

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
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 the charge is
instrument Use form MRC1



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A19

17/07/2014

#171

COMPANIES HOUSE

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
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. This will be
scanned and placed on the public record. **Do not send the original**

1

Company details

Company number 07061171

Company name in full Tom Hartley Cars Limited

For official use

→ **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 3 0 0 6 2 0 1 4

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 Carl William Hartley

Name

Name

Name

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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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

Brief description

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

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

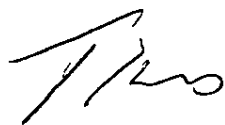
Signature

Please sign the form here

Signature

Signature

X



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

Company name

Tozers LLP

Address Broadwalk House

Southernhay West

Post town Exeter

County/Region Devon

Postcode

E X 1 1 U A

Country

DX DX8322 EXETER

Telephone 01392 207020



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: 7061171

Charge code: 0706 1171 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th June 2014 and created by TOM HARTLEY CARS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th July 2014.

Given at Companies House, Cardiff on 24th July 2014



Companies House



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

DATED 30-6- 2014

DEBENTURE

between

(1) TOM HARTLEY CARS LIMITED

and

(2) CARL WILLIAM HARTLEY

TOZERS LLP
Certified to be a true copy
of the original document
Solicitor
Dated 16.07.2014

THIS DEED OF DEBENTURE is dated 30 June 2014

BETWEEN:

- (1) **TOM HARTLEY CARS LIMITED** (Company No 07061171) of The Exchange, Haslucks, Green Road, Shirley, Solihull, B90 2EL (the "Chargor")
- (2) **CARL WILLIAM HARTLEY** of 159 Moira Road, Overseal, Swadlincote, DE12 6JD (the "Chargee").

BACKGROUND:

- (A) The Chargor enters into this Deed to secure the repayment and satisfaction of the Secured Liabilities.
- (B) The Chargor and the Chargee intend that this document take effect as a deed notwithstanding that it may be executed under hand.

IT IS AGREED:

1. INTERPRETATION

1.1 Definitions

In this Deed:

"Book Debts" means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Chargor; and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

"Encumbrance" means any mortgage charge pledge lien assignment hypothecation security interest preferential right or trust arrangement or other encumbrance security agreement or arrangement of any kind or any right conferring a priority of payment.

"Event of Default" means any event described as such in Clause 6.

"Fixtures" means all fixtures and fittings (including those of trade) and fixed plant and machinery on the Mortgaged Property

"Insurances" means all contracts and policies of insurance taken out by or for the Chargor or in which the Chargor has an interest (to the extent of that interest).

"Intellectual Property" means all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered and unregistered service marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing.

"Know-how" means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by the Chargor and relating to its business, which is not in the public domain.

"Loan Account" means the Director's loan account from time to time under which the Chargee has agreed to make available credit facilities to the Chargor.

"Mortgaged Property" means any freehold or leasehold property (including the Premises) the subject of the security created by this Deed.

"Permitted Encumbrance" means any Encumbrance:

- (a) relating to an asset subject to the floating charge in Clause 3.1, necessary for the day-to-day running of the Chargor and granted by the Chargor in the ordinary course of its business; or
- (b) which the Chargor is permitted to enter into by the Chargee or is subject to a priority deed entered into by, inter alia, the Chargor and the Chargee.

"Plant" means all plant and machinery, equipment, computers and computer hardware and software (whether licensed or unlicensed), fittings, installations and apparatus, vehicles, tools, furniture and all attachments, accessions and property relating to it or used in connection with it and replacements and substitutions for it and all other such assets (other than Fixtures) whatsoever, wherever situate.

"Premises" means any building or other edifice on the Mortgaged Property or other Security Asset.

"Receiver" means a receiver and manager or (if the Chargee so specifies in the relevant appointment) a receiver or an administrator or an administrative receiver, in either case, appointed under this Deed or pursuant to any statute.

"Secured Liabilities" means all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other

capacity whatsoever, of the Chargor to the Chargee, including for the avoidance of doubt, the Loan Account.

