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| DATED 2017 |
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| MEMBERS’ AGREEMENT FOR A LIMITED LIABILITY PARTNERSHIP  between |
|
| **CLARENDON LIVING LIMITED**  and  [TRADCO] LIMITED  and  **[SALE] LLP** |
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**THIS DEED IS DATED 2017**

**Between**

1. **CLARENDON LIVING LIMITED** a company limited by shares incorporated in England under company registration number **05670451** and whose registered office is at Gateway House, 59 Clarendon Road, Watford, Herts, WD17 1LA (“**Clarendon**”); and
2. **[TRADCO] LIMITED** a company limited by shares incorporated in England under company registration number **[]** and whose registered office is at [] (“**Company**”); and
3. **[SALE] LLP** a limited liability partnership incorporated in England with registration number [] whose registered office is at [] (the “**Partnership”**).

**Background**

1. The Partnership was incorporated as a limited liability partnership under the Act (as defined in clause 1.1) on [] 2017.
2. The Partnership has been incorporated for the purpose of carrying on the Partnership Business (as defined in clause 1.1).
3. This Members’ Agreement sets out the mutual rights and duties of the Partners vis-à-vis the Partnership and as amongst themselves.

**Agreed Terms**

1. INTERPRETATION
   1. The definitions and rules of interpretation in this clause apply in this Members Agreement.

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| **Accounting Reference Date:** | 31 March or such other date as determined in accordance with this Members’ Agreement. |
| **Act:** | the Limited Liability Partnerships Act 2000 and any amendments to that Act. |
| **Auditors:** | means the auditors of the Partnership at the relevant time. |
| **Bank:** | Barclays Bank plc or such other bank as may be appointed in accordance with this Members’ Agreement. |
| **Business Day:** | a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business. |
| **Capital Contribution:** | means any Initial Capital Contributions and Further Capital Contributions made by a Partner from time to time. |
| **“Commercially Sensitive Information”** | means information of a commercially sensitive nature comprising trade secrets or Intellectual Property of Clarendon and/or the Partnership and information whose disclosure Clarendon and/or the Partnership has indicated to the Company that, if disclosed by the Company, would cause Clarendon and/or the Partnership (as the case may be) significant commercial disadvantage or material financial loss; |
| **Companies Act:** | the relevant provisions of the Companies Act 2006 (as amended), as are applied to limited liability partnerships in accordance with regulations made under the Act. |
| **Confidential Information:** | any of the following information, documents, papers or property which, at any time, comes into the Parties possession or under its control in the course of the Business and which the Partnership regards or could reasonably be expected to regard as confidential, whether or not such information is, in itself, confidential, marked as "confidential" or reduced to tangible form:  (a) any information relating to the Partnership or the Partnership Business;  (b) any information relating to the prospective business, technical processes, computer software, Intellectual Property or finances of the Partnership, including price lists, lists and details of customers and suppliers;  (c) any information relating to the affairs of any customers, supplier, agent, distributor or sub-contractor of the Partnership;  (d) all documents, papers and property which may have been made or prepared by, or at the request of, the Partnership or which come into the Partnership’s possession or under its control in the course of the Partnership Business; and  (e) compilations of two or more items of such information and all information which has been, or may be, derived or obtained from any such information. |
| **Corporate Representatives:** | means the corporate representatives defined in clause 13.5 and each shall be a “**Corporate Representative**”. |
| **Defaulting Partner:** | has the meaning given to it in clause 16.5. |
| **Designated Members:** | means each of Clarendon and the Company for the purposes of the Companies Act. |
| **Effective Date:** | means that date of completion of this Members’ Agreement. |
| Financial Year**:** | in relation to the Partnership, means the period of 12 months commencing on 1 April and ending on 31 March each year. |
| **Further Capital Contributions:** | means a further contribution by way of Partnership Capital made from time to time by a Partner or Partners pursuant to clause 10.2. |
| **“Information”** | has the meaning given under Section 84 of the Freedom of Information Act 2000; |
| **Initial Capital Contributions:** | means the capital contributions of the Partners as at the Effective Date as set out in clause 10.1. |
| **Insolvency Act:** | the relevant provisions of the Insolvency Act 1986 (as amended), as are applied to limited liability partnerships in accordance with regulations made under the Act. |
| **Intellectual Property:** | patents, rights to inventions, copyright and related rights, moral rights, trademarks, service marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world. |
| **Interest Rate:** | a rate of 2% per annum above the base rate from time to time of the Bank. |
| **JV Group:** | means the Parties and [RentCo] Limited. |
| **Loan Note Instrument:** | the loan note instrument in respect of the Partner’s Loan constituting the Loan Notes to be issued by the Partnership to the Partners pursuant to this Members’ Agreement in a form to be agreed between the Partners from time to time. |
| **Loan Notes:** | means the loan notes to be issued by the Partnership pursuant to the Loan Note Instrument and clause 8 of this Members’ Agreement. |
| **Loan Value:** | shall have the meaning set out in Clause 8.1. |
| **Members’ Agreement:** | means this members’ agreement (including the Schedules hereto) as amended from time to time (in accordance herewith). |
| **Name:** | means the name, [Sale] LLP or such other name which the Partners may from time to time agree should be the name of the Partnership and registered with the Registrar of Companies. |
| **Non-Defaulting Partner:** | has the meaning given to it in clause 16.2. |
| **Parties:** | includes Clarendon, the Company and the Partnership and “**Party**” means any one of them. |
| **Partners:** | means Clarendon and the Company and “**Partner**” means any one of them. |
| **Partners’ Current Accounts:** | means the accounts between the Partnership and the Partners according to the sum due to and from the Partners from time to time and recorded under the heading “loans and other debts due to Partners” on the balance sheet comprising part of the Accounts and “**Partner’s Current Account**” shall be construed accordingly. |
| **Partner’s Loan:** | the loan to be provided by each Partner pursuant to the terms of this Members’ Agreement and the relevant Loan Note Instrument. |
| **Partner’s Loan Account:** | means in respect of each Partner, the aggregate of any loans made by that Partner to the Partnership at that time standing to the credit of that Partner and including any interest payable thereon and together both Partners’ loan accounts shall be referred to as the “**Partners’ Loan Accounts**”. |
| **Partnership Board:** | the board of management of the Partnership consisting of 2 Corporate Representatives from each of the Partners and acting as the decision making body of the Partnership. |
| **Partnership Business:** | the business of developing new housing in the administrative area of Three Rivers and such other wider geographical areas as the Partners agree; the sale of the new build residential dwellings and the provision of design and build services to the JV Group or any such other business determined in accordance with this Members’ Agreement. |
| **Partnership Capital:** | means the aggregate of the sum of the Initial Capital Contributions and the sum of any Further Capital Contributions. |
| **Partnership Capital Account:** | has the meaning attributed to it in clause 10.4. |
| **Prescribed Manner:** | means (unless otherwise agreed by the Partners) valued by an appropriately qualified professional valuer and marketed for sale on the open market for a period of not less than six (6) months and, if unsold at the end of such period, auctioned at a reputable auction house. |
| **Profits:** | means the revenue and capital profits of the Partnership Business as shown in the Accounts. |
| **Registered Office:** | the registered office of the Partnership that the Designated Members have registered with the Registrar of Companies. |
| **Regulations:** | the Limited Liability Partnerships Regulations 2001 (*SI 2001/1090*) (as amended). |
| **“Request for Information”** | as set out in the Freedom of Information Act 2000 or any apparent request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. |
| **Site(s):** | means one or more parcels of land that may be located within or outside the administrative area of Three Rivers with or without the inclusion of one or more buildings or structures and agreed by the Partners as an area for future development. |
| **TRDC:** | Three Rivers District Council of Three Rivers House, Northway, Rickmansworth, Hertfordshire WD3 1RL |
| **WCHT:** | Watford Community Housing Trust a Registered Society registered under the Co-operative and Community Benefit Societies Act 2014 in England with a registered number of **IP30183R** with registered office at Gateway House 59 Clarendon Road, Watford, Herts WD17 1LA |
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* 1. Clause and Schedule headings shall not affect the interpretation of this Members’ Agreement.
  2. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
  3. The Schedules form part of this Members’ Agreement and shall have effect as if set out in full in the body of this Members’ Agreement. Any reference to this Members’ Agreement includes the Schedules.
  4. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
  5. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
  6. This Members’ Agreement shall be binding on, and enure to the benefit of, the parties to this Members’ Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.
  7. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
  8. A reference to **writing** or **written** includes email.
  9. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
  10. References to clauses and Schedules are to the clauses and Schedules of this Members’ Agreement.
  11. Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1. INCORPORATION
   1. The Partnership was incorporated under the Act on [] 2017.
   2. The Partnership shall keep the certificate of registration of the Partnership issued by the Registrar of Companies at the Registered Office.
2. COMMENCEMENT, BUSINESS AND DURATION
   1. This Members’ Agreement shall commence on the Effective Date.
   2. The Partnership shall carry on the Partnership Business from the Effective Date and agrees to:
      1. to maximise the potential of TRDC and WCHT land holdings in the administrative area of Three Rivers and the surrounding area through housing led development whether for affordable, shared ownership or private market rental or for sale housing and including any commercial and retail development where it is ancillary to such housing led development;
      2. to maximise the potential of the Partnership’s land holdings in the administrative area of Three Rivers and the surrounding area through the acquisition of existing residential developments for improvement and / or refurbishment whether for affordable, shared ownership or private market rental or for sale housing and including any commercial and retail development where it is ancillary to such development; and
      3. to achieve a commercial return for the Parties through capital and/or revenue receipts and/or the Parties’ commercial support services activities.
   3. Subject to clause 17, the Partnership continues in accordance with the Act, unless terminated earlier in accordance with clause 15.10 or clause [16](#a1051500) until it is dissolved in accordance with the Insolvency Act or struck off the register under sections 1000 to 1011 of the Companies Act.
3. NAME AND REGISTERED OFFICE
   1. The Partnership is incorporated with the Name and Registered Office.
   2. The Partnership Board may change the Name and the Registered Office at any time in accordance with clause 13 (*Management of the Partnership*).
   3. The Designated Members shall notify any change in the Name or the Registered Office to the Registrar of Companies in accordance with the Act.
4. PLACE OF BUSINESS

