

RETIREMENT HOMES DRAFT UNDERTAKING

PART 8 OF THE ENTERPRISE ACT 2002: (THE ACT) THE UNFAIR TERMS IN CONSUMER CONTRACTS REGULATIONS 1999

UNDERTAKINGS TO THE OFFICE OF FAIR TRADING (PURSUANT TO SECTION 219 OF THE ACT).

1. Xxx Limited (Xxx), a body corporate (company registration number: XXXXXX), also trading as XXXX, whose registered office address is at XXXXXXXXXXXX, hereby undertakes to the Office of Fair Trading that:
 - a. it will not (whether by its officers, employees, agents or otherwise) continue or repeat the Prohibited Conduct described in paragraph 3 below relating to transfer fee terms
 - b. it will not (whether by its officers, employees, agents or otherwise) engage in the Prohibited Conduct described in paragraph 3 below relating to transfer fee terms in the course of its business or another business
 - c. it will not (whether by its officers, employees, agents or, otherwise or by directing any other entity or individual) consent to or connive in the carrying out of the Prohibited Conduct described in paragraph 3 below relating to transfer fee terms used or relied on by a body corporate with which it has a special relationship (within the meaning of section 222(3) of the Act), and
 - d. it will carry out the matters listed in paragraph 2 below.
2. Xxx also hereby undertakes to the Office of Fair Trading that:
 - a. Xxx will notify, or procure the notification to, all consumers holding leases from Xxx or from a body corporate with which Xxx has a special relationship (within the meaning of section 222(3) of the Act) that transfer fee terms will not be used or relied upon now or in future
 - b. if Xxx requires a consumer to pay a fee or fees on the transfer of property leased to the consumer by Xxx:
 - i. Xxx will only charge a fee or fees, or will procure that a fee or fees are only charged, where they reflect a genuine pre-estimate of the administrative work, if

any, which Xxx will need to undertake in order for the transfer to take place

- ii. before a consumer enters into any lease with Xxx requiring the consumer to pay such a fee or fees, Xxx will explain clearly to the consumer in writing details of any and all such fee or fees or procure such an explanation to the consumer
 - iii. before a consumer enters into any lease with Xxx requiring the consumer to pay such a fee or fees, Xxx will provide, or procure the provision, to the consumer of a copy of the lease agreement highlighting clearly to the consumer the provisions relating to the fee or fees
 - c. in the event that either Xxx or a consumer who holds a lease with Xxx containing a transfer fee term wishes to transfer such a lease, Xxx will promptly on becoming aware of such a proposed transfer and in any event no later than the date of transfer take any and all steps necessary to effect a variation of such a lease to remove the transfer fee term and any reference to such terms in any related documents, or to reduce the fee to one which may be charged under paragraph 2. b. i. above, or procure that such steps are taken.
3. Prohibited Conduct is conduct which harms the collective interests of consumers being conduct which harms or risks harming consumers. This includes conduct of the type listed in sub-paragraphs (a) and (b) below, that is:
- a. using or relying on a transfer fee term or any term with the same or similar effect in leasehold agreements or any other agreement relating to land or property made with consumers and in sub-tenancy agreements related to such agreements, and
 - b. recommending, requiring or procuring the inclusion of a transfer fee term or any term with the same or similar effect in new leasehold agreements or any other agreement relating to land or property made with consumers, and in any sub-tenancy agreement related to such agreements.
4. Any reference to 'consumer' or 'consumers' in this undertaking is a reference to consumers generally or individually who own or may purchase a leasehold estate in land in respect of which the freehold and/or any superior leasehold estate is owned by Xxx or a body

corporate with which it has a special relationship (within the meaning of section 222(3) of the Act).

5. Any reference to 'transfer fee terms' in this undertaking is a reference to any term that allows Xxx or a body corporate with which it has a special relationship (within the meaning of section 222(3) of the Act) to require consumers to pay a fee that is expressed as a percentage of the price or value of the consumer's leasehold estate on the occurrence of a transfer as defined in paragraph 6 below.
6. Any reference to 'transfer' in this undertaking is a reference to any legal or equitable means by which a consumer may seek to transfer his or her leasehold estate in land or by which another person may acquire a legal or equitable proprietary right in respect of such land, including but not limited to any form of conveyance, grant, trust, bequest, sale, underlease, surrender, devolution, or disposal.

IF YOU SIGN THIS DOCUMENT ON BEHALF OF XXXXX LTD (XXXXXX), XXXXX AGREES TO COMPLY WITH ITS REQUIREMENTS.

THE ACTS AND OMISSIONS REFERRED TO IN PARAGRAPHS 1, 2 AND 3 ARE COMMUNITY INFRINGEMENTS PURSUANT TO SECTION 212 OF THE ACT.

IF, AFTER YOU HAVE SIGNED THE DOCUMENT ON BEHALF OF XXXXX, AND XXXXX BREACHES THE ABOVE UNDERTAKING, XXXXX MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER UNDER SECTION 215 OF THE ACT.

XXXXXXXXXX Director (for and on behalf of XXXXX Ltd t/a XXXXX)	Witness (Print Name)
Signature	Witness' Signature
Address	Address
Date	Date