

MR01

Particulars of a charge

Laserform

A fee is payable with this form

Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online

Please go to www.companieshouse.gov.uk



What this form is for

You may use this form to register
a charge created or evidenced by
an instrument



What this form is NOT for

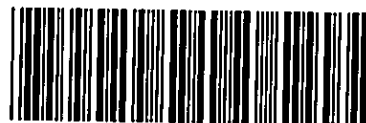
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge.
If the form is delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery



You **must** enclose a certified copy of the instrument with this form
scanned and placed on the public record **Do not send the original**



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A19

06/01/2016

#273

if use

COMPANIES HOUSE

1

Company details

Company number

0 6 3 8 0 1 4 4

Company name in full

FERNDAL DEVELOPERS (CORNWALL) LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Charge creation date

Charge creation date

d1 d8 m1 m2 y2 y0 y1 y5

3

Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name

✓ MERVYN WILLIAM BATE

Name

✓ RACHEL BATE

Name

✓ COLIN STUART CEDRONI

Name

✓ PETER NORMAN OTWAY

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

✓ Brief description

Land on the north side of Whiterocks Park St Anns Chapel Gunnislake Cornwall PL18 9EF registered at the Land Registry under Title Number CL296851

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ Yes

☒ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

For and on behalf of the lenders.

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name Michelle Ody

Company name Parnalls

Address 15-19 Westgate Street

Post town Launceston

County/Region Cornwall

Postcode P L 1 5 7 A B

Country

DX DX82705 - LAUNCESTON

Telephone 01566 772375



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 6380144

Charge code. 0638 0144 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th December 2015 and created by FERNDAL
DEVELOPERS (CORNWALL) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th January 2016.

Given at Companies House, Cardiff on 12th January 2016

DX



Companies House



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

We certify this to be a true and complete photo-copy of the original.

Dated this 5 day of January 2016
PARNALLS
Launceston

Parnalls

IMPORTANT INFORMATION

Please take time to read this document carefully and do not hesitate to discuss any aspect that is unclear

You must only sign this Legal Charge when you fully understand the consequences of doing so. **This Legal Charge covers the liabilities of a third party. If they do not meet their obligations the property is at risk.** We strongly recommend that independent advice is sought before accepting any loan and signing any documents

DATED 18 December 2015

FOLK 2 FOLK
Local Secured Lending

LEGAL CHARGE

Parnalls Solicitors
15-19 Westgate Street
Launceston
Cornwall
PL15 7AB

DX 82705 LAUNCESTON

Tel: 01566 772375

Fax: 01566 772128

Parnalls
SOLICITORS ESTABLISHED 1780

HM LAND REGISTRY
LAND REGISTRATION ACT 2002

Administrative area	Cornwall
Title numbers	CL153705 and CL296851
Property	3-5 Clemens Road, St Keyne, Liskeard PL14 4RF and Land on the north side of Whiterocks Park, St Anns Chapel, Gunnislake PL18 9EF

THIS LEGAL CHARGE is made the ^{18th} day of December 2015 BETWEEN.

- (1) **Ferndale Developers (Cornwall) Limited** (Company Registration Number. 06380144) whose registered office address is at Bryndon House, 5/7 Berry Road, Newquay, Cornwall TR7 1AD ('the Borrower')
- (2) **Michael Garnet Hoskin** of Siblyback Farm, Common Moor, Liskeard, Cornwall PL14 6SB ('the Mortgagor')
- (3) The Persons listed in Schedule Two (together 'the Lender')
- (4) **Folk2Folk Limited** (Company Registration Number 08178576) whose registered office address is at 15-19 Westgate Street, Launceston, Cornwall, PL15 7AB ('Folk2Folk')

NOW THIS DEED WITNESSES as follows

1 DEFINITIONS AND INTERPRETATION

For all purposes of this legal charge the terms defined in this clause 1
DEFINITIONS AND INTERPRETATION have the meanings specified

1.1 Gender, personality and number

Unless the context otherwise requires.

- 1.1.1 the singular includes the plural and vice versa;
- 1.1.2 references to persons includes references to firms, companies, corporations or limited liability partnerships and vice versa, and
- 1.1.3 references in the masculine gender include references in the feminine or neuter genders and vice versa

1.2 Headings

The clause and schedule headings do not form part of this legal charge and are not to be taken into account in its construction or interpretation.

1.3 'The Interest Payment Days'

'The Interest Payment Days' means monthly on the 18th day of each calendar month of each year. The first payment date is 18 January 2016

1.4 'The Interest Rate'

'The Interest Rate' means 9% a year reduced to 7% in accordance with clause 3.2.2 ('the Reduced Interest Rate')

1.5 Interpretation of 'Folk2Folk', 'the Borrower', 'the Lender' and 'the Mortgagor'

Unless the context otherwise requires the expressions 'Folk2Folk', 'the Borrower', 'the Lender' and 'the Mortgagor' include their respective successors and assigns whether immediate or derivative and where appropriate the survivors or survivor of them and where either party comprises two or more persons include any one or more of those persons

1.6 Joint and several liability

Where any party to this legal charge for the time being comprises two or more persons, obligations expressed or implied to be made by or with that

party are deemed to be made by or with the persons comprising that party jointly and severally

1 7 'The Lender'

'The Lender' means those parties listed in Schedule 2 and includes any successors or assigns of those parties

1 8 Obligation not to permit or suffer

Any covenant by the Borrower and/or the Mortgagor not to do anything includes an obligation to use reasonable endeavours not to permit or suffer that thing to be done by another person

1 9 'The Offer Letter'

'The Offer Letter' means the letter dated 14 December 2015 from Folk2Folk to the Borrower setting out the details of the loan advance

1 10 'The Planning Acts'

'The Planning Acts' means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and all statutes, regulations and orders included by virtue of clause 1 15 REFERENCES TO STATUTES

1 11 'The Principal'

'The Principal' means the sum of £50,000

1.12 'The Property'

'The Property' means the property specified in Schedule One THE PROPERTY and all buildings, erections, structures, fixtures, fittings and appurtenances on the Property from time to time.