The Partnership shall carry on the Partnership Business at the Registered Office or such other additional or alternative place(s) of business as the Partnership Board may determine in accordance with clause 13 (*Management of the Partnership*).

1. PARTNERSHIP PROPERTY
   1. The property of the Partnership includes the property listed in Schedule 2 and all property owned or occupied by the Partnership for the purposes of the Partnership Business.
   2. All property held or created by the Partnership, or occupied or employed by the Partnership for the purposes of carrying on the Partnership Business and which has been paid for by the Partnership or contributed to the Partnership by any Partner or has otherwise accrued to the Partnership, is owned by the Partnership absolutely.
   3. Where it is necessary for property used for the purposes of the Partnership to be held on behalf of the Partnership by one or more Partners, the Partners concerned shall, at the Partnership's request and in the manner specified by the Partnership, document the Partnership's interest in that property by executing a declaration of trust or similar acknowledgement.
2. BANKING
   1. The Partnership's bank shall be the Bank unless otherwise agreed by the Partners.
   2. All money belonging to the Partnership shall be paid promptly into the Partnership's account at the Bank for the credit of the Partnership.
   3. All drawings of the Partnership will be made from and drawn on the Partnership’s bank account with the Bank.
   4. All money and securities received by the Partnership on behalf of any client or third party shall be paid and delivered promptly to the client or third party into an appropriate client account in accordance with the rules or regulations of any professional or regulatory body, which may exercise relevant jurisdiction over the Partnership.
   5. All cheques drawn on or instructions for the transfer of money from any account mentioned in clause 7 shall be drawn in the Name and shall be signed by 2 Corporate Representatives (which includes one from each Partner).
   6. The Partnership shall not enter into any debt facility agreements or any security arrangements unless such facility agreements and security arrangements have been approved by the Partners pursuant to clause 13.4.
   7. Each of the Partners shall use its reasonable endeavours to ensure that the Partnership complies with the terms of any debt facility or security arrangements entered into by the Partnership pursuant to clause 7.6 from time to time.
   8. None of the Partners shall be obliged to provide any guarantees or indemnities in connection with debt finance and nothing in clause 7.7 shall require any Partner to prejudice its own commercial interests.
   9. In addition to clause 8, the Partners may from time to time lend money to the Partnership on such terms as the Partners shall agree. The amount of all such loans made by a Partner and remaining outstanding (together with interest and any other amounts thereon accruing from time to time) shall comprise that Partners’ Loan Account.
3. MEMBER LOANS
   1. At Financial Year end the Partnership shall calculate the working capital requirements in order to carry out the Partnership’s Business ("**Loan Value**").
   2. Each Partner agrees that it shall loan the Loan Value (calculated in accordance with Clause 8.1) to the Partnership either by way of cash or by transfer of assets to the Partnership in accordance with this Members’ Agreement.
   3. Where a Partner's contribution (either itself or procured from a member of its JV Group) is by way of transfer of land, it shall transfer its interest in the land to the Partnership for the purpose of developing the land. In consideration of the Partner or a third party transferring the land to the Partnership, the Partnership shall issue to such Partner or third party, the Loan Notes in a sum equal to the Loan Value.
   4. In all other cases, Partners shall advance the Loan Value (in whole or in part) to the Partnership as the Partnership requests for working capital, in accordance with this Members’ Agreement and, in consideration of the provision by the relevant Partner (and the receipt by the Partnership) of the advanced Loan Value, the Partnership Board shall issue such amount of the relevant Loan Notes as equal to the advanced Loan Value draw down.
   5. Except as expressly provided for in this Members’ Agreement or as may be unanimously agreed by the Partners from time to time, the Partners shall not be required to advance any loan or provide any other funding, including by way of working capital or assets, to the Partnership.
   6. **Redemption of Loan Notes**
      1. The Loan Notes shall be redeemed in accordance with:-
         1. the terms of the relevant Loan Note Instrument; and
         2. the provisions of this Members’ Agreement; or
         3. the unanimous consent of the Partners,