"Security Assets" means all assets of the Chargor the subject of any security created by this Deed (and includes the Mortgaged Property).

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Chargee is satisfied that the Secured Liabilities have been irrevocably and unconditionally satisfied in full. If the Chargee considers that any amount paid by the Chargor and/or in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

"Stock" means the Chargor's stock and inventory at any time which, for the avoidance of doubt, includes any finished goods, raw materials or unfinished goods.

1.2 Construction

- (a) Any reference in this Deed to any assets or accounts includes present and future assets or accounts and any substitutes of such assets or accounts, unless the context requires otherwise.
- (b) Any reference in this Deed, express or implied, to any enactment includes references to any amendment, re-enactment, and/or legislation subordinate to that enactment and/or any permission of whatever kind given under that enactment.
- (c) The headings in this Deed do not affect its interpretation.
- (d) Any reference in this Deed to a charge or mortgage of any freehold or leasehold property includes all Premises and Fixtures on that property, the proceeds of sale of any part of that property, and the benefit of any covenants for title (or any moneys paid or payable in respect of them) given or entered into by any predecessor in title in respect of that property.
- (e) Any obligation in this Deed to commit or not to commit any act or thing shall be deemed to include a like obligation to procure or not to permit any such act or thing.
- (f) Any reference in this Deed to, and the definition of, any document (including this Deed) is a reference to such document as it may be amended, supplemented, modified and replaced (in whole or in part), but disregarding any such change taking place otherwise than in accordance with this Deed.
- (g) Any reference in this Deed to any party or person includes any person deriving title from it or any successor, transferee or assignee.
- (h) Any reference in this Deed to a **"person"** includes any individual, Chargor, corporation, partnership, firm, joint venture, association, organisation, trust, state or state agency (in each case, whether or not having a separate legal personality).

- (i) Save where the context requires otherwise, words in this Deed in the singular shall include the plural and vice versa.
- (j) A reference in this Deed to Clauses and Schedules are a reference to the clauses of and schedules to this Deed.

2. FIXED SECURITY

2.1 Creation

The Chargor, as security for the payment and performance of the Secured Liabilities and in the manner specified in Clause 2.3 of this Deed:

- (a) charges in favour of the Chargee by way of a legal mortgage all the property (if any) now belonging to it and specified in Schedule 1 and all other interests in any freehold or leasehold property now or in the future belonging to it; and
- (b) charges in favour of the Chargee by way of a fixed charge:
 - (i) (to the extent that they are not within paragraph 2.1(a)) all interests in any freehold or leasehold property now or in the future belonging to it;
 - (ii) all of its rights and benefit under any agreement relating to the acquisition of the Mortgaged Property by it or for it and the benefit of all agreements, contracts, deeds, undertakings, guarantees, warranties and other documents now or hereafter in existence in relation to the Mortgaged Property;
 - (iii) all Plant now or in the future belonging to it and its interest in any Plant in its possession now or in the future and in all Fixtures;
 - (iv) all of its benefits, claims and returns of premiums in respect of the Insurances;
 - (v) all cash and moneys standing to the credit of any account (notwithstanding that the existence of such an account may be in breach of this Deed) with any person and the debts represented by them;
 - (vi) its goodwill and its uncalled capital;
 - (vii) its Book Debts, both uncollected and collected, the proceeds of the same and all moneys otherwise due and owing to it;
 - (viii) the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 2.1(b)(vii);
 - (ix) its rights under any hedging arrangements;
 - (x) any of its beneficial interest, claim or entitlement in any pension fund;

- (xi) the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business or the use of any Security Asset and the right to recover and receive all compensation which may be payable to it;
- (xii) its Stock;
- (xiii) its Intellectual Property;
- (xiv) all shares (or other stocks) held now or in the future by it, provided that:
 - (1) whilst no Event of Default exists, all dividends and other distributions paid or payable in respect of such shares may be paid directly to the Chargor and, if paid directly to the Chargee shall be paid promptly by it to the Chargor; and
 - (2) whilst no Event of Default exists, all voting rights attaching to such shares may be exercised by the Chargor.

