximum rate specified in section 109(6) of the LPA shall not apply.

9. **APPLICATION OF MONEYS**

All sums received by virtue of this Deed by the Security Trustee or any Receiver shall, subject to the payment of any claim having priority to this Deed, be paid or applied in or towards payment of the Secured Liabilities in accordance with the Intercreditor Agreement and section 109(8) of the LPA shall not apply.

10. **POWER OF ATTORNEY**

10.1 **Appointment**

The Mortgagor irrevocably and by way of security during the Security Period appoints:-

10.1.1 the Security Trustee (whether or not a Receiver has been appointed);

10.1.2 any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Trustee; and

10.1.3 (as a separate appointment) each Receiver,

severally as the Mortgagor's attorney and attorneys with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Mortgagor, which the Mortgagor could be required to do or execute under any provision of this Deed, or which the Security Trustee in its sole opinion may consider necessary or desirable for perfecting its title to any of the Charged Property or enabling the Security Trustee or the Receiver to exercise any of its rights or powers under this Deed.

10.2 **Ratification**

The Mortgagor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 10.1 (*Appointment*) does or purports to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 10.1 (*Appointment*).

11. **CONSOLIDATION**

11.1 **Combination of accounts**

In addition to any general lien, right to combine accounts, right of set-off or other right which it may at any time have, the Security Trustee and each Finance Party may at any time, without notice to the Mortgagor, combine or consolidate all or any accounts which it then has in relation to the Mortgagor (in whatever name) and any Secured Liabilities owed by the Mortgagor to it, and/or set-off or transfer any amounts standing to the credit of one or more accounts of the Mortgagor in or towards satisfaction of any Secured Liabilities owed it on any other account or otherwise.

11.2 **Application**

The Security Trustee's and each Finance Party's rights under Clause 11.1 (*Combination of accounts*) apply:-

- 11.2.1 whether or not any demand has been made under this Deed, or any liability concerned has fallen due for payment;
- 11.2.2 whether or not any credit balance is immediately available or subject to any restriction;
- 11.2.3 irrespective of the currencies in which any balance or liability is denominated, and the Security Trustee and the relevant Finance Party may, for the purpose of exercising its rights, elect to convert any sum or liability in one currency into any other at its spot rate applying at or about 11.00am on the date of conversion; and
- 11.2.4 in respect of any Secured Liabilities owed by the Mortgagor, however arising.

12. **PROTECTION OF THIRD PARTIES**

12.1 **Statutory powers**

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Security Trustee, as varied and extended by this Deed, and all other powers of the Security Trustee, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Deed.

12.2 **Purchasers**

No purchaser from or other person dealing with the Security Trustee, any person to whom it has delegated any of its powers, or the Receiver, shall be concerned:-

- 12.2.1 to enquire whether any of the powers which the Security Trustee or a Receiver have exercised has arisen or become exercisable;
- 12.2.2 to enquire whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act; or
- 12.2.3 as to the propriety or validity of the exercise of those powers,

and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

12.3 **Receipts**

All the protection to purchasers contained in sections 104 and 107 of the LPA, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Trustee, any Receiver or any person to whom any of them have delegated any of their powers.

13. **PROTECTION OF THE FINANCE PARTIES AND ANY RECEIVER**

13.1 **No liability**

None of the Security Trustee, the other Finance Parties, any Receiver or any of their respective officers, employees or delegates shall be liable in respect of any cost, liability, expense, loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights under this Deed (unless such loss or damage is caused by gross negligence or wilful misconduct on the part of that person).

13.2 **No mortgagee in possession**

Without prejudice to any other provision of this Deed, entry into possession of any Charged Property shall not render the Security Trustee, any Receiver or any of their respective officers or employees liable:-

13.2.1 to account as mortgagee in possession;

13.2.2 for any loss on realisation; or

13.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Security Trustee or any Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to relinquish possession.

