

**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.**

Wallace Estates Limited, registered number 04216645, registered office Botanic House, Hills Road, Cambridge, CB2 1PH 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 (Wallace Estates), voluntarily gives the following undertakings to the CMA under section 219 of the EA02.

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, Wallace Estates undertakes:

- not to engage in any conduct which contravenes paragraphs 1 to 16 below;
- not to engage in such conduct in the course of its business or another business which contravenes paragraphs 1 to 16 below; 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) which contravenes paragraphs 1 to 16 below.

**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.

**Deed of Variation** means a deed of variation to the Lease to remove the Doubling Clause

**Doubling Clause** means a term or terms in a Lease which cause the Ground Rent payable under the Lease to 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 one of sixteen long residential leases for which Countryside was originally the freeholder (or landlord) which contains a Doubling Clause and for which Wallace Estates is now the freeholder (or landlord) at the Sports City development.

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

### **Removal of Doubling Clauses**

1. Wallace Estates will prepare a Deed of Variation which shall remove the Doubling Clause from the Lease.
2. The Deed of Variation referred to in paragraph 1 will be communicated to the Leaseholder by sending an engrossed Deed of Variation for signature:
  - a. to the relevant property by letter; and
  - b. 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. Once an offer has been accepted by a Leaseholder by signing and returning the Deed of Variation to Wallace Estates, Wallace Estates will use all commercially reasonable endeavours to complete the Deed of Variation without undue delay.

### **Non-reliance on Doubling Clauses**

5. Wallace Estates 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.
6. Wallace Estates 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.

7. If a Leaseholder has paid Ground Rent to Wallace Estates under a Doubling Clause Wallace Estates will offer to refund to each Leaseholder any amounts the Leaseholder has paid to it under a Doubling Clause, including any Ground Rent which the Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for the payment of the refund.
8. Where the provisions of paragraph 7 apply the offer 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).
9. Where the provisions of paragraph 7 apply the offer 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.

### **Other Leaseholders**

10. If a Former Leaseholder has paid Ground Rent to Wallace Estates under a Doubling Clause and where such Former Leaseholder identifies themselves to Wallace Estates, Wallace Estates will offer to refund to them any such amounts, including any Ground Rent which the Former Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for the payment of the refund, and the identity of any Former Leaseholder will be subject to verification.

### **Payment of refunds**

11. Once an offer of a refund under paragraph 7, or 10, as the case may be, has been accepted by a Leaseholder or a Former Leaseholder (again as the case may be), Wallace Estates will use all commercially reasonable endeavours to ensure that the refund is paid to that person within 30 working days of their acceptance.
12. Each refund to a Leaseholder will be made by making a payment to the Leaseholder's billing account. Where the Leaseholder's billing account is not in arrears for the payment of Ground Rent (excluding any sums owed pursuant to a Doubling Clause), the Leaseholder will be entitled to request that the credit amount be paid into their bank account by BACS pursuant to the usual process for issuing refunds utilised by Wallace Estates or the managing agent (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).

13. Each refund to a Former Leaseholder will be made by making a payment to the Former Leaseholder's bank account by BACS (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).

**Other matters**

14. Whilst these undertakings are in effect, to the extent Wallace Estates 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 - 6 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.
15. Whilst these undertakings are in effect, to the extent that Wallace Estates acquires the freehold of any property subject to a lease that would become a Lease on Wallace Estates' 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 5 and 6 above.
16. Without prejudice to any other information which the CMA may request, Wallace Estates will provide the CMA:
  - a. within 30 working days of the applicable deadlines for making offers under paragraphs 1 and 7 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 paragraphs 2, 7, and 10 above;
    - ii. the total number of such offers which have been accepted;
    - iii. the total number of Doubling Clauses removed;
    - iv. the total number and value of refunds made; and
    - v. confirmation of compliance with paragraphs 5 and 6 above.

**BY SIGNING THESE UNDERTAKINGS WALLACE ESTATES IS AGREEING TO BE BOUND BY THEM. CONDUCT WHICH CONTRAVENES PARAGRAPHS 1 TO 16 ABOVE MAY CONSTITUTE A COMMUNITY/SCHEDULE 13 INFRINGEMENT PURSUANT TO SECTION 212 OF THE EA02. IF HAVING SIGNED THIS DOCUMENT WALLACE ESTATES 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.**