

MR01

Particulars of a charge

182086/13

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 delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

TUESDAY



A16 16/06/2015 #363
COMPANIES HOUSE

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

1 Company details

Company number	8	2	7	1	0	8	5	<input checked="" type="checkbox"/>
Company name in full	ARSCOTT POWER LIMITED <input checked="" type="checkbox"/>							

2				For official use
→ Filing 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	d	1	d	0	m	0	m	6	y	2	y	0	y	1	y	5	<input checked="" type="checkbox"/>
----------------------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	-------------------------------------

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	GRAHAM MERLIN DINGLE
Name	RONALD ADRIAN DINGLE <input checked="" type="checkbox"/>
Name	MORLEY EDWIN DINGLE
Name	(TOGETHER THE DINGLE BROTHERS PARTNERSHIP)

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

MR01

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 at Ratherton Farm Holsworthy Devon EX22 6NB
(as more particularly demised in the Lease dated 10 June 2015)

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

X



X

Signature

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 enquires@companieshouse.gov.uk

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



DT

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8271085

Charge code: 0827 1085 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th June 2015 and created by ARSCOTT POWER LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th June 2015.

Given at Companies House, Cardiff on 24th June 2015



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 15 day of June 2015
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. We strongly recommend that independent advice is sought before accepting any loan and signing any documents.

DATED 10 June 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	Devon
Property	Land at Ratherton Farm, Holsworthy, EX22 6NB (as more particularly demised in the Lease dated 10 June 2015.

THIS LEGAL CHARGE is made the 10th day of June2015 BETWEEN

- (1) **Arcscott Power Limited** (Company Registration Number: 8271085) whose registered office address is at Ratherton House, Ratherton Farm, Holsworthy, Devon, EX22 6NB ('the Borrower')
- (2) The Persons listed in Schedule Two (together 'the Lender')
- (3) **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 10th day of each calendar month of each year. The first payment date is 10 July 2015.

1.4 'The Interest Rate'

'The Interest Rate' means 10% a year reduced to 8% in accordance with clause 3.2.2 ('the Reduced Interest Rate')

1.5 Interpretation of 'the Borrower' and 'the Lender'

Unless the context otherwise requires the expressions 'the Borrower' and 'the Lender' 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 Obligation not to permit or suffer

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

1.8 '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 1.13 REFERENCES TO STATUTES.

1.9 'The Principal'

'The Principal' means the sum of £340,600

1.10 '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.

1.11 '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.

1.12 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 13 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.

1.14 'Terms and Conditions'

'Terms and Conditions' means the Terms and Conditions made available to the Borrower and annexed hereto

1 15 '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 Borrower is registered at HM Land Registry as proprietor with title absolute of the Leasehold property described in Schedule One THE PROPERTY free from incumbrances.

2 2 Agreement to lend

The Lender has agreed to lend to the Borrower the sum of £340,600 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 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 or any surety to the Lender is or becomes incorrect, or
- 3.1.4** any judgement or order made against the Borrower or any surety by any court is not complied with within 14 days; or
- 3.1.5** the property of the Borrower 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 or of any surety; or
- 3.1.7** in the case of an individual.

- 3 1 7 1** the Borrower 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 or any surety; or
- 3 1.7.3** the Borrower 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 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 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 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 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 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 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 after 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 4 Payment of Annual Fee

- 3.4 1 The Borrower covenants to pay Folk2Folk on the first anniversary hereof and on every anniversary thereafter until the Redemption Date the annual fee of 0.5% (being the fee specified in the Offer Letter entered into by the Borrower before the date hereof).
- 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

3.5 Partial Repayment

Within 30 days of receipt by the Borrower of VAT recovered following a claim for a refund from HM Revenue and Customs the Borrower shall pay the Lender the amount of VAT, plus interest accrued thereon, recovered and the Principle shall reduce accordingly

4 LEGAL CHARGE

Charge of Property

The Borrower, with full title guarantee, charges the Property to the Lender by way of first legal mortgage with 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 BORROWER'S REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as set out in this clause 5 BORROWER'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 Borrower 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 Borrower 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 Borrower'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 Borrower's obligations under this legal charge does not and will not contravene any of the provisions of its constitution.

6 BORROWER'S COVENANTS AS TO THE PROPERTY

The Borrower covenants with the Lender as set out in this clause 6
BORROWER'S COVENANTS AS TO THE PROPERTY

6.1 Leasehold Covenants

The Borrower will at all times comply with the terms of the Lease (as defined in Schedule One) including the payment of all rent and all tenant covenants.

6.2 Repair

6.2.1 Repairing obligation

The Borrower 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.

6.2.2 Inspection

The Borrower 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.

6.2.3 Entry and repair

If the Borrower 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.

6.2.4 Repayment of expenses

The Borrower 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 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.

6.3 Alterations

The Borrower 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.

6.4 Insurance

6.4.1 Duty to insure

The Borrower will

6.4.1.1 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

6.4.1.2 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.