1.13 'The Redemption Date'

'The Redemption Date' means the date first falling three months after either the Lender (or Folk2Folk on the Lender's behalf) or the Borrower has given the other written notice that they wish to redeem the loan

1.14 References to clauses

Any reference in this legal charge to a clause without further designation is to be construed as a reference to the clause of this legal charge so numbered.

1.15 References to statutes

Unless expressly stated to the contrary, any reference to a specific statute includes any statutory extension or modification, amendment or re-enactment of that statute and any regulations or orders made under it, and any general reference to a statute includes any regulations or orders made under that statute

1 16 'Terms and Conditions'

'Terms and Conditions' means the "Borrower Terms and Conditions" issued by Folk2Folk and made available to the Borrower and the Mortgagor, as amended from time to time

1.17 'VAT'

'VAT' means value added tax or any other tax of a similar nature and unless otherwise expressly stated all references to sums payable by the Borrower are exclusive of VAT

2 RECITALS

2 1 Title to the Property

The Mortgagor is registered at HM Land Registry as proprietor with title absolute of the freehold property with title number CL153705 described in Schedule One THE PROPERTY subject as mentioned in Schedule One THE PROPERTY but otherwise free from incumbrances and the Borrower is registered at HM Land Registry as proprietor with title absolute of the freehold property with title number CL296851 described in Schedule One THE PROPERTY subject as mentioned in Schedule One THE PROPERTY but otherwise free from incumbrances.

2 2 Agreement to lend

The Lender has agreed to lend to the Borrower the sum of £50,000 on condition that its repayment together with interest is secured in the manner set out in this legal charge

3 PAYMENT OF PRINCIPAL, INTEREST AND COSTS

In consideration of the Principal now paid by the Lender to the Borrower (receipt of which the Borrower acknowledges) the Borrower covenants with

the Lender (and separately with Folk2Folk in respect of clause 3 4) as set out in this clause 3 PAYMENT OF PRINCIPAL, INTEREST AND COSTS

3 1 Payment of principal

The Borrower covenants with the Lender to pay the Principal to the Lender free from any legal or equitable right of set-off on the Redemption Date or, if earlier, immediately on demand if:

- 3 1 1 any interest or other sum payable under this security is not paid within 14 days of becoming due, or
- 3 1 2 the Borrower, the Mortgagor, or any surety fails to comply with any term, condition, covenant or provision of or to perform any of his obligations or liabilities under this or any associated or collateral security, or
- 3 1 3 any representation or warranty given by the Borrower, the Mortgagor, or any surety to the Lender is or becomes incorrect, or
- 3 1 4 any judgement or order made against the Borrower, the Mortgagor, or any surety by any court is not complied with within 14 days, or
- 3 1.5 the property of the Borrower, the Mortgagor, or any surety becomes subject to any forfeiture or execution, distress, sequestration or other form of process, or
- 3 1 6 a mortgagee takes possession of or exercises or seeks to exercise any power of sale or of an appointment of a receiver in relation to the Property or any other property of the Borrower, the Mortgagor, or of any surety, or
- 3 1 7 in the case of an individual
 - 3 1 7 1 the Borrower, the Mortgagor, or any surety becomes subject to an interim order or makes a proposal for a voluntary arrangement under the

Insolvency Act 1986 Part VIII or enters, or seeks to enter, into any other form of composition or arrangement with his creditors whether in whole or in part, or

3 1 7 2 a petition is presented for the bankruptcy of the Borrower, the Mortgagor, or any surety, or

3.1 7.3 the Borrower, the Mortgagor, or any surety dies or becomes of unsound mind, or

3.1 8 in the case of a company or limited liability partnership

3.1 8 1 the Borrower, the Mortgagor, or any surety ceases or threatens to cease to carry on, or disposes or threatens to dispose of, its business or a material part of its business, or

3 1 8.2 the Borrower, the Mortgagor, or any surety makes a proposal for a voluntary arrangement under the Insolvency Act 1986 Part I or enters, or seeks to enter, into any other form of composition or arrangement with its creditors whether in whole or in part, or

3 1 8.3 the Borrower, the Mortgagor, or any surety becomes subject to a notice of an intended appointment of an administrator or an application is made to any court or any meeting of directors or members is called with a view to the Borrower, the Mortgagor, or any surety entering into administration; or

3 1 8 4 an administrative receiver is appointed in respect of the whole or any part of the undertaking of the Borrower, the Mortgagor, or any surety; or

3 1 8 5 a petition is presented in any court or a meeting is convened for the purpose of considering a resolution for the winding up of the Borrower, the Mortgagor, or any surety (except in the case of a reconstruction or amalgamation that has the previous approval in writing of the Lender)