and where there is any discrepancy between the terms of this Members’ Agreement and the terms of the Loan Note Instrument, the terms of the Loan Note Instrument shall prevail.

* + 1. Except as otherwise expressly agreed the Loan Notes shall be redeemed on a pari passu basis and, where not redeemed earlier, shall be redeemed on the winding up of the Partnership.
  1. **Interest on Loan Notes**
     1. Partner Loans (or any part thereof) shall be interest bearing at the Interest Rate unless the Partners agree otherwise.
     2. The Interest Rate will accrue only to the extent that such amounts have been advanced to the Partnership in accordance with Clause 8.5.

1. ACCOUNTS, AUDITORS AND AUDIT
   1. The Partnership shall ensure that proper books of account giving a true and fair view of the Partnership Business, the state of affairs and profit or loss of the Partnership are properly kept and preserved and are open to inspection by the Parties at all times.
   2. The Partnership's books of account shall be kept at the Registered Office or at such other place as the Partnership Board determine in accordance with clause 13 (*Management of the Partnership*).
   3. The Partnership's accounting reference period ends on the Accounting Reference Date or such other date as the Partnership Board may determine in accordance with clause 13 (*Management of the Partnership*).
   4. The Designated Members shall notify any change in the Accounting Reference Date to the Registrar of Companies in accordance with the Companies Act.
   5. The Partnership shall prepare annual accounts as at the Accounting Reference Date in accordance with the Companies Act.
   6. Unless the Partnership is exempt from audit under the Companies Act, in accordance with clause 13 (*Management of the Partnership*), the Designated Members may:
      1. appoint the Auditors of the Partnership;
      2. reappoint the Auditors in accordance with the Companies Act;
      3. fix the remuneration of the Auditors; and
      4. remove the Auditors from office.
   7. Unless the Partnership is exempt from audit under the Companies Act, the Partnership annual accounts shall be audited and settled each year by the Auditors as at the Accounting Reference Date.
   8. The Partnership annual accounts shall be:
      1. laid before a meeting of the Partners for consideration and if thought fit approved, in accordance with clause 13 (*Management of the Partnership*), subject only to any approved variation; and
      2. distributed to the Partners as required by the Companies Act.
   9. The Designated Members shall sign the annual accounts of the Partnership and file them with the Registrar of Companies in accordance with the Companies Act.
2. CAPITAL AND PARTNER’S INTERESTS
   1. On the Effective Date, the Partners shall be deemed to have paid to the Partnership by way of Initial Capital Contributions the following:
      1. Clarendon: one pound (£1); and
      2. The Company: one pound (£1),

which represents the initial funding contributions made by or on behalf of the Partners.

* 1. The Partners may from time to time agree to make Further Capital Contributions by way of Partnership Capital to the Partnership, of such amounts and in such proportions as they shall so agree.
  2. Save as set out in clauses 10.1 and 10.2, no Partner shall be obliged to make any Capital Contributions to the Partnership.
  3. The Partnership Capital Account will comprise:
     1. the sum of Partnership Capital; and
     2. other reserves.
  4. The Partners may from time to time agree to reduce the Partnership Capital Account, by such amount and in such proportions as they shall so agree, provided that where the Partners agree to reduce the Partnership Capital Account by any amount which is surplus to the requirements of the Partnership, such amount shall be distributed to the Partners in the same proportions in which they contributed, or are deemed to have contributed, to the Partnership Capital.
  5. Save as expressly provided in this Members’ Agreement or agreed between the Partners, no Partner may draw out or receive back any part of the amount credited to them as Partnership Capital.
  6. The Partners shall be entitled to such capital distributions as may be due to them under this Members’ Agreement or following liquidation of the Partnership.

1. PROFITS AND LOSSES
   1. Save as expressly provided in this Members’ Agreement, the Profits of the Partnership shall be shared between the Partners after the recovery of costs, fees and charges as may be applicable to a provision for repayment of Partnership Capital being made, in the following proportions:
      1. Clarendon – fifty per cent (50%); and
      2. The Company – fifty per cent (50%).
   2. The percentage figures set out in clause 11.1 may from time to time and upon agreement of the Partners be adjusted to reflect the transfer of any interest from one Partner to another Partner to address specific project liabilities, as may be agreed by the Partners.
   3. For the avoidance of doubt, the Profits shall also be calculated after the deduction therefrom of any amounts standing to the credit of Partner’s Loan Accounts (including interest thereon) or reasonable management fees or other amounts pursuant to any agreements between the Partners and the Partnership, as the Partners shall be treated as creditors of the Partnership in respect of such amounts.
   4. The Partners may agree that all or any of the Profits distributed to them by the Partnership be contributed back to the Partnership by way of Partnership Capital to meet the working capital requirements of the Partnership or in order to meet their share of any Losses.
   5. Subject to clause 11.4 the Profits distributed to the Partners by the Partnership should be paid into the Partners’ Current Accounts.
   6. In the event of losses arising in respect of any project involving the Partnership Business, the Partners may agree that such losses shall be rolled over to future projects where the recovery of such amounts will be a deduction prior to any future profit distribution.
   7. A Partner shall be obliged to make good any loss to the Partnership occasioned by the fraud or dishonesty of that Partner, or its employees, servants or agents.
2. DISTRIBUTION OF PROFITS

Any Partner may draw from the Partners Current Account the allocated share of the Profit in accordance with clause 11.1 at such intervals which the Partnership Board shall agree from time to time.