6.4.2 Indemnity for payments by the Lender

If the Borrower 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 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.

6.4.3 Application of insurance money

Any money received under any policy of insurance effected or maintained by the Borrower 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 Borrower will be held on trust for the Lender for this purpose.

6.5 Outgoings

The Borrower 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.

6.6 General covenant to comply with statutes etc

The Borrower 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

6.7 General covenant to produce notices etc

6.7.1 Production

The Borrower 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 Borrower by any third party, and will allow the Lender to make a copy of it.

6.7.2 Compliance

The Borrower 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.

6.8 Specific covenants relating to planning and environmental matters

6.8.1 Alteration of present use of the Property

The Borrower 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 Borrower will deliver any such consent of the relevant planning authority to the Lender but shall be entitled to a copy of it.

6.8.2 No development without the Lender's consent

The Borrower 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.

6.8.3 Compliance with conditions of permission for development

If the Borrower 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

6.8.4 Compliance with environmental matters

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

6.8.5 Compliance with notices etc

6.8.5.1 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 Borrower will immediately produce the same to the Lender and allow the Lender to take a copy of it.

6.8.5.2 Compliance

The Borrower 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 Borrower 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.

6.8.5.3 Failure to comply

If the Borrower 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 to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower 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.

6.8.5.4 Appointment of Lender as attorney

The Borrower irrevocably appoints the Lender and his substitutes for the time being to be the Borrower's attorney to apply for and procure on the Borrower'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 Borrower.

6.8.5.5 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.

6.9 Specific covenant in relation to compulsory purchase

6.9.1 Entry into negotiations

The Borrower 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

6.9.2 Conduct of negotiations

If the Lender so requires, the Borrower will permit the Lender to conduct the negotiations and grant the consent referred to in clause 6.8.1 ENTRY INTO NEGOTIATIONS on the Borrower's behalf

6.9.3 Application of compensation

Any compensation payable to or received by the Borrower 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 due under this security.

6.10 Leasing and disposal

The Borrower 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).

6.10.1 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

6.10.2 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.

6.11 Compliance with terms of conveyances etc

6.11.1 Observance

The Borrower 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 Borrower.

6.11.2 Indemnity

The Borrower 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.

6.11.3 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 to the Lender on demand together with interest from the date when the Lender becomes liable for the same until repayment by the Borrower 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.

6.12 Not to register

The Borrower 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.

6.13 Other charges

The Borrower 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

6.14 If the Property comprises agricultural land within the meaning of the Agricultural Holdings Act 1948, the Borrower 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.

6.15 The Borrower acknowledges that it has carefully considered the Terms and Conditions and agrees with the Lender 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 Borrower authorises the Lender to elect to waive exemption under the Value Added Tax Act 1994 Schedule 10 Paragraph 2(1) on behalf of the Borrower 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 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 Borrower and at the expense of the Borrower, 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 Borrower 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 Borrower 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 Borrower 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 Borrower on demand

7.3.4 Nature of security

To the extent the Borrower 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 Borrower, 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 Borrower for all purposes and the

Borrower 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, to do or omit to do anything which the Borrower 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 Borrower or otherwise;

7.4.8.2 to manage or carry on or concur in carrying on any business of the Borrower;

- 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 Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrower authorises the receiver to elect to waive exemption under the Value Added Tax Act 1994 Schedule 10 Paragraph 2(1) on behalf of the Borrower 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 Borrower 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.

8 POWER OF ATTORNEY

The Borrower hereby irrevocably appoints the Lender and the receiver jointly and also severally as attorneys of the Borrower for the Borrower 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.

9 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:

- 9.1 whether this security has become enforceable;
- 9.2 whether any power exercised or purported to be exercised under this legal charge has arisen or become exercisable;
- 9.3 the propriety, regularity or purpose of the exercise or purported exercise of any such power;
- 9.4 whether any money remains due under the security, or
- 9.5 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

10 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.

11 DEMANDS AND NOTICES

11.1 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 if served personally on:

11.1.1 the Borrower if an individual; or

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

11.1.3 any member of the Borrower if a limited liability partnership

or by first class letter post or fax addressed to the Borrower 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.

11.2 Method of service

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

11.2.1 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,

11.2.2 when dispatched if given by fax; and

11.2.3 when left at the property concerned if delivered.

11.3 Other methods of service

The methods of service described in clause 10.1 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.

11.4 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.

12 VALIDITY AND SEVERABILITY

12.1 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

12.2 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.

13 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.

14 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

15 REGISTRATION

15.1 The Borrower 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.”

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

16 ASSIGNMENT

16.1 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

16.2 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

17 GOVERNING LAW AND JURISDICTION

17.1 Construction

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

17.2 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.

17.3 Jurisdiction of other courts

Nothing in this clause 177 GOVERNING LAW AND JURISDICTION shall limit the Lender's right to take proceedings against the Borrower 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

Land at Ratherton Farm, Holsworthy, Devon, EX22 6NB registered at the Land Registry (as more particularly defined in the Lease dated 10 ~~JUNE~~ 2015).