3.2 Interest

3.2.1 Payment of interest

The Borrower covenants with the Lender to pay to the Lender interest on the Principal (or so much of it as may from time to time remain outstanding) at the Interest Rate by equal monthly payments on the Interest Payment Days, such interest to be payable as well after as before any judgement or the administration or liquidation or, as appropriate, bankruptcy, death or insanity of the Borrower

3.2.2 Reduction for prompt payment

Subject to the Borrower having otherwise in all respects and at all times observed and performed his obligations under this legal charge and to payment being made not later than seven days than the due date for payment, the Lender will accept interest from the Borrower at the Reduced Interest Rate in satisfaction of payment at the Interest Rate

3.2.3 Capitalisation of arrears of interest

3.2.3.1 Capitalisation

If any interest payable under this security is not paid within 28 days after the due date for payment it shall be capitalised and added to the Principal and be charged on the Property and bear interest from the due date for payment at the Interest Rate and on the Interest Payment Days

3.2.3.2 Enforcement

The capitalisation of arrears of interest is to be without prejudice to the Lender's right at any time to enforce payment of the sums concerned as interest in arrear

3.2.3.3 Payment of capitalised arrears

The Borrower may on any of the Interest Payment Days pay to the Lender, in addition to the interest then due, all or any part of the Principal representing capitalised arrears of interest

3.2.3.4 General

Otherwise all covenants and provisions contained in this legal charge and all powers and remedies conferred by law or by this mortgage and all rules of law or equity relating to the Principal and interest on it shall equally apply to capitalised arrears of interest and to interest on them

3 3 Costs, charges, expenses and other liabilities

3 3 1 Payment of costs, charges, expenses and other liabilities

The Borrower covenants with the Lender to pay to the Lender on demand, and on a full and unlimited indemnity basis, all costs, charges, expenses and liabilities paid and incurred by the Lender (whether directly or indirectly) in relation to the security constituted by and the obligations owed under and associated with this legal charge (including all commission, legal and other professional costs and fees and disbursements and VAT on them) together with interest from the date when the Lender becomes liable for them until payment by the Borrower at the Interest Rate, such interest to be payable in the same manner as interest on the Principal.

3 3 2 Costs included

Without prejudice to the generality of the provisions of that clause, the Borrower's liability under clause 3 3 1 PAYMENT OF COSTS, CHARGES, EXPENSES AND OTHER LIABILITIES will include not only those costs, charges, expenses and liabilities that would otherwise be allowable on the taking of an account between a mortgagor and mortgagee but also (and in so far as they are not so allowable) those incurred in relation to or arising out of

- 3 3 2.1 the contemplation and institution of all proceedings and other action in connection with the enforcement, preservation and protection of the security constituted by this legal charge,
- 3 3 2 2 the contemplation and institution of all proceedings and other action (whether against the Borrower or otherwise) for the payment or discharge of the money and liabilities secured by or associated with this legal charge;
- 3 3 2 3 the exercise or contemplated exercise of any power, right or discretion conferred by this legal charge or by law on the Lender,
- 3 3 2 4 any default by the Borrower or any surety in compliance with the obligations imposed by the terms of this security or associated with it,
- 3 3 2.5 any impeachment or attempted impeachment of the title of the Lender (whether by the Borrower or by a third party) or of the title of the Borrower, and
- 3 3 2 6 the contemplation or doing of any other matter or thing which the Lender considers to be for the benefit or improvement of the security.
- 3 3 3 **Mortgagor and Borrower**

As between the Mortgagor and the Borrower, the Borrower shall be primarily liable for the payment of all moneys hereby covenanted to be paid by the Borrower but this clause 3.3.3 shall not affect the Lender or in any way preclude the Lender from enforcing or having recourse to all remedies for recovering payment thereof in such manner or order as the Lender shall see fit

3.4 Payment of annual fee

3 4.1 The Borrower covenants to pay Folk2Folk on 30 January 2016 and on every date after that date until the Redemption Date an annual fee of 0.5% of the outstanding principal (being the fee specified in the Offer Letter entered into by the Borrower)

3 4 2 In the event that the Borrower fails to pay the sum specified above then it shall be added to the Principal for the purposes of redemption and it shall accrue interest at the Interest Rate until payment is met

4 LEGAL CHARGE

Charge of Property

The Mortgagor, with full title guarantee, charges the freehold property known as 3-5 Clemens Road, St Keyne, Liskeard, Cornwall PL14 4RF (registered at the Land Registry under title number CL153705) and the Borrower, with full title guarantee, charges the freehold property known as Land on the north side of Whiterocks Park, St Anns Chapel, Gunnislake, Cornwall PL18 9EF (registered at the Land Registry under title number CL296851) both to the Lender by way of second legal mortgage subject to the mortgage specified in Schedule One and to the principal sums and interest and other monies secured thereby with mortgages as security for the payment or discharge of all money and other obligations and liabilities in this legal charge covenanted to be paid or discharged by the Borrower or otherwise secured by this legal charge

5 MORTGAGOR'S REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Lender as set out in this clause 5 MORTGAGOR'S REPRESENTATIONS AND WARRANTIES.

5.1 Permitted use

The present use of the Property is a permitted use within the provisions of the Planning Acts

5.2 Development

The Mortgagor has not before the execution of this legal charge carried out any operation upon the Property or put the Property to any use which is a development within the provisions of the Planning Acts and in respect of which any requisite permission has not been obtained or any valid enforcement order may be made.