13.3 **Indemnity**

The Mortgagor shall indemnify and keep indemnified the Security Trustee, each other Finance Party, any Receiver, and their respective officers, employees and delegates, against all claims, costs, expenses and liabilities incurred by them in respect of all or any of the following:-

13.3.1 any act or omission by any of them in relation to all or any of the Charged Property;

13.3.2 any payment relating to or in respect of all or any of the Charged Property which is made at any time by any of them;

13.3.3 any stamp, registration or similar tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;

13.3.4 exercising or purporting to exercise or failing to exercise any of the rights, powers and discretions conferred on them or permitted under this Deed; and

13.3.5 any breach by the Mortgagor of any of its covenants or other obligations to the Security Trustee or any other Finance Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.4 **Interest**

The Mortgagor shall pay interest at the Default Rate on the sums payable under this Clause 13 (*Protection of the Finance Parties and any Receiver*) from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

13.5 **Indemnity out of the Charged Property**

The Security Trustee, the other Finance Parties, any Receiver and their respective officers, employees and delegates shall be entitled to be indemnified out of the Charged Property in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 13.3 (*Indemnity*).

13.6 **Continuing protection**

The provisions of this Clause 13 (*Protection of the Finance Parties and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

14. PROVISIONS RELATING TO THE SECURITY TRUSTEE

14.1 Powers and discretions

The rights, powers and discretions given to the Security Trustee in this Deed:-

- 14.1.1 may be exercised as often as and in such manner as, the Security Trustee thinks fit;
- 14.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and
- 14.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

14.2 Trusts

The perpetuity period for any trusts constituted by this Deed shall be 125 years.

14.3 Provisions of the Intercreditor Agreement

- 14.3.1 This Deed is subject to the terms of the Intercreditor Agreement.
- 14.3.2 The provisions of the Intercreditor Agreement shall apply to the Security Trustee's rights and duties and the resignation of the Security Trustee as if set out in this Deed.

15. PRESERVATION OF SECURITY

15.1 Continuing Security

This Deed shall be a continuing security to the Security Trustee and shall remain in force until expressly discharged in writing by the Security Trustee notwithstanding any intermediate settlement of account or other matter or thing whatsoever.

15.2 Additional Security

This Deed is without prejudice and in addition to, and shall not merge with, any other right, remedy or Security of any kind which the Security Trustee or any other Finance Party may have now or at any time in the future for or in respect of any of the Secured Liabilities.

15.3 Waiver of Defences

Neither the Security created by this Deed nor the obligations of the Mortgagor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Security Trustee or any Finance Party) including:-

- 15.3.1 any time, waiver or consent granted to, or composition with, the Mortgagor or other person;
- 15.3.2 the release of the Mortgagor or any other person under the terms of any composition or arrangement with any person;
- 15.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of the Mortgagor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 15.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Mortgagor or any other person;

- 15.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 15.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 15.3.7 an insolvency, liquidation, administration or similar procedure.

15.4 **Immediate Recourse**

The Mortgagor waives any right it may have of first requiring the any Finance Party to proceed against or enforce any other rights of Security or claim payment from any person before claiming from the Mortgagor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

15.5 **Appropriations**

During the Security Period each Finance Party may:-

- 15.5.1 refrain from applying or enforcing any monies, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 9 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Mortgagor shall not be entitled to the same; and
- 15.5.2 hold in an interest-bearing suspense account any moneys received from the Mortgagor on or account of the Secured Liabilities.

15.6 **New Accounts**

If the Security Trustee or any other Finance Party receives notice (whether actual or otherwise) of any subsequent Security over or affecting any of the Charged Property or if a petition is presented or a resolution passed in relation to the winding up of the Mortgagor, it may close the current account or accounts and/or open a new account or accounts for the Mortgagor. If the Security Trustee or any other Finance Party does not open a new account or accounts immediately it shall nevertheless be treated as if it had done so at the time when the relevant event occurred, and as from that time all payments made by the Mortgagor to the that Finance Party shall be credited or be treated as having been credited the new account or accounts and shall not operate to reduce the Secured Liabilities.

