

**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.**

Madison Close Freeholders Limited, registered number 08527051, registered office C/O Belmont Management Services (South West) Limited, Daniell House, Falmouth Road, Truro, Cornwall, TR1 2HX 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 ('Madison Close'), voluntarily gives the following undertakings to the CMA under section 219 of the EA02.

Madison Close holds freehold interests in relation to some leasehold properties which are not subject to ground rent increases. These undertakings therefore refer to Category One Leaseholders to distinguish them from leaseholders whose lease does not provide for ground rent increases.

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, Madison Close undertakes:

- not to engage in any conduct which contravenes paragraphs 1 to 17 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

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

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

Ground Rent refers to the principal rent payable periodically by a Category One 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 Taylor Wimpey was originally the freeholder (or landlord) and that contains a Doubling Clause and for which Madison Close is now the freeholder (or landlord).

Taylor Wimpey means Taylor Wimpey plc, registered number 00296805, registered office Gate House, Turnpike Road, High Wycombe, Buckinghamshire HP12 3NR 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.

Removal of Doubling Clauses

1. Madison Close will make an offer to each Category One Leaseholder to vary the Lease and remove the Doubling Clause, with any associated costs to the Category One Leaseholder to be covered up to an amount of £750 and such costs to be reimbursed upon provision by the Category One Leaseholder of reasonable evidence that such costs have been incurred. For the avoidance of doubt, the amount of £750 is the Category One 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 Category One Leaseholder (where their email address is known).
3. The offer in paragraph 1 will be communicated within 30 working days of the date of these undertakings and then again annually for a two-year period or until accepted by the Category One Leaseholder, whichever is earliest.
4. Madison Close will include with the offer letter, sent to each Category One Leaseholder referred to in paragraph 2, a confirmation of receipt form and a stamped addressed envelope, addressed to Madison Close. In the offer letter, Madison Close will request that each Category One Leaseholder sign and return this confirmation of receipt form, using the stamped addressed envelope, to Madison Close.
5. Once an offer has been accepted by a Category One Leaseholder, Madison Close will use all commercially reasonable endeavours to effect the variation without undue delay.

Non-reliance on Doubling Clauses

6. Madison Close will not rely, or seek to rely, on a Doubling Clause against a Category One Leaseholder, including not demanding any Ground Rent above the initial Ground Rent.

7. Madison Close will not take any action or steps for possession against a Category One 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 Category One Leaseholder for non-payment of Ground Rent in excess of the initial Ground Rent.
8. Madison Close will offer to refund to each Category One Leaseholder any amounts the Category One Leaseholder has paid to it under a Doubling Clause, including any Ground Rent which the Category One 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.
9. The offer under paragraph 8 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Category One Leaseholder (where their email address is known)
10. The offer under paragraph 8 will be communicated within 30 working days of the date of these undertakings and then again annually for a two-year period or until accepted by the Category One Leaseholder, whichever is earliest.

Former Category One Leaseholders

11. Where any Former Category One Leaseholder who has paid Ground Rent to Madison Close under a Doubling Clause identifies themselves to Madison Close, within a five-year period from the date of these undertakings, Madison Close will offer to refund to them any such amounts, including any Ground Rent which the Former Category One Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. This offer will be made within 60 days of the Former Category One Leaseholder identifying themselves to Madison Close. 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 Category One Leaseholder will be subject to verification.

Payment of refunds

12. Once an offer of a refund under paragraph 8, or 11, as the case may be, has been accepted by a Category One Leaseholder or a Former Category One Leaseholder (again as the case may be), Madison Close will use all commercially reasonable endeavours to ensure that the refund is paid to that person within 30 working days of their acceptance.
13. Each refund to a Category One Leaseholder will be made by making a payment to the Category One Leaseholder's billing account. Where the Category One Leaseholder's billing account is not in arrears for the payment of Ground Rent

(excluding any sums owed pursuant to a Doubling Clause), the Category One 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 Madison Close 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).

14. Each refund to a Former Category One Leaseholder will be made by making a payment to the Former Category One 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

15. Whilst these undertakings are in effect, to the extent Madison Close 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 Category One 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.
16. Whilst these undertakings are in effect, to the extent that Madison Close acquires the freehold of any property subject to a lease that would become a Lease on Madison Close'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.
17. Without prejudice to any other information which the CMA may request, Madison Close will provide the CMA:
 - a. within 30 working days of the applicable deadlines for making offers under paragraphs 1 and 8 above, with written confirmation that all such offers have been made to all Category One 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 a report, on an annual basis, setting out:
 - i. the total number of offers made under paragraphs 1, 8, and 11 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 6 and 7 above.

BY SIGNING THESE UNDERTAKINGS MADISON CLOSE IS AGREEING TO BE BOUND BY THEM. CONDUCT WHICH CONTRAVENES PARAGRAPHS 1 TO 17 ABOVE MAY CONSTITUTE A COMMUNITY/SCHEDULE 13 INFRINGEMENT PURSUANT TO SECTION 212 OF THE EA02. IF HAVING SIGNED THIS DOCUMENT MADISON CLOSE 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.