1. MANAGEMENT OF THE PARTNERSHIP
   1. Each of the Partners shall participate in the day to day management and control of the Partnership and the Partnership Business in the manner described in this clause 13
   2. Save as required by law, no decision or action shall be taken by the Partnership unless that decision or action has been taken in accordance with this clause 13.
   3. Except where otherwise expressly provided in this Members’ Agreement or expressly agreed between the Partners, any matter connected with the conduct and management of the Partnership Business and any matter which this Members’ Agreement provides shall be agreed by the Partners shall be determined by a resolution at a Partnership Meeting or otherwise by a Partnership Written Resolution.
   4. The matters set out in Schedule1 to this Members’ Agreement (as amended by the unanimous consent of the Partners from time to time) shall require the unanimous approval of the Partners either at a Partnership Meeting or by means of a Partnership Written Resolution (“**Partner Decisions**”).
   5. **Corporate Representatives**
      1. Each Partner shall be entitled to appoint up to two (2) Corporate Representatives, who shall be members, officers, employees, consultants or agents of that Partner, to attend and vote on its behalf at meetings of the Corporate Representatives of the Partners (“**Partnership Meetings**”) or to sign on its behalf resolutions in writing (“**Partnership Written Resolutions**”).
      2. A Partner shall be entitled to appoint a Corporate Representative by an instrument in writing identifying the relevant Corporate Representative signed by or on behalf of that Partner and served on each of the other Partners, and a Partner shall be entitled to remove and replace Corporate Representatives in the like manner.
      3. Each Partner shall procure that each of the Corporate Representatives appointed by the Partner shall devote such of their working time and attention to the Partnership Business as shall be necessary to properly conduct the Partnership Business.
      4. Each Partner shall reimburse and bare its own costs for its Corporate Representatives acting in such capacity for that Partner in relation to the Partnership.
   6. **Partnership Meetings**
      1. The Partners shall meet not less than twice per Financial Year to hold Partnership Meetings, and more frequently where necessary to properly conduct the Partnership Business, in such manner and at such time and place as the Partners think fit, including by way of virtual meetings by appropriate means of electronic communications.
      2. A Partnership Meeting may be convened at any time by any Partner giving not less than five (5) Working Days written notice of the Partnership Meeting to each of the Partners and by providing to each of the Partners, a written agenda of the business to be conducted at the Partnership Meeting.
      3. A Partnership Meeting may be convened at any time by any Partner giving not less than 2 Business Days written notice to the other Partners if that Partner reasonably believes that the interests of the Partnership or the Partnership Business are likely to be materially prejudiced as a result of the business of the Partnership Meeting being delayed, and no written agenda of such business is required in these circumstances.
      4. No Partnership Business shall be transacted at any Partnership Meeting unless a quorum is present. The quorum for a Partnership Meeting shall be at least two (2) Corporate Representatives (one (1) Corporate Representative appointed by each of the Partners) present in person.
      5. If a quorum is not present within one (1) hour from the time appointed for a Partnership Meeting, or if during a Partnership Meeting a quorum ceases to be present, the Partnership Meeting shall stand adjourned to the same day in the next week at the same time and place. If at the adjourned Partnership Meeting a quorum is not present within half an hour from the time appointed for the Partnership Meeting, the Partnership Meeting shall be dissolved.
      6. During the first twelve (12) months of the duration of this Members’ Agreement Clarendon shall be entitled to appoint one (1) of its Corporate Representatives to act as chairman of Partnership Meetings held during that period, and thereafter in each successive twelve (12) month period of the duration of this Members’ Agreement, the right to appoint such a chairman from one of the Corporate Representatives shall rotate between Clarendon and the Company.
      7. The Corporate Representative of a Partner appointed to act as chairman of Partnership Meetings shall not be entitled to a casting or second vote at any Partnership Meeting in addition to any other vote he may have.
      8. Each Partner shall have one (1) vote at Partnership Meetings, which vote may be cast by those Corporate Representatives of that Partner present (including by virtual presence) at such Partnership Meeting in such manner as such Partner shall determine.
      9. A resolution proposed at a Partnership Meeting shall be carried if the two (2) votes of the Partners as exercised by their respective Corporate Representatives are cast in favour of it.
      10. Minutes shall be prepared of all Partnership Meetings and shall be approved and signed by the chairman of the relevant Partnership Meeting as evidence of the proceedings and copies of such minutes shall be made available to each of the Partners upon request.
   7. **Partnership Written Resolutions**
      1. A Partnership Written Resolution may consist of several instruments in the like form each executed by or on behalf of one or more of the Partners. Provided that a Partnership Written Resolution has been signed by:
         1. at least one (1) of the two (2) Corporate Representatives of Clarendon; and
         2. at least one (1) of the two (2) Corporate Representatives of the Company,

it shall be as effectual as if it had been passed at a Partnership Meeting duly convened and held.