SCHEDULE TWO: THE LENDERS

**Graham Merlin Dingle,
Ronald Adrian Dingle,
Morley Edwin Dingle
(together the Dingle Brothers
Partnership)**

**C/o Folk2Folk Limited
13 Westgate Street
Launceston
Cornwall
PL15 7AB**

£340,600

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 We strongly recommend that independent advice is sought before accepting any loan and signing any documents

EXECUTED AS A DEED on behalf of) *AD May*
ARSCOTT POWER LIMITED)
signed by a director)
in the presence of)

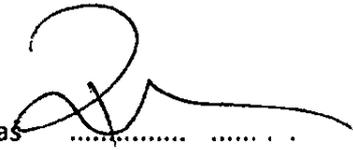
Witness signature *Louise Matthews*

Witness name: *Louise Matthews*

Witness address *15 - 19 Westgate Street*
Lanncaster Cornwall PL15 7AB

Witness occupation: *Solicitor*

Signed as a Deed by Folk2Folk Limited acting by a director as
attorney for **GRAHAM MERLIN DINGLE**



under a power of attorney dated 21st April 2015

Attorney for Graham
Merlin Dingle

in the presence of

Witness signature: GFBryant-Butcher

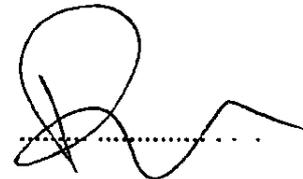
Witness name: Gemma Bryant-Butcher

Witness address: 15-19 Westgate Street

Launceston Cornwall PL15 7RB

Witness occupation: Personal Assistant

Signed as a Deed by Folk2Folk Limited acting by a director as
attorney for **RONALD ADRIAN DINGLE**



under a power of attorney dated 21st April 2015

Attorney for Ronald
Adrian Dingle

in the presence of

Witness signature GFBryant-Butcher

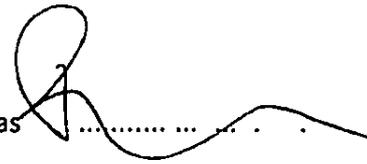
Witness name: Gemma Bryant-Butcher

Witness address: 15-19 Westgate Street

Launceston Cornwall PL15 7RB

Witness occupation: Personal Assistant

Signed as a Deed by Folk2Folk Limited acting by a director as
attorney for **MORLEY EDWIN DINGLE**



under a power of attorney dated 21st April 2015

Attorney for Morley
Edwin Dingle

in the presence of

Witness signature: G. Bryant-Butcher

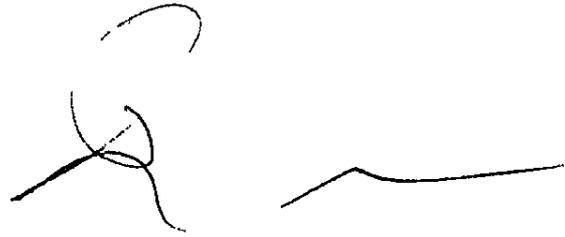
Witness name: Geremma Bryant-Butcher

Witness address: 15-19 Westgate Street

Launceston Cornwall PL15 7RB

Witness occupation: Personal Assistant

EXECUTED AS A DEED on behalf of)
Folk2Folk Limited)
acting by a director)
in the presence of



Witness signature: GFBryant-Butcher

Witness name: Gemma Bryant-Butcher

Witness address: 1519 Westgate Street

Lanncoston Cornwall PL15 7RB

Witness occupation: Personal Assistant

FOLK 2 FOLK

Local Secured Lending

Terms & Conditions for Borrowers

Folk2Folk . 13 Westgate Street . Launceston . Cornwall . PL15 7AB
T 01566 773296 F 01566 772128 E enquiries@folk-folk.com www.folk-folk.com

Date: 16/03/2015 (V14)
Ref: MN

The following terms and conditions set out how Folk2Folk operates in respect of Borrowers and regulates the use of the website and other services provided by Folk2Folk.

These terms and conditions must be read in conjunction with the Rules (made available on the website) If you decide to use Folk2Folk, you must comply with these terms and conditions and the Rules.

These terms and conditions are in addition to our privacy policy (likewise online)

Please read these terms and conditions carefully and print a copy for your future reference.

By using the services provided by Folk2Folk, you confirm that you have read, understood and agree to the Rules and these terms and conditions and the privacy policy as amended from time to time and where you are acting on behalf of another person or entity that they agree to these terms and conditions and you are authorised to act on their behalf.

If you do not agree to these terms and conditions, you must not proceed with any dealings with Folk2Folk.

References in these terms and conditions to "we", "us" and "our" means Folk2Folk. References to "you" and "your" means a user of Folk2Folk and the services provided by us, whether as an individual or on behalf of an entity which meets the borrower criteria set out below.

Each agreement between Lender and Borrower comprises an offer letter, a legal charge and any other required security documentation (together the "Mortgage"). The Mortgage is a separate agreement and is governed by separate terms and conditions. If there is a conflict between these terms and conditions and the Mortgage, the Mortgage will prevail.