15.7 **Tacking**

For the purposes of section 94(1) of the LPA and section 49(3) of the Land Registration Act 2002 the Security Trustee confirms on behalf of the Finance Parties that the Finance Parties shall make further advances to the Mortgagor on the terms and subject to the conditions of the Finance Documents.

15.8 **Deferral of Mortgagor's rights**

During the Security Period and unless the Security Trustee otherwise directs, the Mortgagor shall not exercise any rights which it may have by reason of performance of its obligations under this Deed or the enforcement of the Security created by this Deed:-

- 15.8.1 to receive or claim payment from, or be indemnified by any person;
- 15.8.2 to claim any contribution from any guarantor of, or provider of Security in respect of, any person's obligations under the Finance Documents;
- 15.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the any Finance Party under any Finance Document or of any guarantee or

Security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

15.8.4 to exercise any right of set-off against any person; and/or

15.8.5 to claim or prove as a creditor of any person in competition with any Finance Party.

16. RELEASE

16.1 Release

Upon the expiry of the Security Period, the Security Trustee shall, or shall procure that its appointees will, at the request and cost of the Mortgagor:-

16.1.1 release the Charged Property from, and the Mortgagor from its covenants and obligations under, this Deed; and

16.1.2 re-assign the Charged Property that has been assigned to the Security Trustee under this Deed.

16.2 Reinstatement

If the Security Trustee considers that any amount paid or credited to any Finance Party under any Finance Document (whether in respect of the obligations of the Mortgagor or any Security for those obligations or otherwise) is capable of being avoided, reduced or otherwise set aside:-

16.2.1 that amount shall not be considered to have been paid for the purposes of determining whether the Secured Liabilities have been irrevocably and unconditionally paid and discharged; and

16.2.2 the liability of the Mortgagor and the Security created by this Deed shall continue as if that amount had not been paid or credited.

16.3 Consolidation

Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Deed.

17. MISCELLANEOUS PROVISIONS

17.1 Severability

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

17.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

17.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

17.2 Amendments and variations

This Deed shall remain in full force and effect notwithstanding any amendment, restatement, novation or supplementation of the Finance Documents (including any increase in the amount of the Secured Liabilities).

17.3 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 not exclusive of any rights or remedies provide by law.

17.4 **Counterparts**

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

18. **CHARITY CONFIRMATION**

For the avoidance of doubt, the land charged is held by (or in trust for) The University of Chichester, an exempt charity, and the security created pursuant to this deed does not fall within section 124(9) of the Charities Act 2011.

19. **GOVERNING LAW**

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

20. **ENFORCEMENT**

20.1 The courts of England have exclusive jurisdiction to settle any dispute (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

20.2 The Parties 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.

20.3 This Clause 20 (*Enforcement*) is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

20.4 The Mortgagor expressly agrees and consents to the provisions of this Clause 20 (Enforcement) and Clause 19 (*Governing Law*).

Executed and delivered as a deed on the date appearing at the beginning of this Deed.

SCHEDULE 1

THE PROPERTY

Brief Details of the Property	Title number at the Land Registry
Freehold land and buildings at University College Chichester, Bognor Regis Campus, Upper Bognor Road, Bognor Regis PO21 1HR	WSX273982
Freehold land at Bishop Otter Campus, College Lane, Chichester PO19 6WU	WSX330127
Leasehold land at Bishop Otter Campus, College Lane, Chichester PO19 6PE	WSX275273
Leasehold land at Oaklands Park House, Bishop Otter Campus, College Lane, Chichester PO19 6PE	WSX297724
Freehold land on the north side of Spitalfield Lane, Chichester	WSX293298
Leasehold land at Fishbourne Road East, Chichester, as more particularly described in a lease dated 28 August 2018 between (1) KFIM Liput 1 Limited and KFIM Liput 2 Limited and (2) the Mortgagor	To be allocated

