**TERMS AND CONDITIONS OF SALE**

**for the sale of residence right in residence apartments of Búmenn hsf.**

These Terms and Conditions apply to the sale of residence rights with Búmenn hsf. (hereafter "*Búmenn"* or *"the company*"). Unless otherwise provided for in these Terms and Conditions, the sale of such residence right shall be governed *mutatis mutandis* by the company’s current Articles of Association and by Act No. 66/2003, on Housing Co-operatives, as subsequently amended. These Terms and Conditions of Sale have been approved by the Board of Directors of Búmenn, as provided for in Art. 30 of the company's Articles of Association. The Terms and Conditions of Sale refer to Búmenn's tariff, which has been approved by the company's Board of Directors.

These Terms and Conditions of Sale and Búmenn's tariff are published on the company's website [www.bumenn.is](quot%3Bhttp%3A//www.bumenn.is%26quot).

A residence right holder is permitted to sell a residence right that they have acquired from Búmenn or another member under the terms and conditions set out below:

1. **Request for sale of residence right (sales request)**

The residence right holder shall notify Búmenn that the residence right to a residence apartment is for sale and the company shall handle the sale of the residence right. For this purpose, the residence right holder shall sign and submit to Búmenn a completed and signed form entitled "*Request to Sell a Residence Right*", which is available on the company's website, providing information about the residence apartment to which the residence right applies, the residence right holder, the listed price of the residence right and the proposed delivery date for the residence apartment. This sales request shall be binding for six months from its signing, but will be cancelled after that period if no purchase contract for the residence right has been concluded. However, the seller may, at any time during the said six-month period, cancel the sales request by notifying Búmenn accordingly.

1. **Rights and obligations of the seller while the residence right is for sale**

The seller retains the rights and obligations of a residence right holder, including responsibility for payment of the residence fee, while the sale of the residence right is underway and until it has been sold and the purchaser has assumed the rights and obligations of the residence right holder for the residence apartment concerned.

1. **Inspection of the apartment’s condition and advertisement of residence right for sale**

Búmenn will conduct an inspection of condition of the residence apartment concerned in the sales request and will be responsible for advertising the residence right for which a sales request has been submitted, stating the listed price and delivery date as per the sales request. The residence right will be advertised once in one daily newspaper and listed on the company's website. The inspection of the condition, one advertisement in a daily newspaper and listing on Búmenn’s website are included in the listing fee, cf. Point 4. The seller may request publication of additional advertisements and will pay for such additional publication in accordance with Búmenn's tariff.

1. **Listing fee for a request to sell a residence right and cost of selling a residence right**

Upon submission of the sales request, the seller shall pay a listing fee to Búmenn as prescribed in Búmenn’s tariff. The sales request is not binding on Búmenn until the listing fee has been paid. If the residence right is not sold based on the sales request, the listing fee is non-refundable and shall be used to pay the costs of attempted sale. Similarly, payments for publication of additional advertisements are non-refundable. On the other hand, if the attempted sale concludes with the sale of the residence right, a sales commission shall be paid to Búmenn from the sales proceeds as prescribed in Búmenn’s tariff, after deducting the listing fee from the sales commission. If additional advertisements have been published at the seller's request, cf. Point 3, the seller shall bear the cost thereof which is non-refundable.

1. **Deadline for offers**

The deadline for making an offer for a residence right shall be 10 working days from the publication of an advertisement in a daily newspaper, cf. Point 3.

1. **Offer for a residence right**

Persons wishing to make an offer for a residence right, which has been advertised for sale, shall submit an offer to the office of Búmenn within the advertised time limit for offers. For this purpose, the offeror shall sign and submit to Búmenn a completed and signed form entitled "*Offer to Purchase a Residence Right in a Búmenn apartment*", which is available on the company's website, providing information about the residence apartment to which the offer applies, the offeror and the amount of the offer. Offerors shall be bound by their offer for six weeks from the date the offer to purchase the residence right has been received at the company's office.

An unconditional offer for a residence right is considered a binding offer within the meaning of these Terms and Conditions of Sale.

A conditional offer is not considered a binding offer; however, such offers shall be accepted and presented to the seller in the manner set out in Point 6.

If the seller accepts a conditional offer, the offeror shall have 30 days from the acceptance of the offer to withdraw the condition. Otherwise, the offer shall be null and void.