Folk2Folk allows registered agents to make a loan application on a Borrower's behalf. If a registered agent makes a loan application on your behalf, Folk2Folk will be entitled to treat the loan application as having been made with your full authority. The terms of our privacy policy still apply to Borrowers who choose to make applications through brokers.

Please note the property you put up as security could be repossessed if you do not keep up your repayments or redeem the loan at the end of any fixed period

Glossary and Definitions

Lender Pool	Typically up to eight Lenders who have the same target interest rates and the same term lengths for the availability of their money or in agreement with "Easy-In /Easy-Out" arrangements
Substitute	A Substitute is a Lender inserted into a Lender Pool due to a change of circumstances or a Lender giving notice to withdraw their funds.
Green Light Lending	Lenders who are happy for their investment to be allocated to the next available loan that has passed through our 'green light' system
Impairment	Impairment is when interest is more than seven days late (not due to bureaucratic error) from a Borrower.
Enhanced Interest Rate	In the event of Impairment, the interest rate rises by 2% per annum automatically until such time as the loan becomes "unimpaired" The Enhanced Interest Rate is payable to the Lender Pool
Launch of Loan	The day upon which the loan is agreed to be committed
Completion	The day upon which the security/loan is completed and the funds released
Non-Refundable Costs	Where Folk2Folk has incurred costs on behalf of the Borrower e.g. Folk2Folk undertaking a valuation after a loan offer has been accepted, but the same is not completed due to the Borrower, Folk2Folk has the right to charge those costs subject to a cap of 1% of the loan amount.
Valuer	A person appointed from time to time by Folk2Folk to carry out that function from the following list of companies. <ul style="list-style-type: none">- Kivells- Lodge & Thomas- and/or others appointed by Folk2Folk to their panel
PSL	Parnalls Solicitors Limited of 15-19 Westgate Street, Launceston, Cornwall, PL15 7AB or such other firm of solicitors appointed by Folk2Folk from time to time.
Home	Residential property which is more than 40% occupied by the Borrower or their family as their home
Levy	Easy-In/Easy-Out loans incur a charge of 0.5% per annum should it still be active on the anniversary of the loan, and every anniversary thereafter, payable monthly to Folk2Folk. For Fixed Rate loans the

same applies, the rate payable being 0.25% per annum commencing on the first anniversary

1. How to become a Borrower

1.1 To be a Borrower through Folk2Folk, you must meet the following criteria:

- (a) you must be an individual, LLP, limited company, sole trader, partnership or personal pension fund;**
- (b) you must have a valid UK bank or building society account to facilitate payments;**
- (c) you or your business must be a permanent resident of the UK (excluding the Channel Islands and Isle of Man),**
- (d) if you are a partnership or LLP you must have a permanent place of business in the UK (excluding the Channel Islands and Isle of Man);**
- (e) your business, its directors, members, partners or proprietors must meet minimum credit and fraud risk criteria which will include obtaining a minimum score from credit reference agencies such as Equifax or Experian,**
- (f) you must submit details of your business for publication on the website, some of which we will disclose to lenders (but not all) (see section 3.1 below for more details), and**
- (g) you must register your details via our borrower application form which is available on the website www.folk2folk.com or upon request one from our offices**

1.2 You must be able to offer as valuable security a first mortgage over property (freehold or long leasehold) and the loan does not exceed 60% of the realistic valuation of the property

1.3 Directors and/or shareholders of limited companies and members of LLPs may be required to give a personal guarantee before the loan is complete

1.4 Borrowers can be public bodies, charities or trusts

1.5 As part of the registration process, we will need to authenticate the identity of the business and certain people authorised to act on its behalf. We will do this by using credit reference agencies such as Equifax or Experian, otherwise we may require you to send us copies of the relevant passports or other identification documents and

anything else that we may need. If you do not provide all appropriate identification documents, you will not be able to borrow through Folk2Folk.

- 1.6 Once you are registered on the website and have applied to borrow through Folk2Folk, we will carry out:
- (a) credit and fraud checks on you as the proprietor, partner, member or director, your business and other partners, members or directors of the business using credit reference agencies such as Equifax or Experian;
 - (b) a desktop valuation of the security offered;
 - (c) the compiling of local information from such confidential sources as we shall from time to time require.
- 1.7 Folk2Folk uses its own internal guidelines and policies when assessing applications but has complete discretion as to whether we allow you to be a Borrower to be introduced to Folk2Folk Lenders.
- 1.8 You warrant to Folk2Folk that all information provided to us in the course of the application and borrowing process is true and accurate in all respects. You will update us if any of the information you provide to us changes as soon as practicable.