2.2 Assignments

The Chargor, in the manner specified in Clause 2.3 of this Deed, assigns to the Chargee by way of security all of its right, title and interest (if any) in and to:

- (a) all rental income and any guarantee of any rental income contained in or relating to any lease or other occupational arrangements affecting the Mortgaged Property;
- (b) the Insurances; and
- (c) its rights under any contracts, agreements or instruments entered into by the Chargor from time to time.

2.3 Title Guarantee

- (a) Every disposition effected by this Deed is made with full title guarantee.
- (b) The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.

3. FLOATING CHARGE

3.1 Creation

The Chargor as security for the payment of the Secured Liabilities and in the manner specified in Clause 2.3 of this Deed charges in favour of the Chargee by way of a floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by Clause 2.

3.2 Conversion by notice

The Chargee may by notice to the Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of the Chargor's assets specified in the notice if:

- (a) the Chargee has reasonable grounds for considering those assets to be in jeopardy, by legal process or otherwise;
- (b) any steps are taken by the Chargee to enforce the Finance Documents; or
- (c) an Event of Default has occurred.

3.3 Automatic conversion

The floating charge created by this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of the Chargor on the convening of any meeting of the members of the Chargor to consider a resolution to wind the Chargor up (or not to wind the Chargor up) provided that this Clause 3.3 shall not apply to any of the Chargor's undertaking and assets situate in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

3.4 No waiver

The giving by the Chargee of a notice pursuant to Clause 3.2 in relation to any class of the Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Chargee's rights to give other similar notices in respect of any other class of assets.

4. REPRESENTATION

4.1 Making of the representation

The Chargor makes the representations in this Clause 4 to the Chargee.

4.2 Capacity

The Chargor has the capacity, power and authority to enter into this Deed and the obligations assumed by it are its legal, valid, binding and enforceable obligations.

4.3 Constitutional Documents

The Chargor hereby certifies that its creation by this Deed of security in favour of the Chargee does not contravene any of the provisions of its constitutional documents.

4.4 Qualifying Floating Charge

The floating charge created by this Deed is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

5. UNDERTAKINGS

5.1 Duration

The undertakings in this Clause 5 shall remain in force throughout the Security Period and are given by the Chargor to the Chargee.

5.2 Restrictions on dealings

The Chargor shall not without the prior written consent of the Chargee:

- (a) create or permit to subsist any Encumbrance of whatsoever nature on any Security Asset other than a Permitted Encumbrance;
- (b) deal with its Book Debts otherwise than by collecting them in the ordinary course of business and will not charge, factor, discount or assign any of its Book Debts in favour of any third party, or
- (c) sell, transfer, grant, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created by Clause 3.1.

5.3 Future Acquisitions and Legal Mortgage

The Chargor shall:

- (a) notify the Chargee immediately upon the acquisition by it of any freehold or leasehold or other interest in property;
- (b) at its cost, execute and deliver to the Chargee, on demand, a legal mortgage (on terms no more onerous than this Deed) in favour of the Chargee of any freehold or leasehold or other interest in property which becomes vested in it after the date of this Deed; and
- (c) in any event, if applicable, give H.M. Land Registry written notice of this Deed and procure that notice of it be duly noted in the Registers to each such title.

5.4 Notice to Persons

The Chargor shall, at the direction of the Chargee, give notice of the security contained herein to such person and in such form as the Chargee may reasonably specify and shall use reasonable endeavours to procure that such person acknowledges promptly that notice in such form as the Chargee may reasonably require.

5.5 Not to jeopardise this Security

The Chargor will not do or allow to be done anything which could reasonably be expected materially to decrease the value of the Security Assets to the Chargee (other than fair wear and tear arising from the use of the Security Assets in the ordinary course of business).

