

PART 8 OF THE ENTERPRISE ACT 2002 (EA02)

UNDERTAKINGS TO THE COMPETITION AND MARKETS AUTHORITY (CMA) UNDER SECTION 219 OF THE EA02 RELATING TO:

THE UNFAIR TERMS IN CONSUMER CONTRACTS REGULATIONS 1999 AND PART 2 OF THE CONSUMER RIGHTS ACT 2015.

Tapestart Limited, registered number 02487884, registered office 45-51 Wychtree Street, Morriston, Swansea SA6 8EX and its subsidiaries within the meaning of section 1159 of the Companies Act 2006 and any interconnected trading companies within the meaning of section 223(4) of the EA02 (“**Tapestart**”), voluntarily gives the following undertakings to the CMA under section 219 of the EA02.

The CMA accepts the undertakings from Tapestart on the basis that Tapestart has stated to the CMA that no Ground Rent has been paid to it above the initial Ground Rent in respect of each Lease (and no such Ground Rent will be collected by it.

For the avoidance of doubt, these undertakings do not amount to an admission that any person has infringed the law.

UNDERTAKINGS

In accordance with section 219(4) and section 219B of the EA02, Tapestart undertakes:

- not to engage in any conduct which contravenes paragraphs 1 to 10 below;
- not to engage in such conduct in the course of its business or another business; and
- not to consent to or connive in the carrying out of such conduct by a body corporate with which it has a special relationship (within the meaning of section 222(3) of the EA02).

Interpretation

Countryside means Countryside Properties PLC, registered number 09878920, registered office Countryside House, The Drive, Brentwood, Essex CM13 3AT and its subsidiaries within the meaning of section 1159 of the Companies Act 2006.

Doubling Clause means a term or terms in a Lease which state that the Ground Rent payable under the Lease will double (or more) more frequently than every 20 years, and includes any such clause which was in a Lease and has been subsequently varied to refer to a different rate of escalation (eg RPI).

Former Leaseholder means a person who was previously a Leaseholder and who has sold their interest to a Leaseholder.

Ground Rent refers to the principal rent payable periodically by a Leaseholder to his or her landlord under the terms of a Lease, however described, but for the avoidance of doubt does not include other sums which may be reserved as rent such as but not limited to a service charge and insurance costs.

Lease means a long residential lease for which Countryside was originally the freeholder (or landlord) and that contains a Doubling Clause and for which Tapestart is now the freeholder (or landlord).

Leaseholder means a person who holds a leasehold interest in a property pursuant to a Lease.

Removal of Doubling Clauses

1. Tapestart will make an offer to each Leaseholder to vary the Lease and remove the Doubling Clause, with any associated costs to the Leaseholder to be covered up to an amount of £750 and such costs to be reimbursed upon provision by the Leaseholder of reasonable evidence that such costs have been incurred. For the avoidance of doubt, the amount of £750 is the Leaseholder’s maximum aggregate total entitlement under these undertakings for costs incurred and is inclusive of VAT.

2. The offer in paragraph 1 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Leaseholder (where their email address is known).
3. The offer in paragraph 1 will be communicated within 30 working days of the date of this undertaking and then again annually for a two-year period or until accepted by the Leaseholder, whichever is earliest.
4. Tapestart will:
 - a. place and maintain details on a suitable webpage of its website about a Leaseholder's ability to vary their Lease and remove a Doubling Clause within 30 days of the date of this undertaking;
 - b. include a link to the webpage in written correspondence sent to Leaseholders by or on behalf of Tapestart offering to remove the Doubling Clause pursuant to paragraph 1; and
 - c. do so for a two-year period or until all Doubling Clauses have been removed, whichever is earliest.
5. Once an offer has been accepted by a Leaseholder, Tapestart will use all commercially reasonable endeavours to effect the variation without undue delay.

Non-reliance on Doubling Clauses

6. Tapestart will not rely, or seek to rely, on a Doubling Clause against a Leaseholder, including not demanding any Ground Rent above the initial Ground Rent.
7. Tapestart will not take any action or steps for possession against a Leaseholder for non-payment of Ground Rent in reliance on Ground 8 of Schedule 2 to the Housing Act 1988 or take any action or steps leading to possession or any other sanction against a Leaseholder for non-payment of Ground Rent in excess of the initial Ground Rent.

Other matters

8. Whilst these undertakings are in effect, to the extent Tapestart sells the freehold of any property which is subject to a Lease and for which it is the freeholder (or landlord), it will do so on terms that the purchaser will comply with a set of obligations in relation to the Leases acquired that are the same as those set out in paragraphs 1 – 7 of these undertakings (as applied to the Leaseholder in question), and the timing is to be taken to run from the date of the sale of the freehold and for the balance of any period remaining under these undertakings.
9. Whilst these undertakings are in effect, to the extent that Tapestart acquires the freehold of any property subject to a lease that would become a Lease on Tapestart's acquisition of the freehold, it will offer to remove the Doubling Clause under the same terms as set out in these undertakings. It will also comply with the requirements of paragraphs 6 and 7 above.
10. Without prejudice to any other information which the CMA may request, Tapestart will provide the CMA:
 - a. within 30 working days of the applicable deadlines for making offers under paragraph 1 above, with written confirmation that all such offers have been made to all Leaseholders (or, where, all such offers have not been made, the number outstanding and the reasons why together with a timetable for the satisfaction of outstanding requirements); and
 - b. with an annual report setting out:
 - i. the total number of offers made under paragraph 1 above;
 - ii. the total number of such offers which have been accepted;
 - iii. the total number of Doubling Clauses removed; and

iv. confirmation of compliance with paragraphs 6 and 7 above.

BY SIGNING THESE UNDERTAKINGS TAPESTART IS AGREEING TO BE BOUND BY THEM. CONDUCT WHICH CONTRAVENES PARAGRAPHS 1 TO 10 ABOVE MAY CONSTITUTE A COMMUNITY/SCHEDULE 13 INFRINGEMENT PURSUANT TO SECTION 212 OF THE EA02. IF HAVING SIGNED THIS DOCUMENT TAPESTART BREACHES ANY OF THE ABOVE UNDERTAKINGS, IT IS AWARE THAT IT MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER UNDER SECTION 215 OF THE EA02.