1. PARTNER DUTIES
   1. Each of the Partners shall be a “**Designated Member**” for the purposes of Section 8 of the Act and, accordingly, each of the Partners shall have responsibility for the management and control of the Partnership through the Partnership Board and shall be bound to observe the administrative obligations conferred upon them by the Act.
   2. Each Partner will at all times:
      1. act in good faith in all transactions relating to the Partnership and the other Partners;
      2. disclose to the other Partners on request full details of all business transactions by it or at its direction in relation to the Partnership Business for the account of the Partnership;
      3. provide the other Partners with the information concerning the Partnership Business in its knowledge or possession that they request;
      4. act only within the scope of authorisation given to him as a Partner by the Partners together; and
      5. use the Partnership Name in all business transactions relating to the Partnership.
   3. Unless the Partners otherwise agree or save as otherwise expressly provided in this Members’ Agreement:
      1. no Partner shall operate the Partnership Business other than through the Partnership or hold itself out as carrying on the Partnership Business other than through the Partnership;
      2. no Partner shall bind the Partnership, whether by entering into an agreement on behalf of the Partnership or signing a payment instruction on behalf of the Partnership or otherwise howsoever, unless such matter is agreed at a Partnership Board meeting or by a Partnership Written Resolution or otherwise in writing between all the Partners;
      3. no Partner shall use any of the property or assets of the Partnership otherwise than for the Partnership Business, including any amounts standing to the credit of the Partner’s Capital Accounts from time to time; and
      4. no Partner shall do or say anything which is intended to damage the reputation or the business of the Partnership or of any of the other Partners.
   4. The Parties agree that neither Party nor any of its JV Group members shall be prohibited from carrying on or being employed, engaged or interested in any other business in the borough of Watford and the administrative area of Three Rivers and surrounding area.
2. DEADLOCK
   1. If the Partners cannot agree on a Partner Decision (or any other decision deemed by the Partners as being of equivalent significance from time to time) (the “**Disputed Matter**”), whether by reason of a deadlock in voting at a Partnership Meeting or on a Partnership Written Resolution or otherwise howsoever, each of the Partners shall use all reasonable endeavours to negotiate with the other Partner(s) in good faith to seek to agree the Disputed Matter.
   2. There is a deadlock if the Partners are unable to agree the Disputed Matter within a reasonable period of time.
   3. There is no deadlock if a meeting, or adjourned meeting, is inquorate because the person who proposed the resolution does not attend.
   4. Either Partner may within 28 days of the meeting at which the deadlock arises (the first day being the day after the meeting or the date of the resolution, as the case may be) serve notice on the other Partner (**Deadlock Notice**):
      1. stating that in its opinion a deadlock has occurred; and
      2. identifying in reasonable detail the matter giving rise to the deadlock.
   5. If the deadlock cannot be resolved within 20 Business Days from the date the Deadlock Notice is served on the other Partner, the Partner shall then proceed in accordance with clauses 15.6– 15.10 or 15.11.
   6. The Partners shall prepare a notice (the “**Mediation Notice**”) which shall state the Partners’ desire to commence mediation in accordance with either:
      1. the Centre for Effective Dispute Resolution (“CEDR”) Model Mediation Procedure (“**Model Procedure**”); or
      2. the CEDR Expert Determination Process (“**Expert Determination**”),

### and a copy of Mediation Notice shall be sent to CEDR. For the avoidance of doubt, if a Partner fails to co-operate in selecting either procedure set out at sub-clauses 15.6.1 or 15.6.2 above then the other Partner may ask CEDR to make a determination as to whether the Model Procedure or Expert Determination process will be followed.

* 1. If there are any issues relating to the conduct of the mediation (including nomination of the mediator) upon which the Partner cannot agree within 5 Business Days from the date of the Mediation Notice, CEDR will (at the request of either Partner) decide those issues on behalf of the Partner (having first consulted them).
  2. The procedure for mediation will be:
     1. The Partners will make themselves available to commence mediation no later than 15 Business Days after the date of the Mediation Notice.
     2. If the Partners have elected to use Expert Determination, the Corporate Representatives shall endeavour to agree the identity of the independent expert between themselves. If the Partners cannot agree within 5 Business Days from the date of the Mediation Notice, CEDR will (at the request of either Partner) appoint an appropriate expert.
     3. No party may terminate the mediation until both Partners have made their opening presentations and the mediator or the expert has met each Partner separately for at least one hour.
     4. In resolving any discrepancy between the contents of this Members’ Agreement and the Model Procedure or the Expert Determination, this Members’ Agreement shall take precedence.
  3. If the deadlock is not resolved by either the Model Procedure or Expert Determination and in any event if a deadlock is still continuing 20 Business Days following the end of either the Model Procedure process or the Expert Determination process (**Resolution Period**) the Partners shall proceed by way of deadlock resolution in accordance with clauses 15.10– 15.11.
  4. Each Partner may inform the other by written notice (the “**Deadlock Resolution Notice**”) of their intention to terminate this Members’ Agreement with a view to wind the Partnership up. The notice shall specify that the Partnership will be in deadlock from the date of service by either Partner of the Deadlock Resolution Notice and will operate until such time as all current on-going projects (“**on-going projects**”) have been completed with a view to the Partnership being wound-up in an orderly fashion upon completion of the on-going projects. **On-going projects** comprise all projects where work is being undertaken on the project site or which the Parties otherwise agree has not been completed.
  5. Once given, a Deadlock Resolution Notice may not be revoked without the agreement of each Partner.

1. **TERMINATION AND DISSOLUTION**
   1. The Partnership will continue on the terms of this Members’ Agreement (as may be amended from time to time by the unanimous consent of the Partners) until it is wound-up or dissolved pursuant to clause 15.10 or this clause [16](#a15).
   2. Either Partner may at any time dissolve the Partnership by giving not less than twelve (12) months’ notice (or such shorter period as the Partners may agree) in writing to the other Partner (a **“Notice of Dissolution”**). During such notice period, the Partners shall procure that the Partnership shall not enter into any new projects or other commitments save as necessary to complete or otherwise deal with any projects in train as at the date of the Notice of Dissolution. During the notice period both Partners shall use their reasonable endeavours to ensure that the Partnership is wound up in as orderly and efficient manner as possible.
   3. Notwithstanding clause 16.2 above, the Partners may at any time agree, subject always to the restrictions placed upon the Partnership by any terms of any financing and security arrangements entered into by or on behalf of the Partnership or by any terms of any development agreements:
      1. that the Partnership be wound up voluntarily and Section 84 of the Insolvency Act shall apply; or
      2. that the Partnership be wound up by the Court and Section 122 of the Insolvency Act shall apply,

in which case, the Partners shall take all such action as is necessary to give effect to such winding-up as soon as reasonably practicable following such agreement.

* 1. No Partner shall be liable to contribute any amount to the assets of the Partnership on the liquidation of the Partnership for the purposes of, or to cover any matters set out in, section 74 of the Insolvency Act.
  2. A Partner (the “**Non-Defaulting Partner**”) may at any time after the occurrence of any one or more of the following events (each a “**Default Event**”) occurring in relation to the other Partner (the “**Defaulting Partner**”):
     1. the Defaulting Partner commits a material breach or persistent breaches of the provisions of this Members’ Agreement and either such breach(es) is/are non-remediable or, in the case of remediable breach(es), the Defaulting Partner does not, within twenty (20) Business Days after service of a notice by the Non-Defaulting Partner requiring remedy, remedy such breach(es) to the reasonable satisfaction of the Non-Defaulting Partner;
     2. the Defaulting Partner is unable to pay its debts within the meaning of Section 123 of the Insolvency Act or ceases to pay a material part of its debts;
     3. the Defaulting Partner passes a resolution to wind-up or has an order made for its winding-up;
     4. any administrator, receiver, administrative receiver, manager or other encumbrancer is appointed over or takes possession of all or any material part of the Defaulting Partner’s property or assets;
     5. the Defaulting Partner has any distraint, execution, attachment or other legal process enforced on all or any material part of its property or assets which is not discharged or withdrawn within twenty (20) Business Days;
     6. the Defaulting Partner enters into a voluntary arrangement under Section 1 of the Insolvency Act; or
     7. the Defaulting Party purports to assign, novate or otherwise transfer (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) its rights and obligations under this Members’ Agreement to any person, save where the other Partner has given its prior written consent to such assignment, novation or transfer in accordance with clause 17,

serve notice on the Defaulting Partner requiring, subject always to the restrictions placed upon the Partnership by any terms of any financing and security arrangements to which the Partnership is subject or by any terms of this Members’ Agreement, that the Partnership be wound-up, in which case, the Partners shall be obliged to execute all such documents and take all such action as is necessary to give effect to such winding-up.