5.6 Mortgaged Property

The Chargor undertakes to the Chargee at all times:

- (a) to keep the Mortgaged Property in good and substantial repair and condition;
- (b) to pay punctually all rents, rates, duties, assessments and other outgoings payable in respect of the Mortgaged Property;
- (c) to perform and observe all covenants, (positive and restrictive), conditions and stipulations from time to time affecting the Mortgaged Property or the use or enjoyment of it; and
- (d) not without the prior written consent of the Chargee to carry out or permit any demolition, reconstruction or rebuilding of or any structural alteration to or material change in the use of the Mortgaged Property, or apply for planning permission, or remove any of the fixtures on the Mortgaged Property (except in connection with the renewal or replacement of them);

5.7 Insurance

- (a) The Chargor will insure all of the Security Assets (which are of an insurable nature) against all risks normally insured against by persons carrying on the same class of business as that carried on by it in a sum or sums not less than the replacement value of the Security Assets with an insurance company or underwriters acceptable to the Chargee.
- (b) The Chargor will procure that a note of the Chargee's interest is endorsed upon all policies of insurance maintained by the Chargor
- (c) The Chargor will not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Security Assets.
- (d) The Chargor will, immediately on demand by the Chargee, produce to the Chargee the policy, certificate or cover note relating to any insurance policy and the receipt for the payment of the last premium.

5.8 Compliance

The Chargor shall comply with all laws, directives, governmental guidance and regulations applying to it and obtain all necessary licenses, authorisations and permissions necessary for it to conduct its business (and shall produce evidence of the same to the Chargee upon request).

6. DEFAULT

6.1 Events of Default

Each of the events set out in Clause 6.1 is an Event of Default (howsoever caused):

(a) **Non-Payment**

The Chargor fails to pay any sum which is due and payable to the Chargee;

(b) **Breach of other obligations;**

The Chargor breaches the terms of the Finance Documents or any of its other material obligations to the Chargee;

(c) **Breach of Warranty;**

A warranty made or repeated by the Chargor to the Chargee is materially incorrect and the Chargee has relied upon the same and suffered material loss as a result;

(d) **Creditors' process;**

Any attachment, sequestration, distress or execution affects any material asset of the Chargor and is not discharged within 28 days;

(e) **Insolvency**

(i) The Chargor is unable to pay its debts as they fall due (within the meaning of Section 123(1)(e) of the Insolvency Act 1986) or to be insolvent, or admits inability to pay its debts as they fall due;

(ii) The Chargor suspends making payments on all or any class of its debts or announces an intention to do so or a moratorium is declared in respect of any of its indebtedness;

(f) **Insolvency proceedings**

(i) A meeting is convened for the purpose of considering a composition, assignment or arrangement with any creditors of the Chargor;

(ii) A meeting is convened for the purpose of considering any resolution for (or to petition for) the winding-up of the Chargor or for its administration or any such resolution is passed;

(iii) Any person presents a petition for the winding-up or for the administration of the Chargor and such petition is not discharged (in the case of a liquidation petition) within twenty eight days or (in the case of an administration petition) seven days of its presentation;

(iv) An order for the winding-up or administration of the Chargor is made;

(g) Appointment of receivers and managers

- (i) Any liquidator, administrative receiver, receiver, administrator or the like is appointed in respect of the Chargor or any part of its assets;
- (ii) The directors of the Chargor request the appointment of a liquidator, receiver, administrative receiver, administrator or the like, or
- (iii) Any other steps are taken to enforce any Encumbrance over any part of the assets of any member of the Chargor,

provided that any such act carried out with the consent of the Chargee shall not be deemed to be an Event of Default;

(h) Cessation of business

The Chargor ceases to carry on all or a substantial part of its business;

(i) Material adverse change

Any event or series of events occurs which is likely to have a material and adverse effect on the capacity of the Chargor to repay amounts owing to the Chargee;

(j) Allegations of ineffectiveness

This Deed is alleged by the Chargor not to be, binding on or enforceable against it or effective to create the Encumbrances intended to be created by it;

(k) Unlawfulness

It is or becomes unlawful for the Chargor to perform any of its obligations under this Deed;

(l) Change of Control

Control (as defined in section 435 Insolvency Act 1986) of the Chargor is acquired by any person or group of associates (as defined in such section) not having control of the Chargor at the date of this Deed.