2. The borrowing process

- 2.1 There are three types of loans:
- (a) Standard (Easy-In/Easy-Out) three months written notice either way
 - (b) A fixed term (e.g. two years) selected by the Borrower upon application with a maximum term of five years.
 - (c) A pre-auction letter of credit/offer
- 2.2 In all cases the Borrower is expected to have a plan to exit the loan, whether on three month's notice (for an Easy-In/Easy-Out) or at the end of a fixed term. A fixed term will not continue automatically on expiry but will need to be repaid in full after the expiry of the fixed period.
- 2.3 We are not intending to carry out any unsecured lending for which we are not yet set up to perform. In exceptional circumstances, a second mortgage may be taken but each Lender will be advised specifically.
- 2.4 We will be using a standard legal charge. Quite simply, it is a first legal charge on freehold property (or long leasehold where the lease has the equivalent status in the marketplace of the freehold). Short term leases (e.g. five or ten years) are not acceptable security.

2.4 Once we have agreed to allow your application onto the Folk2Folk system, we will contact you to agree the best method to proceed. Some of your details will be on view to anyone who has a lender log-in address.

2.5 We will provide a service for a "pre-auction letter of credit" which will follow the same process as a standard loan application but interest will become payable upon the day the auction letter of credit is issued until such time as you advise us to cease. No monies will be released but you will be responsible for interest and the set up fee from time to time as published on the website. You should ensure sufficient time to obtain the pre-auction letter of credit because of the timescales involved. If you are unsuccessful at the auction, you must as soon as practicable notify us and the interest stops accruing and the charges are debited from your card. It is not possible to have an application for an auction letter of credit unless all of your details are kept entirely confidential and such items will not be published on the website but will be dealt with privately between us and registered lenders.

3. Types of loans that we introduce

3.1 We will only facilitate the following loans:

- (a) Interest only, payable monthly by standing order.
- (b) For a period subject to three months notice either way, or for a fixed term, being less than five years. If you choose to repay a fixed rate loan early, you will pay an extra three months interest regardless of whether you give notice.
- (c) Secured by a first mortgage over a freehold property or leasehold property of equivalent value in the market to freehold (i.e. long leasehold).
- (d) Pre-auction loan/letter of credit. If a Borrower wishes to know he can borrow money for a property to be purchased at auction then the procedure is identical, but:
 - Securitisation is delayed until the completion date of the property purchase.
 - Interest is payable from acceptance until the Borrower advises that funds are no longer required.
 - There is a one-off fee of 1% payable regardless of whether the matter advances to a 'loan'. An additional 1% is payable on completion.
- (e) Wholly or predominantly for the purposes of a business carried on or intended to be carried on (by the borrower).

3.2 We do not accept as security a Borrower's Home

- 3 3 We introduce lending on (by example)
Holiday lets, second homes, farms, farmland, industrial units, shops/shops with flats,
buy to lets, potential development properties, self-build building plots and property
developments

4. **Traffic Light System**

Each Borrower is subject to the (three) green traffic light system which is core to the way in which Folk2Folk will operate before the application for the loan is presented to Lenders. Lenders will be able to rely upon certain basic assumptions when they see the green traffic lights. Those assumptions are as follows

- (a) The view of the Valuer is that the loan will not exceed 60% of the forced sale bricks and mortar value of the security property should it come to the market
- (b) That Folk2Folk has carried out computer based credit referencing checks and found no adverse background to the Borrower that may affect the Lenders decision adversely.
- (c) PSL have satisfied themselves that initially, the Borrower is who they say they are, there are no declared adverse occupiers in the property, and that the Borrower is acting in good faith and that the property is not their Home

5. **The Operation of the Traffic Light System**

- 5 1 We inherently reserve the right to apply the green traffic light system, in any shape or form (which is within the policies described here) that we wish. We may at its entire discretion refuse a green traffic light without giving reasons to the Borrower.
- 5 2 Whether reasons are expressed or not, the rationale is that the green traffic light system relies upon a network of local knowledge, within the South West, of Folk2Folk's Invitation to Borrow Committee ('IBC'), which enables them to appraise situations which are unsuitable, inappropriate, harmful to the community, contain misrepresentations or have undesirable consequences.
- 5 3 Therefore, once the three traffic lights have been granted, the Lender may assume (but not rely legally) that those three green traffic lights represent the best and honest views of Folk2Folk but they should at all times **MAKE THE DECISION THEMSELVES BASED UPON ANY KNOWLEDGE THAT THEY HAVE, THEIR OWN FINANCIAL SITUATION AND ANY ADDITIONAL COUNSEL FROM LEGAL ADVISERS, ACCOUNTANTS OR OTHERWISE THAT THEY WOULD BE SENSIBLE TO TAKE.** In plain English, Folk2Folk only indicate that the loan is suitable to go forward. Thereafter, the decision to lend is yours and yours alone. It is vital for the continuance of Folk2Folk that this distinction is not blurred as to do so would breach important regulatory practices

6. Operations – a statement of intent

There are some broad principles to reflect the simplicity and speed with which we hope to manage and promote Folk2Folk. Those principles are.