5.3 Environmental matters

The Mortgagor has complied with environmental law and, in particular (but without prejudice to the generality of that representation and warranty) that no hazardous or toxic materials, substances, pollutants, contaminants or wastes have at any time before the execution of this legal charge been released into the environment or deposited, discharged, displaced or disposed of at or near the Property.

5.4 Contravention of other liabilities

The execution of and the observance and performance of the Mortgagor's obligations under this legal charge does not and will not contravene any other charge, mortgage, lease, loan facility or other agreement.

5.5 Capacity

The execution of and the observance of the Mortgagor's obligations under this legal charge does not and will not contravene any of the provisions of its constitution.

6 MORTGAGOR'S COVENANTS AS TO THE PROPERTY

The Mortgagor covenants with the Lender as set out in this clause 6

MORTGAGOR'S COVENANTS AS TO THE PROPERTY

6.1 Repair

6.1.1 Repairing obligation

The Mortgagor will keep all buildings, fixtures and fittings, services and service media in, on or associated with the Property in good and substantial repair and good working order and condition

6.1.2 Inspection

The Mortgagor will permit the Lender and his representatives at all reasonable times and upon reasonable notice to enter upon the Property or any part of it to inspect the state and condition of the buildings, fixtures and fittings, services and service media in, on or associated with the Property without the Lender becoming liable as mortgagee in possession

6.1.3 Entry and repair

If the Mortgagor fails to maintain the buildings, fixtures and fittings, services and service media in, on or associated with the Property in the requisite state of repair and condition the Lender and his representatives may (but without being bound to do so) at any time thereafter enter upon the Property or any part of it and execute all remedial works that the Lender considers to be necessary and proper without the Lender thereby becoming liable as mortgagee in possession.

6.1.4 Repayment of expenses

The Mortgagor will on demand repay to the Lender all expenses incurred by the Lender in carrying out inspections and works permitted by clause 6.1.2

INSPECTION and clause 6.1.3 ENTRY AND REPAIR together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower or the Mortgagor at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property

6.2 Alterations

The Mortgagor will not without the previous written consent of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to the consent) make any structural or material alteration to, or pull down or remove any or any part of, any buildings, fixtures and fittings, services and service media in, on or associated with the Property

6.3 Insurance

6.3.1 Duty to insure

The Mortgagor will.

6.3.1.1 ensure the Property is kept insured for such amount or amounts (including sums in respect of any loss of rent and any professional fees which may be incurred in or about repair, rebuilding or reinstatement), in such name or names, and against loss or damage due to such risks and with such underwriters as the Lender may in each case and from time to time approve in writing; and

6.3.1.2 make all payments required for this purpose as and when they become due and will when required by the Lender deliver to the Lender the policy of insurance and the receipt for each payment

6.3.2 Indemnity for payments by the Lender

If the Mortgagor fails to perform any of his obligations under this clause 6.3 INSURANCE and if the Lender takes out any insurance on the Property or any part of it, the Borrower or the Mortgagor will on demand repay to the Lender all payments made by him for that purpose and will pay interest at the Interest Rate from the date of payment until repayment on any money not repaid on demand (such interest to be payable in the same manner as interest on the Principal) and all such money and interest shall be charged on the Property

6.3.3 Application of Insurance money

Any money received under any policy of insurance effected or maintained by the Mortgagor in respect of the Property (whether or not pursuant to his obligations under this clause 6.3 INSURANCE) shall, at the option and absolute discretion of the Lender, be applied either in making good the loss or damage in respect of which it was received or in or towards discharge of the money due under this security, and if received by the Mortgagor will be held on trust for the Lender for this purpose.

6.4 Outgoings

The Mortgagor will punctually pay and indemnify the Lender against all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether governmental, municipal, contractual or otherwise) which may be or may become imposed upon or payable in respect of the Property or any part of it.

6.5 General covenant to comply with statutes etc

The Mortgagor will ensure that any legislation, regulations or bye-laws for the time being in force applicable to the Property or to the employment of persons in the Property or the trade or business for the time being carried on there are complied with in all respects

6 6 General covenant to produce notices etc

6 6 1 Production

The Mortgagor will immediately produce to the Lender any order, direction, permission, notice or other matter whatever affecting or likely to affect the Property and served upon the Mortgagor by any third party, and will allow the Lender to make a copy of it.

6 6 2 Compliance

The Mortgagor will comply with any order, direction, permission, notice or other matter referred to in clause 6 6 1 PRODUCTION without delay or, if the Lender so requires, will make or join with the Lender in making such objections or representations against or in respect of the same as the Lender may request or approve writing

6 7 Specific covenants relating to planning and environmental matters

6 7 1 Alteration of present use of the Property

The Mortgagor will not use the Property for any purpose other than the present permitted use within the provisions of the Planning Acts except with the previous written consent of the Lender and the relevant planning authority and then only to the extent permitted by and in accordance with any conditions attached to such consent *The Mortgagor will deliver any such consent of the relevant planning authority to the Lender but shall be entitled to a copy of it*

6 7 2 No development without the Lender's consent

The Mortgagor will not without the previous written consent of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to such consent) carry out any operation or use the

Property for any use which is a development within the provisions of the Planning Acts.

6.7.3 Compliance with conditions of permission for development

If the Mortgagor at any time obtains permission for any development of the Property within the provisions of the Planning Acts he will comply with all conditions subject to which such permission is granted

6.7.4 Compliance with environmental matters

The Mortgagor will observe and perform all environmental laws, regulations, directives and codes of practice affecting the Property.