6.2 Acceleration

On and at any time after the occurrence of an Event of Default and at any time whilst the relevant Event of Default is continuing the Chargee may by notice to the Chargor demand that all or part of the Secured Liabilities, together with accrued interest and all other amounts accrued be immediately due and payable, and upon the giving of such notice they shall become immediately due and payable.

7. WHEN SECURITY BECOMES ENFORCEABLE

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred, whether by section 101 of the Law of Property Act 1925 or otherwise, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default after which the Chargee may in its absolute discretion enforce all or any part of the security in any manner it sees fit.

8. ENFORCEMENT OF SECURITY

8.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due on the date of this Deed.
- (b) Section 103 of the Law of Property Act (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) do not apply to the security constituted by this Deed.
- (c) The statutory powers of leasing conferred on the Chargee are extended so that, without the need to comply with any provision of section 99 or 100 of the Law of Property Act 1925, the Chargee is empowered to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargee may think fit.

8.2 Agent of the Chargor

For all purposes each Receiver is deemed to be the agent of the Chargor and to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. The Chargor alone shall be responsible for the receivers contracts, engagements, commissions, omissions, defaults and losses and for liabilities incurred by him. The Chargee shall not incur any liability of whatsoever nature (either to the Chargor or to any other person) by reason of the Chargee making his appointment as a Receiver or for any other reason.

8.3 Contingencies

If the Chargee enforces the security constituted by this Deed at a time when no amounts are due to the Chargee but at a time when amounts may or will become so due, the Chargor (or the Receiver) shall hold the proceeds of any recoveries effected by it on trust for itself.

8.4 Mortgagee in Possession - No Liability

Neither the Chargee nor any Receiver or Manager will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might otherwise be liable.

8.5 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers when such receivers have been duly appointed under that Act, except that section 103 of that Act does not apply.

8.6 Protection of third parties

No person (including a purchaser) dealing with the Chargee or a Receiver or its or his agents need enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power purported to be exercised has become exercisable; or
- (c) whether any money remains due; or
- (d) how any money paid to the Chargee or to the Receiver is to be applied.

8.7 Redemption of prior Mortgages

At any time after the security constituted by this Deed has become enforceable, the Chargee may, at the sole cost of the Chargor (payable to the Chargee on demand):

- (a) redeem any prior form of security against any Security Asset; and/or
- (b) procure the transfer of that form of security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargor.

9. RECEIVER

9.1 Appointment of Receiver

- (a) At any time after the security constituted by this Deed becomes enforceable, or, at any time if so requested by the Chargor in writing, without further notice, the Chargee may appoint in writing under seal or under its hand any one or more persons to be a Receiver of all or any part of the Security Assets as if the Chargee had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under that Act.
- (b) At any time after the Security constituted by this Deed becomes enforceable, without further notice the Chargee may appoint (or apply to the court to appoint) any one or more qualified persons to be an administrator of the Chargor.

- (c) In this Deed "qualified person" means a person who, under any applicable provision of the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or as an administrator of any such company.

9.2 Relationship with the Chargee

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be it express or implied) upon a Receiver of any Security Assets may, after the security created by this Deed has become enforceable, be exercised by the Chargee in relation to any Security Asset either:

- (a) without first appointing a Receiver; or
- (b) notwithstanding the appointment of a Receiver.

9.3 Removal

The Chargee may by writing under its hand (subject to any requirement for any order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

9.4 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it.

10. POWERS OF RECEIVER

10.1 General

- (a) In addition to those conferred by the Law of Property Act 1925 on any receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this Clause 10.
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.
- (c) A Receiver who is an administrative receiver of the Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of the Chargor if he so wishes:

- (i) do all other acts and things which he may consider expedient for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
- (ii) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner.