1. **Review and approval of offers following the conclusion of the time limit for offers**

Once the time limit for offers has elapsed, Búmenn shall review the offers submitted and their terms and conditions, together with the offerors’ member numbers. Thereafter Búmenn shall inform the seller of the offers submitted and, where applicable, whether an offeror's member number will accord them priority. If the highest binding offer is equal to or higher than the listed price of the sales request, the seller is obligated to sell at the offer price. If the highest binding offer is lower than the listed price of the sales request, a purchase contract will only be concluded based upon it if the seller chooses to accept the offer; this is done by the seller signing their acceptance on the offer sheet. A binding offer is always considered to have priority in this context, i.e. the seller is always entitled to accept such an offer even if a higher conditional offer exists.

1. **The right of an offeror to match the highest offer**

The person with the lowest member number among those who have made a binding offer shall have the option of matching the highest offer. In such a case, the company shall invite the relevant offeror to match the highest bid by means of a notice sent by e-mail or other verifiable means. The member shall have three days from the sending of such notification to match the highest offer in writing by signing a form sent to them by Búmenn. If the offeror in question does not match the highest bid, the offeror with the next lowest member number shall be invited to match it, in the same manner as previously described, and so on. If the seller of the residence right has accepted a conditional offer, the right of priority does not come into consideration until the condition has been withdrawn.

1. **Payment in confirmation of purchase of a residence right and payment of the remaining purchase price**

In confirmation, the purchaser is obliged to make a down payment of 10% of the purchase price of the residence right within five working days from the date on which the binding offer is deemed accepted, or within five business days after the condition has been withdrawn if the seller has accepted a conditional offer. At the same time, the purchaser of the residence right shall pay Búmenn an administration fee as prescribed in Búmenn's tariff. The remaining purchase price of the residence right shall be paid to Búmenn no later than upon the signing of a new residence contract, which shall take place no later than the agreed delivery date of the residence apartment.

1. **Authorization to rescind if the confirmation payment is not made and/or the remaining purchase price of the residence right is not paid on time**

If the purchaser fails to pay the confirmation payment within the time limit specified in Point 9, the seller may rescind the purchase without notice or prior notification. The same applies if the purchaser of the residence right fails to pay the remaining purchase price of the residence right by the agreed date of occupation at the latest.

If a confirmation payment has been made but the purchase is rescinded due to failure to pay the remaining purchase price by the due date, a sales commission shall be paid from the confirmation payment to Búmenn as prescribed in Búmenn's tariff as if the purchase had been completed. The remaining balance of the confirmation payment shall be refunded to the purchaser if the seller has not, within four weeks of the date the purchase was rescinded, notified Búmenn in a verifiable manner that they have claimed compensation from the purchaser for non-fulfilment. If Búmenn is notified of such a claim by the seller against the purchaser, the remaining balance of the confirmation payment will be deposited into a special escrow account in Búmennn's name and shall be kept in that account until a conclusion is available in the settlement between the seller and the purchaser in connection with the rescission.

1. **Documentation, signatures and settlement for the sale of a residence right**

Once a conclusion has been obtained as to who is to be the purchaser of the residence right, Búmenn shall convene a meeting of the purchaser and seller at the company's office to finalize the documentation in connection with the transaction. This meeting shall be held no later than the agreed delivery date of the residence apartment and the following shall be concluded:

1. If the purchaser of the residence residence right has not already paid the remaining purchase price for the residence right, they must do so at the latest at the meeting and sign, together with a representative of Búmenn, a new residence contract in triplicate for the residence apartment to which the purchased residence right applies. If the purchaser is not already a member of Búmenn, they must at the same time pay the Búmenn admission fee in addition to the membership fee for the relevant year of operation if this is due when the residence contract is signed. Each party shall keep one copy of the signed residence contract, while the third copy shall be registered by the company as an encumbrance on the residence apartment in question.
2. At the meeting, the seller of the residence right, together with a representative of Búmenn, shall sign the previous residence contract, attesting to its cancellation or, as the case may be, a separate document to this effect provided by the company at the meeting. In other respects, the company is responsible for deregistering the contract with the respective District Commissioner.
3. The purchaser and seller of the residence right, together with the representative of Búmenn, shall each sign the document for the transaction with the residence right.
4. **Payment of the sale proceeds of the residence right to the seller**

Búmenn shall pay the seller the latter’s portion of the sales price of the residence right within two weeks of the delivery date of the residence apartment. Payment may, however, be postponed beyond that time until the registration of the new residence contract and deregistration of the previous contract has taken place, or if any objections are raised by the purchaser concerning the condition of the residence apartment.

1. **Membership of the purchaser of the residence right**

If the purchaser of the residence right is not already a member of Búmenn, they automatically become one upon signing the residence contract, cf. Point 10. Upon such entry into the company, the purchaser shall pay the admission fee and membership fee as determined by the Board of Directors of Búmenn in the manner provided for in Point 11 a.