6.7.5 Compliance with notices etc

6.7.5.1 Production

If any valid enforcement or other notice, claim, order or proposal is made or served by the relevant authority under or by virtue of the Planning Acts or the Environmental Protection Act 1990 in relation to the Property the Mortgagor will immediately produce the same to the Lender and allow the Lender to take a copy of it

6.7.5.2 Compliance

The Mortgagor will at his own expense in all respects comply with the requirements of any notice, order or proposal referred to in clause 6.7.5.1 PRODUCTION without delay and in any event within any time which may be specified for compliance. Alternatively, if the Lender so requires, the Mortgagor will make or join with the Lender in making such objections or representations as the Lender may request or approve against or in respect of any such notice, order or proposal

6.7.5.3 Failure to comply

If the Mortgagor fails to take immediate steps to commence compliance or fails within the relevant time limit to conclude compliance with the requirements of any notice, order or proposal referred to in clause 6.7.5.1 PRODUCTION, the Lender may (but shall not be obliged to) at any time thereafter enter on the Property and execute any works and do anything on the Property necessary to ensure such compliance without the Lender thereby becoming liable as mortgagee in possession. All costs and expenses so incurred by the Lender will be repaid by the Borrower or the Mortgagor to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower or the Mortgagor at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property

6.7.5.4 Appointment of Lender as attorney

The Mortgagor irrevocably appoints the Lender and his substitutes for the time being to be the Mortgagor's attorney to apply for and procure on the Mortgagor's behalf any licences, permissions or other things from any competent authority necessary for the execution of the works authorised by this clause 6.7.5 COMPLIANCE WITH NOTICES ETC to be executed by the Lender on the default of the Mortgagor

6.7.5.5 Costs of licences

All expenses incurred by the Lender in securing the licences, permissions and other things referred to in clause 6.7.5.4 APPOINTMENT OF LENDER AS ATTORNEY shall be treated as part of the cost of the works and such expenses and interest on them shall be charged upon the Property as provided by clause 6.7.5.3 FAILURE TO COMPLY

6.8 Specific covenant in relation to compulsory purchase

6 8 1 Entry into negotiations

The Mortgagor will not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to that consent) enter into any negotiations with any local or other authority for or consent to the compulsory acquisition of the Property either in whole or in part.

6.8 2 Conduct of negotiations

If the Lender so requires, the Mortgagor will permit the Lender to conduct the negotiations and grant the consent referred to in clause 6 8 1 ENTRY INTO NEGOTIATIONS on the Mortgagor's behalf

6 8 3 Application of compensation

Any compensation payable to or received by the Mortgagor in respect of the compulsory acquisition of the Property or any part of it will, if so and to the extent required by the Lender, be applied in or towards the discharge of the money payable by the Borrower under this security

6 9 Leasing and disposal

The Mortgagor must not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to such consent)

6 9 1 exercise or agree to exercise any power of leasing or of accepting surrenders of leases (whether conferred by statute or otherwise) or vary or agree to vary any lease or tenancy agreement or the amounts payable thereunder, or

6 9 2 otherwise part with or share possession or occupation of or dispose of or deal with the Property or any part of it or any interest in it

6 10 Compliance with terms of conveyances etc

6 10 1 Observance

The Mortgagor will observe and perform the terms of all conveyances, grants, assignments, transfers, contracts and other deeds and documents from time to time affecting the Property and binding on the Mortgagor

6 10.2 Indemnity

The Borrower and the Mortgagor will keep the Lender indemnified against all proceedings and claims on account of any breach of the terms of the documents referred to in clause 6 10.1 OBSERVANCE

6 10 3 Charging provision

All expenses damages and costs incurred by the Lender in relation to any breach referred to in clause 6 10 2 INDEMNITY will be repaid by the Borrower or the Mortgagor to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower or the Mortgagor at the Interest Rate (such interest to be payable in the same manner as interest on the Principal) all of which money and interest shall be charged on the Property

6 11 Not to register

The Mortgagor must not without the previous consent in writing of the Lender cause or allow any person to be registered under the Land Registration Act 2002 as proprietor of the Property or any part of it.

6.12 Other charges

The Mortgagor shall not without the previous consent in writing of the Lender (and then only to the extent permitted by and in accordance with any conditions attached to such consent) create or permit to subsist any mortgage, pledge, charge, incumbrance, lien or other security interest in the Property other than this security

6 13 If the Property comprises agricultural land within the meaning of the Agricultural Holdings Act 1948, the Mortgagor shall manage and farm the Property in accordance with the rules of good estate management and good husbandry as defined by the said Act and not without the Lender's written consent effect or cause or permit to be effected any disposition whereby the Property will or may cease to comprise an entire and single agricultural unit

6 14 The Borrower and the Mortgagor each acknowledge that they have carefully considered the Terms and Conditions and agrees with the Lender and Folk2Folk to abide by them at all times

7 LENDER'S POWERS AND RIGHTS

7 1 Exercise of statutory powers

7 1 1 Exclusion of Section 103

The Law of Property Act 1925 Section 103 shall not apply to this security

7 1 2 Enforcement of security and exercise of power of sale

At any time after the money secured by this legal charge has become due and payable the security shall be immediately enforceable and the Lender's power of sale as amended or varied by this legal charge shall be immediately exercisable in respect of the whole or any part of the Property

without the restrictions contained in the Law of Property Act 1925 as to the giving of notice or otherwise