10.2 Borrow Money

A Receiver may raise and borrow money (either unsecured or on the security of any Security Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

10.3 Carry on Business

A Receiver may carry on the business of the Chargor as he thinks fit.

10.4 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

10.5 Delegation

A Receiver may delegate his powers in accordance with Clause 13

10.6 Employees

For the purposes of this Deed, a Receiver may

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the Chargor.

10.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks proper and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

10.8 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Security Asset as he considers expedient.

10.9 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

10.10 Protection of Assets

A Receiver may, in each case as he may think fit:

- (a) make and effect all repairs and insurances and do all other acts which the Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Security Assets;
- (b) commence and/or complete any building operations on the Mortgaged Property or other Security Asset; and
- (c) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

10.11 Receipts

A Receiver may give valid receipts for all moneys and execute all assurances and things which may be expedient for realising any Security Asset.

10.12 Sale of assets

A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit. Fixtures may be severed and sold separately from the property containing them without the consent of the Chargor.

10.13 Subsidiaries

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Security Asset.

10.14 Possession/management

A Receiver may take possession of and generally manage the Security Assets and any business of the Chargor;

10.15 Contracts

A Receiver may enter into, carry into effect, complete, deliver, perform, repudiate, rescind or vary any deed, contract, transaction or arrangement to which the Chargor is or is to be a party;

10.16 Work on the Mortgaged Property

A Receiver may:

- (a) carry out on any Mortgaged Property (or on any other property which it may in his opinion be necessary or desirable to work upon) any new works or complete any unfinished works of building, reconstruction, maintenance, furnishing or equipment and to apply for and obtain all planning permissions, building regulation approvals and other permissions, consents or licences as may be necessary or desirable for such purposes; and
- (b) purchase or acquire any land and purchase, acquire, grant or release any interest in or right over land and enter into, take or release the benefit of covenants (positive or restrictive) binding on or benefiting the Mortgaged Property.

11. APPLICATION OF PROCEEDS

Any moneys received by the Chargee or any Receiver after this Deed has become enforceable shall be applied in the following order of priority (but without prejudice to the right of the Chargee to recover any shortfall from the Chargor).

- (a) in satisfaction of or provision for all costs and expenses incurred by the Chargee or any Receiver and of all remuneration due to any Receiver under this Deed;
- (b) in or towards payment of the Secured Liabilities or such part of them as is then due and payable to the Chargee; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

12. EXPENSES AND INDEMNITY

12.1 Expenses

Immediately upon demand, the Chargor shall pay all other costs and expenses (including legal fees and VAT) incurred from time to time in connection with the enforcement of or preservation of rights under this Deed by the Chargee, or any Receiver, attorney, manager, agent or other person appointed by the Chargee under this Deed or by statute, and keep each of them indemnified against any failure or delay in paying the same (including any arising from any actual or alleged breach by any person of any Environmental Law or Licence).

12.2 Indemnity

The Chargor will indemnify the Chargee on demand against any loss or expense (including, without limitation, legal fees) sustained or incurred as a result either of a failure by the Chargor to perform any of its covenants or obligations under this deed or of any representation or warranty made in this deed having been incorrect when made.

13. DELEGATION

The Chargee and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Chargee under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Chargee or such Receiver (as the case may be) may think fit. Neither the Chargee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

14. FURTHER ASSURANCES

The Chargor shall, at its own expense, take whatever action (including payment of all stamp duties and other registration fees) the Chargee or a Receiver may reasonably require for:

- (a) perfecting or protecting the security intended to be created by this Deed over any Security Asset; and
- (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Chargee or any Receiver or any of its or their delegates or sub-delegates in respect of any Security Asset, including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Chargee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Chargee may think expedient.

15. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Chargee, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed, including, without limitation, under Clause 14. The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause.

16. MISCELLANEOUS

16.1 Additional Security

The security constituted by this Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Chargee for any of the Secured Liabilities.

16.2 Continuing Security

The security constituted by this Deed is continuing and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

16.3 Covenant to pay

The Chargor shall pay or discharge the Secured Liabilities in the manner provided for in any document creating or evidencing the Secured Liabilities and/or otherwise as agreed from time to time.