- (a) Once a loan application is received it will be passed through the green traffic light system efficiently (usually within 24 to 48 hours). If the same is rejected at that stage, the Borrower will receive notification.
- (b) If an application passes all three green traffic lights it will be passed to our registered and approved Lenders. There will typically be no more than eight Lenders per loan, although for larger loans there may be more in order to fill the loan(s).
- (c) On the assumption that Lenders commit, the Borrower will be notified at the end of that working day that their loan has been approved and funded. We then look for Borrowers to accept the following day so that the loan can swiftly move to securitisation. PSL will be asked to prepare a first legal mortgage to secure the loan and the Lenders will be asked to have their funds drawn down for the agreed completion day.

7. The Invitation to Borrow Committee (IBC)

7.1 The IBC is the key decision maker within Folk2Folk as to whether a loan is suitable for the passing of the three green traffic lights and hence access to the website and its potential Lenders. The IBC comprises of

- (a) A representative of PSL.
- (b) A representative of the appointed Valuer
- (c) An in house fully employed Credit Referencing Operations Officer, supported by the Executive Chairman of Folk2Folk, being a leading figure from the banking industry.

7.2 All three of the IBC have to confirm that a green traffic light applies to any case before it is available to Lenders

7.3 In respect of holidays, sickness and absences of individual members of the Credit Committee, a substitute will be appointed and a term "temporary" attached to their name

7.4 In all mortgages and loan part transfer documentation, we will quote a lender's address as being "c/o Folk2Folk Limited" and state Folk2Folk's postal address. Each Borrower agrees that all notices and communications to be given to a Lender will be sent to Folk2Folk on that Lender's behalf and that this is sufficient to identify the Lenders for the purposes of the mortgages

8. Borrower fees

- 8.1 If you accept a loan, we will charge a completion fee of 2% of the amount borrowed. Please note, however, that 'easy in, easy out' loans incur a charge of 0.5% per annum should it still be active on its first anniversary and every anniversary thereafter. This will need to be paid by the Borrower monthly commencing on the first anniversary, or if in default it will need to be paid on redemption together with interest at the loan interest rate. For fixed rate loans the same applies with the annual fee being 0.25% commencing on the first anniversary payable monthly.
- 8.2 Non-Refundable Costs will be charged to you where you have accepted a loan, but then not proceeded (other than due to a fault on the part of Folk2Folk or its Lenders).
- 8.3 A scale fee (see table below) will be paid to PSL in respect of their securitisation work according to the number of titles and other mortgages to be repaid (if any). The Borrower will pay this amount and the same will be deducted from the amount borrowed (an estimate in advance will form part of the confirmation to the Borrower when the loan is offered).
- 8.4 There are no exit charges in respect of the loan, but a redemption charge of £225.00 plus VAT per discharge of a mortgage document will be raised by PSL in redeeming the payment of the loan and the consequent discharge of the mortgage.
- 8.5 If you choose to repay a fixed rate loan early, you will pay an extra three month's interest regardless of whether you give notice. Folk2Folk may levy an additional fee for placing Lenders' funds elsewhere (see Rules).
- 8.6 The "pre-auction letter of credit" costs are payable on issue of the letter of acceptance and interest is payable until the Borrower advises of unsuccessful bidding at auction, followed by a charge for Non-Refundable Costs.
- 8.7 We will deduct the introduction fee from the amount borrowed before it is transferred to you so you will receive the amount borrowed less the introduction fee, the legal fees and disbursements.
- 8.8 These are likely charges as referred to at 8.3 above.

	Number of titles	One ('Standard Fee')	Two	Three	Four	More than four
Property value						
Up to £99,999		£650.00	Standard fee +100	Standard fee +150	Standard fee +200	Notified following application
£100,000 - £299,999		£725 00	Standard Fee +150	Standard Fee +200	Standard Fee +250	As above
£300,000 - £499,999		£850 00	Standard Fee +150	Standard Fee +200	Standard Fee +250	As above
£500,000 - £749,999		£950.00	Standard Fee +200	Standard Fee +250	Standard Fee +£300	As above
£750,000 - £999,999		£1,050 00	Standard Fee +225	Standard Fee +275	Standard Fee +£325	As above
£1,000,000 plus		Notified following application	See across	See across	See across	As above

Notes:

- 1) All fees/charges strictly exclusive of VAT
- 2) In addition to fees certain disbursements are payable including Land Registry/Companies House fees and any searches that are required.
- 3) We/the nominated solicitors reserve the right to increase the fees if the amount of work required is significantly greater than typically experienced due to the property or the Borrower's conduct
- 4) Fees are subject to review from time to time
- 5) The below fees are incurred on behalf of the Lenders (albeit payable by the Borrower) Any fees a Borrower separately incurs in seeking its own representation is at his or her own cost

- 6) Please note that the above only applies to existing registered titles. Unregistered titles will incur a fee based on complexity of pre-registration titles.
- 7) On a purchase an additional charge of £150 plus VAT will be levied as PSL need to draft an additional form of restriction for the Land Registry.
- 8) PSL will typically charge an additional £100 plus VAT for each existing charge that PSL need to redeem.