* 1. For the avoidance of doubt, clause 16.5 shall not require the Non-Defaulting Partner to serve any notice on the Defaulting Partner requiring the winding-up of the Partnership or sale of the Defaulting Partner’s interest and the Non-Defaulting Partner shall have complete and unfettered discretion as to whether or not to serve such a notice.
  2. For the avoidance of doubt, clause 16.5 shall also be without prejudice to any other rights a Non-Defaulting Partner may have, at law or in equity, vis-à-vis a Defaulting Partner in respect of a Default Event, including in the case of a breach of this Members’ Agreement the right to seek to recover damages for such breach or seek an injunction or specific performance to avoid or remedy that breach or on a winding-up the right to prove of the Non-Defaulting Partner in the winding-up of the Defaulting Partner.
  3. Upon the winding up of the Partnership for any reason, all the property and assets of the Partnership shall be realised in the Prescribed Manner and the proceeds remaining after the discharge of all liabilities to creditors of the Partnership, including the Partners to the extent they are treated as creditors of the Partnership (whether pursuant to clause 7.9 or otherwise), and the expenses of the winding up shall be applied:
     1. firstly in the payment of any sums due on Partners’ Current Accounts;
     2. secondly in the payment of the amounts standing to the credit of each of the Partners as part of the Partnership Capital Account; and
     3. any balance will be distributed to the Partners in proportion to their respective Profit Shares at the date of commencement of winding-up.
  4. This Members’ Agreement shall automatically and immediately cease and determine upon:
     1. the Partnership being wound-up on the basis set out in clause 16.5 above; or
     2. the Defaulting Partner selling its interest in the Partnership to the Non-Defaulting Partner, and there being only one Partner remaining; or
     3. agreement between the Partners in any circumstances, including the Partnership Business having been concluded and all the assets and profits of the Partnership having been distributed.

in each case, without prejudice to the rights and obligations of the Partners accrued under this Members’ Agreement prior to such cessation and determination (if any).

* 1. The following provisions of this Members’ Agreement shall remain in force following termination:
     1. Clause 1 (Interpretation);
     2. Clause 16 (Termination and Dissolution);
     3. Clause 19 (Confidentiality);
     4. Clause 20 (Exclusions);
     5. Clause 21 (Entire Agreement);
     6. Clause 22 (Notice);
     7. Clause 23 (Costs); and
     8. Clause 27 (General).
  2. Termination of this Members’ Agreement shall not affect any rights or liabilities that the Parties have accrued under it.

1. TRANSFERS OF INTERESTS
   1. Each Partner undertakes with the other Partner that it shall not:
      1. mortgage (whether by way of fixed or floating charge), pledge or otherwise encumber all or any part of its interest in any Partnership property or asset;
      2. sell, transfer or otherwise dispose of all or any part of its interest in any Partnership property or asset or assign or otherwise purport to deal therewith or with any interest therein;
      3. enter any agreement with respect to the voting rights in respect of its interest in any Partnership property or asset; or
      4. agree, whether conditionally or otherwise, to do any of the foregoing,

other than, in any case, with the written consent of each of the other Partners or, in the case of clause [16.1](#a161), where a Defaulting Partner is required to transfer its interest to a Non-Defaulting Partner in accordance with clause 16 above.

* 1. Save as expressly provided in this Members’ Agreement, none of the rights or obligations under this Members’ Agreement may be assigned or transferred by a Partner without the prior written consent of the other Partner.
  2. Any mortgage, charge, pledge, sale, transfer, assignment of, or agreement in respect of, an interest that contravenes the provisions of clause 17.1, and any transfer or assignment that contravenes the provisions of clause 17.2, shall be null and void and the Partnership shall not recognise the same for the purposes of making payments with respect to interests in the Partnership or with respect to the decision-making procedures of the Partnership or otherwise howsoever.

1. LIQUIDATION
   1. In accordance with the Insolvency Act, the Partners may resolve to:
      1. place the Partnership into voluntary liquidation and appoint a liquidator;
      2. make a proposal for a voluntary arrangement, scheme of compromise or arrangement with its creditors;
      3. apply for an administration order; and
      4. apply to the court to wind up the Partnership.
   2. If the Partnership is wound up, and a surplus sum remains at the conclusion of the winding up, after payment of all money due to the creditors of the Partnership and all expenses of the winding up, the liquidator shall pay that surplus sum to the Partners in accordance with the respective proportions to which the Partners share capital or profits detailed in clause 10 and clause 11.
2. CONFIDENTIALITY AND INFORMATION
   1. Each Partner undertakes that he shall not at any time disclose to any person any Confidential Information concerning the Partnership Business or affairs of the Partnership except as permitted by clause 19.2.
   2. Each Partner may disclose Confidential Information:
      1. to his employees, officers, representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out his obligations under or in connection with this Members’ Agreement. Each Partner shall ensure that its employees, officers, representatives or advisers to whom he discloses Confidential Information comply with this clause 19;
      2. to TRDC, as the shareholder of the Company and WCHT as the shareholder of Clarendon, and their respective employees, officers, representatives or advisers who need to know such information for the purposes of monitoring the Partnership. Each Partner shall procure that each entity to whom he discloses Confidential Information to pursuant to this clause 19.2.2, shall comply with this clause 19; and
      3. as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
   3. Subject to clause 19.2.2 above, no Partner shall use any Confidential Information for any purpose other than to exercise his rights and perform his obligations under or in connection with this Members’ Agreement.
   4. Each Partner, TRDC and WCHT shall immediately inform the Partnership if it becomes aware of the possession, use or knowledge of any Confidential Information by any person who is not authorised to possess, use or have knowledge of it and shall, at the Partnership's request, provide such reasonable assistance as is required to deal with such event.
   5. Without prejudice to any other right or remedy of the Partnership or Partners howsoever arising, any failure by a Partner to comply with the provisions of this clause shall constitute a serious breach of this Members’ Agreement, entitling the Partnership to require that Partner to account to the Partnership for any financial or commercial benefit thereby acquired.
   6. Upon termination of this Members’ Agreement, either Party, may demand from the other the return of any documents containing Confidential Information in relation to the first Party by notice in writing whereupon the other Party shall (and shall use all reasonable endeavours to ensure that its officers and employees, those of its JV Group and those entities who received documents pursuant to clause 19.2.2 shall):
      1. return such documents; and
      2. destroy any copies of such documents and any other document or other record reproducing, containing or made from or with reference to the Confidential Information,