7 2 Extension of statutory powers

7 2.1 Power of sale

The power of sale conferred upon mortgagees by the Law of Property Act 1925 shall be extended so as to authorise any person exercising it to do so by selling the Property in such manner and on such conditions as to payment or application of any purchase price and otherwise as the Lender may think fit

7 2 2 Powers of leasing and accepting surrenders

By way of extension of the powers contained in the Law of Property Act 1925 Sections 99 and 100 the Lender shall at any time or times hereafter (and whether or not he has entered into or is in possession of the Property or has appointed a receiver who is still acting) be entitled to grant or vary or reduce any sum payable under, or accept surrenders of, leases of the Property or any part or parts of it or agree to do so without restriction in such manner and on such terms and conditions as the Lender shall think fit For the purposes of the exercise of these powers the provisions of the Law of Property Act 1925 Section 99 shall be deemed to have been enacted with the omission of the Law of Property Act 1925 Section 99(18).

7 2 3 General

At any time after this security has become enforceable and notwithstanding the appointment of any receiver the Lender may at his absolute discretion exercise any power which a receiver appointed by him could exercise and for these purposes the Mortgagor authorises the Lender to elect to waive exemption under the Value Added Tax Act 1994 Schedule 10 Paragraph 2(1) on behalf of the Mortgagor in respect of the Property

7.2 4 Exclusion of liability

The powers referred to in or granted or varied or extended by this clause 7 2 EXTENSION OF STATUTORY POWERS shall be exercisable free from any liability on the part of the Lender or the person exercising them to the Borrower, or the Mortgagor, or any other interested person, whether in contract, tort or otherwise

7 3 Powers in respect of furniture and effects

7.3 1 Power to remove and dispose

At any time after this security has become enforceable the Lender may, as agent for and on behalf of the Mortgagor and at the expense of the Borrower and the Mortgagor, remove, store, preserve, sell or otherwise dispose of any livestock or any furniture, effects, chattels or other items situate at or in the Property which are not charged by this legal charge

7 3 2 Exclusion of liability

The Lender will have no liability to the Mortgagor for any loss incurred in connection with any removal, storage, preservation, sale or disposal referred to in clause 7 3 1 POWER TO REMOVE AND DISPOSE

7.3 3 Proceeds of sale

To the extent the Mortgagor does not comprise an individual or individuals, the Lender will have the right to set off any proceeds of sale against the sums due under this security To the extent the Mortgagor comprises an individual or individuals, the Lender will pay any net proceeds of any sale (after payment of removal, storage and preservation costs and the costs of the sale) to the Mortgagor on demand

7 3 4 Nature of security

To the extent the Mortgagor comprises an individual or individuals, the provisions of this clause 7 3 POWERS IN RESPECT OF FURNITURE AND EFFECTS are not intended to grant to the Lender any rights in, or any charge or security over, any livestock, furniture, effects, chattels or other items or

the proceeds of any sale of them so as to constitute this security a bill of sale

7 4 Power to appoint a receiver

7 4.1 Appointment

At any time after this security becomes enforceable, or at the request of the Mortgagor, the Lender may by writing under hand appoint any person or persons to be a receiver of all or any part of the Property.

7 4 2 Removal

The Lender may at any time and from time to time by writing under hand remove any receiver so appointed and appoint another in his place or appoint an additional person as receiver.

7.4 3 Remuneration

The Lender may, either at the time of appointment or at any time subsequently and from time to time, fix the remuneration of any receiver so appointed

7.4 4 Restrictions

None of the restrictions imposed by the Law of Property Act 1925 in relation to the appointment of receivers or as to the giving of notice or otherwise shall apply

7 4 5 Power to act severally

Where more than one receiver is appointed they shall have the power to act severally

7 4.6 Agency

Any receiver appointed under this clause 7 4 POWER TO APPOINT A RECEIVER shall be the agent of the Mortgagor for all purposes and the

Mortgagor shall be solely responsible for his acts or defaults and for his remuneration

7.4.7 General powers

Any receiver appointed under this clause 7 4 POWER TO APPOINT A RECEIVER shall have all the powers conferred on mortgagees or receivers by the Law of Property Act 1925 (but without the restrictions contained in the Law of Property Act 1925 Section 103) and on administrative receivers by the Insolvency Act 1986 Schedule 1 except to the extent to which those powers are expressly or impliedly excluded by the terms of this legal charge In the event of ambiguity or conflict the terms of this legal charge will prevail

7 4 8 Specific powers

In addition to the powers referred to in clause 7 4 7 GENERAL POWERS any receiver appointed under this clause 7 4 POWER TO APPOINT A RECEIVER shall have power at his discretion, to such extent and upon such terms as he may in his absolute discretion think fit, and notwithstanding the administration or liquidation or, as appropriate, bankruptcy, death or insanity of the Borrower or the Mortgagor, to do or omit to do anything which the Mortgagor could do or omit to do in relation to all or any part of the Property In particular (but without limitation) any such receiver shall have the power

7 4 8 1 to take possession of, collect and get in all or any part of the Property and for that purpose bring any proceedings in the name of the Mortgagor or otherwise,

7 4 8.2 to manage or carry on or concur in carrying on any business of the Mortgagor,