8.9 A higher introduction fee may be charged for applications made by registered agents on your behalf

8.10 We may choose to waive or reduce the above stated fees from time to time

9. Paying interest

9.1 The monthly payments of interest to each Lender on a loan in respect of the loans you borrow will be set out in the mortgage or mortgages.

9.2 You will make the payment amounts each month or as otherwise set out in the mortgage or mortgages from your bank or building society account by a standing order. We will charge a fee for any payment made using a credit card. You will make the payment amount due four days before the date specified in the mortgage in order to ensure that funds are received and distributed to lenders. If a cheque is used to pay for any missed payment, then a charge of £10 will be raised

9.3 You may repay an entire loan early at any time by giving three months notice or paying three months interest in lieu. If you have a loan for a fixed term the three month's interest will be payable whether you give notice or not. Folk2Folk also reserve the right to charge an early exit redemption fee on fixed rate loans of 0.25% of the total amount of the original loan (minimum £500 charge applies)

9.4 In the event of a Lender's death the monthly interest payments will continue as before. Folk2Folk is entitled to deal with a deceased loan in the usual course of Folk2Folk's business until such time as executors are appointed for the deceased, provided always Folk2Folk does not do anything that is to the detriment of the deceased estate.

10. Security and the role of PSL

10.1 Each loan and your obligations under the mortgage will be secured by way of a first mortgage agreement between you and the Lender(s). If you are unable to make payments under a mortgage and amounts remain outstanding when due or you default in meeting any material obligations of a loan, Folk2Folk may instruct PSL (as security holder on behalf of the lenders) to enforce the security documentation on behalf of the Lender(s).

- 10 2 You agree that a Lender shall be entitled to be repaid and indemnified of all costs incurred by a lender in connection with any registration of the security held from time to time in respect of your obligations under the mortgage at Companies House, the Land Registry or any other body (as may be appropriate) and that you will, on demand, pay to PSL (as security holder on behalf of the lenders) all such costs.
- 10 3 You agree to maintain adequate insurance over any property provided as security to Folk2Folk's satisfaction. Folk2Folk will then register their interest in the policy. The Borrower will also provide a copy of a valid and up to date insurance policy upon demand.

11. Missing payments

- 11 1 If at any time you believe that you may not be able to make one or more payments under a mortgage, please contact us immediately. If you miss a payment or only partially pay the amount due, we (ourselves or through an agent acting on our behalf) will contact you and ask you to explain why and make arrangements for the payment to be made. If the payment is not brought up to date within three working days of the payment being due, your account will be treated as an overdue account, you will be charged a fee of £12 50 and we will continue to attempt to collect the funds. We may refer the missed payment to PSL, who will attempt to collect the money on the Lenders' behalf.
- 11 2 If payment has still not been made seven days from the date payment was due, PSL may charge you administration fees equal to 15% of the missed payment amount for their work in collecting amounts outstanding which would be in addition to the loan sums due. This fee is payable immediately. They may also charge other fees to cover tracing charges, field agents' costs and litigation costs and expenses.

12. Terminating your association with Folk2Folk

The Lenders may call in your mortgage if:

- (a) you breach these terms and conditions;
- (b) you breach any Mortgage covenant;
- (c) the Lenders suspect that you have committed fraud, been involved in money laundering or other criminal activities.

13. Borrower's agreements with Folk2Folk

- 13.1 Using Folk2Folk does not in any way constitute an obligation on us to procure funding for Borrowers or constitute a warranty by us that funding will be available.
- 13.2 If any personal guarantee is provided of the Borrower's obligations, the Borrower, directors, shareholders and members represent and warrant that there has been no undue influence or inducement of the guarantor.
- 13.3 If you are a Borrower through Folk2Folk, you generally cannot also be a Lender while you have loans outstanding. An exception would be where you are lending in your own individual capacity but you happen to be a director or owner of a business borrowing money. We also retain the discretion to grant specific exceptions to this rule.

14. General terms

- 14.1 The information provided on our website is directed solely at and is for use solely by persons and organisations that meet the criteria set out in section 1 above and the equivalent criteria set out in the terms and conditions applying to Lenders. Our website is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to applicable law or regulation.
- 14.2 You are permitted to download and print content from our website solely for your own personal use or in the course of your business to the extent required to use the services provided on our website. Website content must not be copied or reproduced, modified, redistributed, used or otherwise dealt with for any other reason without our express written consent.
- 14.3 We are not responsible for content downloaded or posted by Lenders or Borrowers on the website. We will not edit content downloaded or posted on the website.
- 14.4 We will endeavour to allow uninterrupted access to the website, but access to the website may be suspended, restricted or terminated at any time.
- 14.5 You agree to use the website only for lawful purposes and in a way which does not infringe the rights of any anyone else or restrict or inhibit anyone else's use and enjoyment of the website.
- 14.6 You agree not to use the Folk2Folk website or any information accessible on or obtained from it for the purpose of canvassing or soliciting any person or enticing any person away from Folk2Folk.
- 14.7 You warrant that you have taken all reasonable precautions to ensure that any data you upload or otherwise submit to the website is free from viruses and anything else

which may have a contaminating or destructive effect on any part of the website or any other technology