save, in each case, for any submission to or filings with governmental, tax or regulatory authorities. Such return or destruction shall take place as soon as practicable after the receipt of any such notice.

* 1. The Partnership and Clarendon each acknowledges that the Company is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 (“the Information Legislation”) and each shall use its reasonable endeavours on its own behalf only to assist and cooperate with the Company, at no charge to the Company, to enable the Company to comply with the Information disclosure requirements contained within Information Legislation.
  2. The Partnership and Clarendon shall, and shall each use its own reasonable endeavours to procure that its sub-contractors, shall, without charge to the Company:
     1. transfer any Request for Information under the Information Legislation received by it or them to the Company as soon as practicable after receipt and in any event within two (2) Business Days of receiving such a Request for Information;
     2. provide the Company with a copy of all Information in its possession or power in the form that the Company requires within five (5) Business Days (or such other period as the Company may specify) of the Company requesting that Information; and
     3. provide all necessary assistance as reasonably requested by the Company to enable the Company to respond to a Request for Information within the time for compliance set out in section 10 of the Freedom of Information Act 2000 or regulation 5 of the Environmental Information Regulations 2004.
  3. The Company shall be responsible for determining at its absolute discretion whether the Information:
     1. is exempt from disclosure in accordance with the provisions of the Freedom of Information Act 2000 or the Environmental Information Regulations 2004; and
     2. is to be disclosed in response to a Request for Information, and in no event shall the Partnership or Clarendon or any sub-contractor, respond directly to a Request for Information unless expressly authorised to do so by the Company.
  4. The Partnership and Clarendon each acknowledges on its own behalf that the Council may, acting in accordance with the Secretary of State for Constitutional Affairs’ Code of Practice on the discharge of public authorities’ functions under Part 1 of the FOIA (issued under section 45 of the FOIA, November 2004), be obliged under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 to disclose Information:
     1. without consulting with the Partnership or Clarendon (as appropriate); or
     2. following consultation with the Partnership or Clarendon (as appropriate) and having taken its views into account.
  5. The Partnership and Clarendon each confirms on its own behalf that it shall ensure that all Information produced in the course of the Members’ Agreement or relating to the Members’ Agreement is retained for disclosure and shall permit the Company to inspect such records as requested from time to time.
  6. The Partnership and Clarendon each acknowledges on its own behalf that any lists or schedules provided by it outlining Commercially Sensitive Information are of indicative value only and that the Company may nevertheless be obliged to disclose Commercially Sensitive Information in accordance with this clause 19.
  7. The Company is wholly owned by TRDC which is itself subject to the Information Legislation. Where TRDC is in receipt of a Request for Information then clauses 19.7 to 19.12 shall apply as if reference to the Company was to TRDC.

1. EXCLUSIONS
   1. The default provisions in regulations 7 and 8 of the Regulations and any other regulations made under Section 15 (c) of the Act shall not apply to the Partnership or to the Partners.
   2. The rights contained in Part 30 of the Companies Act are excluded and shall not apply to the Partnership or to the Partners for so long as this Members’ Agreement shall remain in effect.
2. ENTIRE AGREEMENT
   1. This Members’ Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
   2. Each party acknowledges that in entering into this Members’ Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Members’ Agreement.
   3. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Members’ Agreement.
   4. Nothing in this clause shall limit or exclude any liability for fraud.
3. NOTICES
   1. A notice given under this Members’ Agreement:
      1. shall be in writing in the English language (or be accompanied by a properly prepared translation into English);
      2. shall be sent for the attention of the person, and to the address given in this clause 22 (or such other address or person as the relevant Party may notify to the other Party); and
      3. shall be:
         1. delivered personally; or
         2. delivered by commercial courier; or
         3. sent by pre-paid United Kingdom first-class post or recorded delivery.
   2. The addresses for service of notice are:
      1. Clarendon

Address: Gateway House, 59 Clarendon Road, Watford, Herts, WD17 1LA

Email: [Hart.Homes@wcht.org.uk](mailto:Hart.Homes@wcht.org.uk)

For the attention of: Karen Airey

* + 1. The Company

Address: []

Email: [[]](mailto:legalanddemocratic@watford.gov.uk)

For the attention of: []

* 1. If a notice has been properly sent or delivered in accordance with this clause, it will be deemed to have been received as follows:
     1. if delivered personally, at the time of delivery; or
     2. if delivered by commercial courier, at the time of signature of the courier's delivery receipt; or
     3. if sent or supplied by electronic means, one hour after the notice was sent or supplied; or
     4. if sent by pre-paid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or 5 Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending Party receives a confirmation of delivery from the courier service provider; or
     5. if deemed receipt under the previous paragraphs of this sub-clause is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of deemed receipt and all references to time are to local time in the place of deemed receipt.
  2. To prove delivery, it is sufficient to prove that notice was posted, that the envelope containing the notice was properly addressed and posted.

1. NOTICE BY EMAIL
   1. Any communication to be made between any two Parties under or in connection with this deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those Parties:
      * 1. notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
        2. notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
      1. Any such electronic communication as specified in clause 23.1 which is to be made between the Parties may only be made in that way to the extent that those three Parties agree (unless and until notified to the contrary) that this is to be an accepted form of communication.
      2. Any such electronic communication as specified in clause 23.1 made between any two Parties will be effective only when actually received (or made available) in readable form.
      3. Any electronic communication which becomes effective in accordance with clause 23.1.3 after 5.00pm in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this deed shall be deemed only to become effective on the next Business Day in that place.
      4. Any reference in this deed to a communication being sent or received shall be construed to include that communication being made available in accordance with this clause 23.
2. INSURANCE

The Partnership shall maintain such policies of insurance for such respective amounts as may be required by the Partners from time to time determine.