- 7 4 8 3 to raise or borrow money (whether from the Lender or otherwise) to rank for payment in priority to this security and with or without a charge on all or any part of the Property,
- 7 4 8 4 to sell (whether by public auction or private contract or otherwise), lease, vary, renew or surrender leases or accept surrenders of leases (without needing to observe the provisions of the Law of Property Act 1925 Sections 99 and 100) of, or otherwise dispose of or deal with all or any part of, the Property or of rights associated with all or any part of the Property or to concur in so doing whether in the name or on behalf of the Mortgagor or otherwise,
- 7 4 8.5 to seize and sever all or any fixtures at or in the Property other than, to the extent the Mortgagor comprises an individual or individuals, trade machinery as defined by the Bills of Sale Act 1878 and sell the same separately from the Property or its site,
- 7 4 8 6 to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with any business of the Mortgagor or the Property or in any way relating to this security,
- 7 4 8 7 to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever whether civil or criminal which may arise in connection with any business of the Mortgagor or the Property or in any way relating to this security,
- 7 4.8 8 to disclaim, abandon or disregard all or any outstanding contracts of the Mortgagor and to allow time for payment of any debts either with or without security,
- 7 4 8 9 to repair, insure, manage, protect, improve, enlarge, develop, build, complete or reconstruct or replace all or any part of the Property and to

apply for and obtain any appropriate permissions, approvals, consents or licences;

7.4.8.10 to acquire by purchase, lease or otherwise any further property, assets or rights,

7.4.8.11 to appoint, employ and dismiss managers, officers, contractors and agents, and

7.4.8.12 to do (whether in the name of the Mortgagor or otherwise) all such other acts and things as he may consider necessary or desirable for the preservation, management, improvement or realisation of the Property or as he may consider incidental or conducive to any of the above matters or to the exercise of any of the above powers and for these purposes the Mortgagor authorises the receiver to elect to waive exemption under the Value Added Tax Act 1994 Schedule 10 Paragraph 2(1) on behalf of the Mortgagor in respect of the Property

7.4.9 Application of money

All money received by any receiver shall be applied by him in the following order

7.4.9.1 in payment of the costs, charges and expenses of and incidental to the appointment of the receiver and the exercise of all or any of his powers and of all outgoings paid by him (including preferential debts),

7.4.9.2 in payment to the receiver of such remuneration as may be agreed between him and the Lender at, or at any time and from time to time after, his appointment,

7.4.9.3 in or towards satisfaction of the amount owing on this security with the surplus (if any) being paid to the Mortgagor or other persons entitled to it

7 5 Right to consolidate

The Law of Property Act 1925 Section 93 (restricting the Lender's right of consolidation) shall not apply to this security

7 6 Consent of the Mortgagor

7.6 1 The Mortgagor understands that the Lender has agreed to lend to the Borrower the Principal upon the security of a legal charge over the Property and in consideration of the Lender advancing the Principal to the Borrower upon the terms herein contained agrees that all the interest in or rights over or affecting the Property whether as to occupation or otherwise (if any) of the Mortgagor shall be postponed and take effect subject to the legal charge AND the Mortgagor further undertakes when called upon so to do by the Lender to give up possession or occupation of the Property to Lender upon the Lender exercising his rights under the legal charge.

7 6.2 The Mortgagor hereby declares that save as herein mentioned no other person persons or corporation has to have any right of occupation affecting or interest in the Property or any part thereof which may adversely affect the legal charge or any right or remedy of the Lender for enforcing the security constituted by the legal charge and in particular the obtaining of vacant possession of the Property against the Mortgagor

7.6 3 The Mortgagor hereby irrevocably appoints the Lender and the receiver jointly and also severally as attorneys of the Mortgagor for the Mortgagor and in his name and on his behalf and as his act and deed or otherwise to sign seal and deliver and otherwise perfect any deed assurance agreement instrument or act which may be required or may be deemed proper for any of the purposes aforesaid

8 PROTECTION OF THOSE DEALING WITH LENDER OR RECEIVER

No person dealing with the Lender or any receiver appointed by him shall be concerned bound or entitled to inquire or be affected by notice as to any of the following matters

8 1 whether this security has become enforceable,

8 2 whether any power exercised or purported to be exercised under this legal charge has arisen or become exercisable;

8 3 the propriety, regularity or purpose of the exercise or purported exercise of any such power;

8.4 whether any money remains due under the security, or

8 5 the necessity or expediency of the stipulations and conditions subject to which any disposition shall be made

and the receipt of the Lender or any receiver for any money shall effectually discharge the person paying from such matters and from being concerned to see to the application or being answerable for the loss or misapplication of such money

9 INDULGENCE AND WAIVER

The Lender may at any time or times without discharging or diminishing or in any way prejudicing or affecting this security or any right or remedy of the Lender under this legal charge grant to the Borrower, or to any other person, time or indulgence, further credit, loans or advances or enter into any arrangement or variation of rights or, either in whole or in part, release, abstain from perfecting or enforcing or neglect or fail to perfect or enforce any remedies, securities, guarantees or rights which he may now or subsequently have from or against the Borrower or any other person

10 DEMANDS AND NOTICES

10 1 Form and mode of deemed service

A demand or notice by the Lender under this legal charge must be in writing and shall be deemed to have been properly served on the Borrower and/or the Mortgagor if served personally on

10.1.1 the Borrower or the Mortgagor if an individual, or

10.1.2 any one of the directors or the secretary of the Borrower or the Mortgagor if a limited company, or

10.1.3 any member of the Borrower or the Mortgagor if a limited liability partnership

or by first class letter post or fax addressed to the Borrower or to the Mortgagor at or by delivery to his usual or last known place of abode or business or as appropriate its registered office or at any of its principal places of business.