- 14.8 The content and material available on the website is for informational purposes only and should not be regarded as an offer, solicitation, invitation, advice or recommendation to buy or sell investments, securities or any other financial services or banking product. If you are unsure about whether a product is suitable you should contact an independent financial adviser
- 14.9 You are responsible for all costs incurred by you in accessing the website
- 14.10 We accept no responsibility or liability for your use of content on the website and such use is entirely at your own risk. While we take reasonable precautions to prevent the existence of computer viruses or other malicious programs on the website, we accept no liability for them if they do exist. It is your responsibility to use, update and maintain appropriate antivirus software on your computer.
- 14.11 Information transmitted via the website will pass over public telecommunications networks. We accept no liability if communications sent via the website are intercepted by third parties or incorrectly delivered or not delivered
- 14.12 The website may contain links to other websites. We accept no responsibility or liability for any material supplied by or contained on any third party website which is linked from or to the website, or any use of personal data by such third party.

15. Privacy

You agree that any and all personal information you provide to us via this website may be collected, stored, processed and used in accordance with our current privacy policy (accessible online at www.folk2folk.com).

16. Intellectual property rights

- 16.1 Subject to section 16.3 below, as between you and us, we own all present and future copyright, registered and unregistered trademarks, design rights, unregistered designs, database rights and all other present and future intellectual property rights and rights in the nature of intellectual property rights existing in or in relation to the website.
- 16.2 You shall retain ownership of all copyright in data you upload or submit to the website. You grant us a world-wide exclusive, royalty-free, non-terminable licence to use, copy, distribute, publish and transmit such data in any manner
- 16.3 We do not warrant or represent that the content of the website does not infringe the rights of any third party.

17. Your liability to us

You shall be liable to us for any loss or damage suffered by us as a result of any breach of these terms and conditions as relates to Folk2Folk

18. Our liability to you

- 18.1 We shall not be liable to you for any loss or damage which you may suffer as a result of being a user of Folk2Folk or using the services provided via us, except where wilful default or fraud by us or our employees. We are not responsible for any breach of these terms and conditions arising from circumstances outside our reasonable control.
- 18.2 Nothing in these terms and conditions shall limit our liability for personal injury or death, fraud nor for any other liability, the exclusion or limitation of which is not permitted by applicable law or regulation.

19. About us

- 19.1 Folk2Folk Limited is a company incorporated in England and Wales, whose registered number is 08178576 and whose registered office is at 15-19 Westgate Street, Launceston, Cornwall PL15 7AB. Folk2Folk is a trading name of Folk2Folk Limited.
- 19.2 Folk2Folk Limited is registered with the Information Commissioner (Registration Number Z346737X expiry date 10 December 2015)
- 19.3 Folk2Folk Limited has a Consumer Credit License granted by the Office of Fair Trading (OFT) (Licence No 653790) This licence facilitates loans to sole traders and partnerships

20. Contacting us

Should you have any questions about these terms and conditions, or wish to contact us for any reason whatsoever, please contact us via the Folk2Folk website www.folk2folk.com.

21. Amendments to these terms and conditions

We may update or amend these terms and conditions from time to time to comply with law or to meet our changing business requirements. We may not always be able to give you advanced notice of such updates or amendments but we will always post them on the website so you can view them when you next log in. By continuing to use the website, you agree to be bound by the terms of these updates and amendments

22. Other important terms

- 22.1 If any of these terms and conditions is found to be illegal, invalid or unenforceable by any court of competent jurisdiction, the remainder shall continue in full force and effect
- 22.2 All disclaimers, indemnities and exclusions in these terms and conditions shall survive termination of the agreement between us for any reason.
- 22.3 We may, in whole or in part, release, compound, compromise, waive or postpone, in our absolute discretion, any liability owed to us or right granted to us in these terms and conditions without in any way prejudicing or affecting our rights in respect of that or any other liability or right not so released, compounded, compromised, waived or postponed
- 22.4 No single or partial exercise, or failure or delay in exercising any right, power or remedy by us shall constitute a waiver by us of, or impair or preclude any further exercise of, that or any right, power or remedy arising under these terms and conditions or otherwise
- 22.5 These terms and conditions and the mortgages set out the entire agreement between you and us with respect to your use of the Folk2Folk and the services provided and supersede any and all representations, communications and prior agreements (written or oral) made by you or us
- 22.6 Folk2Folk may exercise any of its rights under these terms and conditions by itself or through any company or other legal entity which is under the control or ownership of Folk2Folk (including without limitation PSL)
- 22.7 These terms and conditions are governed by English law. In the event of any matter or dispute arising out of or in connection with these terms and conditions, you and we shall submit to the non-exclusive jurisdiction of the English courts
- 22.8 Folk2Folk may appoint another firm or firms of solicitors to carry out any legal work in place of PSL from time to time