1. COSTS

Except as expressly provided in this Members’ Agreement, each party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this Members’ Agreement and any documents referred to in it.

1. INTEREST ON LATE PAYMENT
   1. Where a sum is required to be paid under this Members’ Agreement but is not paid before or on the date the Parties agreed, the person due to pay the sum shall also pay the Interest Rate for the period beginning with the date on which the payment was due and ending with the date the sum is paid (and the period shall continue after as well as before judgment).
   2. Interest shall accrue on a daily basis and be compounded quarterly.
2. GENERAL
   1. For the avoidance of doubt, the Partners, although described as partners, are members of the Partnership and are not partners and nothing in this Members’ Agreement is intended to, or does in fact, create a partnership between any of the persons who are from time to time members of the Partnership.
   2. For the avoidance of doubt, the Partnership, although described as a partnership, is a limited liability partnership registered under the Act with a legal personality distinct from that of its members in accordance with the Act.
   3. No failure or delay by a party to exercise any right or remedy provided under this Members’ Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
   4. The provisions of this Members’ Agreement may be varied with the written and signed agreement of all of the Partners.
   5. Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this Members’ Agreement.
   6. If any provision of this Members’ Agreement is declared by any judicial or other competent authority to be void voidable illegal or otherwise unenforceable or indications to that effect are received by either of the Partners from any competent authority the Partners shall amend that provision in such reasonable manner as achieves the intention of the Partners without illegality or the Partners may agree in their sole discretion that the relevant provision be severed from this Members’ Agreement. In that case the remaining provisions of this Members’ Agreement shall remain in full force and effect.
   7. A person who is not a Party to this Members’ Agreement other than TRDC and WCHT shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 except where such rights are expressly granted in this Members’ Agreement.
   8. The right of the Parties to terminate rescind or agree any amendment, variation, waiver or settlement under this Member’ Agreement is not subject to the consent of any person that is not a Party to the Agreement other than TRDC and WCHT.
   9. This Members’ Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
   10. This Members’ Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.
   11. Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Members’ Agreement or its subject matter or formation.

**This Members’ Agreement** has been entered into as a deed on the date stated at the beginning of it.

1. – Partnership Decisions (Clause 13.4)
2. Changes or variations to this Members’ Agreement and/or to the rights of any of the Partners pursuant to the Members’ Agreement or the Partnership generally;
3. The approval of any Capital Contribution by a Partner, save for the Initial Capital Contributions of the Partners as at the Effective Date;
4. The entering into of any commitment by or on behalf of the Partnership with any person with respect to the issue of any loan capital;
5. The making of any borrowings by or on behalf of the Partnership from the Bank or any person or organisation or entity;
6. Engaging in any business other than the Partnership Business or any decision to change the Partnership Business as defined in this Members’ Agreement;
7. The Partnership forming or acquiring any subsidiary or subsidiary undertaking (as each is defined in the Companies Act) or acquiring any shares in any other company or participating in any other partnership or joint venture (incorporated or not);
8. The closing down or the disposal of any material part of the Partnership Business;
9. The Partnership amalgamating or merging with any other business undertaking;
10. Alteration of the Partnership Name or Registered Office;
11. The Partnership entering into any transaction or arrangement of any nature whatsoever with any of the Partners or their directors or any person who is connected (within the meaning of sections 933 and 939H of the Corporation Tax Act 2010 or sections 993 and 994 of the Income Tax Act 2007) to any of the Partners or their directors whether or not any other person shall be party to such transaction or arrangement;
12. The Partnership entering into any arrangement, contract or transaction outside the normal course of the Partnership Business or otherwise than on arm’s length terms;
13. The Partnership giving notice of termination of any arrangements, contracts or transactions which are of a material nature in the context of the Partnership Business, or materially vary any such arrangements, contracts or transactions;
14. The Partnership entering into, as lessor or as lessee, any operating lease (as defined in Statement of Standard Accounting Practice 21);
15. The Partnership granting any rights (by licence or otherwise) in or over any Intellectual Property owned or used by the Partnership;
16. The Partnership creating or permitting to be created any mortgage, charge, encumbrance or other security interest whatsoever on any asset or its business in whole or in part or any of its shares other than:
    1. liens arising in the ordinary course of business; or
    2. any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business;
17. Changes to either:
    1. the Auditors; or
    2. the financial year end; or
    3. the Accounting Reference Date;
18. The Partnership making or permitting to be made any material change in the accounting policies and principles adopted by the Partnership in the preparation of its audited accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act or any other generally accepted accounting principles in the United Kingdom;
19. The Partnership declaring or paying any profit share;
20. The Partnership making any loan (otherwise than by way of deposit with the Bank) or granting any credit (other than in the normal course of trading) or giving any guarantee (other than in the normal course of trading) or indemnity;
21. The Partnership giving any guarantee, suretyship or indemnity to secure the liability of any person or assuming the obligations of any person;
22. The Partnership either:
    1. opening or closing any bank account;
    2. altering any mandate given to the Bank relating to any matter concerning the operation of the Partnership’s bank accounts other than by the substitution of any person nominated as a signatory by the Partner entitled to make such nomination; or
    3. changing its bankers;
23. The Partnership:
    1. entering into or varying any contract of employment providing for the payment of remuneration (including pension and other benefits);
    2. establishing or amending any profit-sharing, bonus or other incentive scheme of any nature for executives or employees;
    3. establishing or amending any pension scheme or granting any pension rights to any executive, employee, former executive or employee, or any member of any such person’s family;
    4. dismissing any executive or employee;
24. The Partnership agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any consultant to the Partnership or increase the remuneration of any such person per annum or per day;
25. The Partnership instituting, settling or compromising any legal proceedings instituted or threatened against the Partnership or submitting to arbitration or alternative dispute resolution any dispute involving the Partnership; and
26. The Partnership making any agreement with any revenue or tax authorities or making any claim, disclaimer, election or consent for tax purposes in relation to the Partnership or the Partnership Business.
27. - Property of the Partnership

[NONE]

**EXECUTED** as a **DEED**  )

by **CLARENDON LIVING LIMITED** )

in the presence of: )

Director

Director

**EXECUTED** as a **DEED**  )

by **[TRADCO]** )

**LIMITED** )

in the presence of: )

Director

Director

**EXECUTED** as a **DEED**  )

By **[SALE] LLP** )

in the presence of: ) ..

Partner

Partner