SCHEDULE 2

NOTICE OF ASSIGNMENT

To: [Insurer]

Copy: HSBC Corporate Trustee Company (UK) Limited (as Security Trustee
(as defined below))
8 Canada Square
London
E14 5HQ

Fax: +44.20.7991.4350

Email: Ctl.trustee.admin@hsbc.com

Attention: CTLA Trustee Services Administration

[Date] 2018

Dear Sirs

Legal mortgage dated [] 2018 between The University of Chichester and HSBC Corporate Trustee Company (UK) Limited (the "Legal Mortgage")

This letter constitutes notice to you that under the Legal Mortgage we have assigned absolutely, subject to a proviso for re-assignment on redemption, to HSBC Corporate Trustee Company (UK) Limited (as trustee for the Finance Parties as referred to in the Legal Mortgage, the "**Security Trustee**") all our rights in respect of [insert details of contract of insurance] (the "**Insurance**").

We confirm that:-

1. we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
2. none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

At all times you must make all payments on claims exceeding £50,000 under the Insurance to the Security Trustee at such account as the Security Trustee may from time to time notify to you.

We will remain entitled to exercise all our rights, powers and discretions under the Insurance and you should continue to give notices to us until you receive notice from the Security Trustee stating that the security under the Legal Mortgage has become enforceable, following which all the rights, powers and discretions under the Insurance will be exercisable by, and notices must be given to, the Security Trustee or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Trustee in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Trustee any information relating to the Insurance requested from you by the Security Trustee.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

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

Please acknowledge receipt of this letter by sending the enclosed acknowledgement to the Security Trustee at HSBC Corporate Trustee Company (UK) Limited, 8 Canada Square, London E145HQ marked for the attention of CTLA Trustee Services Administration with a copy to us.

Yours faithfully

97490085.7\SG23

.....
(Authorised signatory)
The University of Chichester

Enclosure: Acknowledgment

To: HSBC Corporate Trustee Company (UK) Limited (as Security Trustee)
8 Canada Square
London
E14 5HQ

Fax: +44.20.7991.4350
Email: Ctl.a.trustee.admin@hsbc.com
Attention: CTLA Trustee Services Administration

Copy: The University of Chichester

[Date] 2018

Dear Sirs

Legal mortgage dated [] 2018 between The University of Chichester and HSBC Corporate Trustee Company (UK) Limited (the "Legal Mortgage")

We confirm receipt from The University of Chichester (the "**Mortgagor**") of a notice dated [] 2018 (the "**Notice**") of an assignment on the terms of the Legal Mortgage of all the Mortgagor's rights in respect of [insert details of the contract of insurance] (the "**Insurance**").

We confirm that we:-

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully

.....
(Authorised signatory)

[Insurer]

The Mortgagor

EXECUTED as a Deed by affixing the Common Seal of **THE UNIVERSITY OF CHICHESTER** in the presence of



Common Seal

.....
PROFESSOR JANE LONGMORE
Full Name (Governor)

.....
Signature (Governor)

.....
SOPHIE ROULETON
Full Name (Secretary/Governor)

.....
Signature (Secretary/Governor)

The Security Trustee

SIGNED for and on behalf of
HSBC CORPORATE TRUSTEE COMPANY
(UK) LIMITED

The Mortgagor

EXECUTED as a Deed by affixing the Common
Seal of **THE UNIVERSITY OF CHICHESTER** in
the presence of

)
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Common Seal

.....
Full Name (Governor)

.....
Signature (Governor)

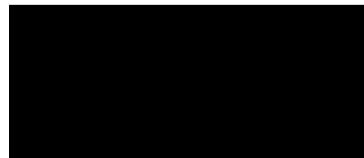
.....
Full Name (Secretary/Governor)

.....
Signature (Secretary/Governor)

The Security Trustee

SIGNED for and on behalf of
HSBC CORPORATE TRUSTEE COMPANY
(UK) LIMITED

)
)



Andrea Stevenson
Authorised Signatory