16.4 Counterparts

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

16.5 Assignment

- (a) The Chargor may not assign or transfer its rights under this Deed.
- (b) The Chargee may at any time assign or transfer all or any of its rights and benefits under this Deed to any person to whom the Chargee may assign or transfer all or any part of its rights and benefits under the Loan Account.

16.6 Partial Invalidity

Every provision contained in this Deed shall be severable and distinct from every other provision, and if at any time any one or more of such provisions is, or becomes, invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining such provisions shall not in any way be affected thereby.

16.7 Remedies, waivers, amendments and consents

- (a) No failure on the part of the Chargee or the Receiver to exercise, and no delay on its part in exercising, any right, power or privilege under this Deed shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude any other or further exercise thereof or any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided at law.
- (b) Any provision of this Deed may be amended, supplemented or novated only if the Chargee agrees in writing. Any waiver of, and any consent or approval by the Chargee under, any provision of this Deed shall not be effective unless it is in writing, and may be given subject to any conditions thought fit by the Chargee, may be withdrawn or modified at any time, and shall be effective only in the instance, and for the purpose, for which it is given.

16.8 H.M. Land Registry

Where all or part of the Security Assets comprises registered land, the Chargor authorises and requests the Chief Land Registrar to enter a restriction on the Register of Title to the land in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated • in favour of Carl William Hartley."

For the purposes of New Rule 77(A)(3) of the Land Registration (Implied Covenants for Title) Rules 1995, the covenants implied by sections 2 to 5 (inclusive) of the Law of Property (Miscellaneous Provisions) Act 1994 are modified and extended by the provisions of this Deed.

16.9 Tacking

The Chargee covenants with the Chargor that it shall perform its obligations under any document creating or evidencing the Secured Liabilities (including any obligation to make available further advances).

16.10 Third Party Rights

Nothing in this Deed is intended to confer on any person any right to enforce any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

17. RELEASE

Upon the expiry of the Security Period (but not otherwise), the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from the security constituted by this Deed and/or reassign the benefit of the Security Assets to the Chargor.

18. NOTICES

18.1 Delivery and Receipt

All notices pertaining to this Deed shall be given:

- (a) in writing, delivered by hand or by pre-paid first-class post or other next working day delivery service; and
- (b) by facsimile.

18.2 Any notice or other communication shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form,

save that any notice delivered or received on a non-working day or after business hours shall be deemed to be given on the next working day at the place of delivery or receipt.

18.3 Addresses

- (a) The Chargor's address for notices is:

The Exchange, Haslucks, Green Road, Shirley, Solihull, B90 2EL

For the attention of. THOMAS HARTLEY JUNIOR

or such as the Chargor may notify to the Chargee by not less than 10 days' notice.

(b) The Chargee's address for notices is:

159 Moira Road, Overseal, Swadlincote, DE12 6JD

For the attention of: CARL WILLIAM HARTLEY

or such as the Chargee may notify to the Chargor by not less than 10 days' notice.

19. GOVERNING LAW

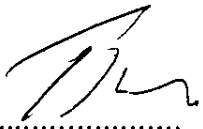

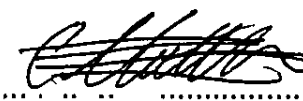
This Deed is governed by English law and the parties submit to the exclusive jurisdiction of the English courts

This Deed has been entered into as a deed stated at the beginning of this Deed.

SIGNATORIES


The Chargor

Executed as a deed by
TOM HARTLEY CARS LIMITED
acting by two of its directors
or one director and its secretary


.....
Director
  CH
.....
Director/Secretary

The Chargee

Executed as a deed by
CARL WILLIAM HARTLEY


.....

In the Presence of



JANET HENDRICK

Print name

Address:

10 RADLEIGH GRANGE

WOODVILLE

Occupation:

SWADLINCOTE

DERBYSHIRE DE11 1DF .