10.2 Method of service

Service shall be deemed to be effected notwithstanding the death or as appropriate dissolution of the Borrower or the Mortgagor

10.2.1 at 1000 hours on the second business day (being a day when the United Kingdom clearing banks are open for business in the City Of London) immediately following the day of posting if given by first class letter post irrespective of the time or date of actual delivery or of lack of delivery;

10.2.2 when dispatched if given by fax; and

10.2.3 when left at the property concerned if delivered

10.3 Other methods of service

The methods of service described in clause 11.1 FORM AND MODE OF DEEMED SERVICE are in addition, and without prejudice, to any other method of service prescribed or permitted by law and in particular to the provisions of the Law of Property Act 1925 Section 196

10.4 Multiple mortgagors

If the expression 'the Mortgagor' includes more than one person, service on any one person shall be deemed to constitute service upon all such persons

10.5 Multiple borrowers

If the expression 'the Borrower' includes more than one person, service on any one person shall be deemed to constitute service upon all such persons

11 VALIDITY AND SEVERABILITY

11.1 Enforceability

Each of the provisions of this legal charge is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not be affected or impaired

11.2 Lack of capacity

If this legal charge is executed by or on behalf of more than one person and any one or more of those persons is not bound by its provisions (whether by reason of lack of capacity or improper execution or for any other reason), the remaining parties shall continue to be so bound as if those who are not bound had not been parties to the security

12 CONFLICT

If there is an inconsistency between any of the provisions of this legal charge and the provisions of the Terms and Conditions the provisions of this legal charge shall prevail.

13 EXCLUSION OF THIRD PARTY RIGHTS

Nothing in this legal charge is intended to confer any benefit on any person who is not a party to it

14 REGISTRATION

14.1 The Mortgagor and Lender hereby apply to the Land Registry to enter upon the Register a restriction in the following wording.

"No disposition of the registered estate by the proprietor of the registered estate or 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 [] in favour of [] referred to in the Charges Register or his conveyancer."

14.2 On being requested to do so by the Lender and/or Folk2Folk, the Mortgagor shall do such act (at his own cost) to assist with registration of this legal charge at the Land Registry and/or Companies House

15 ASSIGNMENT

15.1 The Lender and/or Folk2Folk in substitute of the Lender may assign all or any of its rights under this legal charge. Any successor to an assignee of the Lender or Folk2Folk will be entitled to the full benefit of this legal charge.

15.2 This legal charge will remain enforceable valid and binding for all purposes even if the Lender or Folk2Folk changes its name or constitution or is amalgamated or consolidated with any other company or entity

16 GOVERNING LAW AND JURISDICTION

16.1 Construction

This legal charge shall be governed by and construed in accordance with English law.

16.2 Jurisdiction of English courts

It is irrevocably agreed for the exclusive benefit of the Lender that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this legal charge and that accordingly any suit, action or proceeding arising out of or in connection with this legal charge may be brought in such courts

16.3 Jurisdiction of other courts

Nothing in this clause 16 GOVERNING LAW AND JURISDICTION shall limit the Lender's right to take proceedings against the Borrower and/or the Mortgagor in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

THIS LEGAL CHARGE HAS BEEN ENTERED INTO ON THE DATE STATED AT THE BEGINNING OF IT.

SCHEDULE ONE: THE PROPERTY

3-5 Clemens Road, St Keyne, Liskeard, Cornwall PL14 4RF registered at the Land Registry under title number CL153705, and

Land on the north side of Whiterocks Park, St Anns Chapel, Gunnislake, Cornwall PL18 9EF registered at the Land Registry under title number CL296851

both properties subject to a first Legal Charge dated 4 October 2013 made between (1) Ferndale Developers (Cornwall) Limited (2) Michael Garnet Hoskin (3) William David Eddleston and (4) Folk2Folk Limited

SCHEDULE TWO: THE LENDERS

Name	Address	Loan Contribution
Mervyn William Bate and Rachel Bate	Splatt Farm Tresmeer Launceston Cornwall PL15 8QX	£25,000
Colin Stuart Cedroni and Peter Norman Otway	14 Malthouse Close Sompting Lancing Sussex BN15 0EF	£25,000
	Total	£50,000

IMPORTANT INFORMATION

Please take time to read this document carefully and do not hesitate to discuss any aspect that is unclear

You must only sign this Legal Charge when you fully understand the consequences of doing so. **This Legal Charge covers the liabilities of a third party. If they do not meet their obligations the property is at risk.** We strongly recommend that independent advice is sought before accepting any loan and signing any documents

EXECUTED AS A Deed on behalf of)

Ferndale Developers (Cornwall) Limited)

acting by a director)

in the presence of)



Witness signature

Witness name

Witness address
Robert Mark Braddon Pamall
PARNALLS SOLICITOR
13-19 WESTGATE STREET
LAUNCESTON
CORNWALL
PL15 7AB

Witness occupation

SIGNED AS A Deed by)

Michael Garnet Hoskin)

in the presence of)



Witness signature

Witness name

Witness address
Robert Mark Braddon Pamall
PARNALLS SOLICITOR
13-19 WESTGATE STREET ..
LAUNCESTON
CORNWALL
PL15 7AB ..

Witness occupation