

RENTBACK CHARTER ASSOCIATION

Membership Agreement

THIS AGREEMENT is made the day on which the Member agrees to be bound by the terms of this Agreement via the Association's Website and is made BETWEEN

Rent Back CA Limited (company number 06595683 whose registered office is situated at c/o Neves Solicitors, Kingsbridge House, 702 South Seventh Street, Milton Keynes MK9 2PZ ('RBCA')(1); and

You the member agreeing to be bound by the terms of this Agreement ('the Member')(2).

1 Definitions

- 1.1 'Agreement' means this agreement.
- 1.2 'the Association' means the trade organisation operated by the RBCA a company limited by guarantee whose registered office is at c/o Neves Solicitors, Kingsbridge House, 702 South Seventh Street, Milton Keynes MK9 2PZ (company number 06595683), called the Rent Back Charter Association.
- 1.3 'the Association's Administrative Address' means 58 Church Street Wolverton Milton Keynes MK12 5JW or such other address that the Association nominates from time to time.
- 1.4 'the Association's Logo' shall mean the logo and other trademarks (whether registered or not) of the Association as the Association may provide from time to time.
- 1.5 'BMV' means below market value.
- 1.6 'BMV Transactions' means below market value transactions incorporating the purchase of property at a price below the market value that the property would command usually but not always as a result of the vendor's individual financial circumstances.
- 1.7 'Certificate' means the certificate that the Member is required to submit to the Association in accordance with the terms of the Code.
- 1.8 'the Code' means this Code of Conduct as amended from time to time and posted on the Website.
- 1.9 'Compensation Amount' means the sum awarded to a Vendor by the Association in accordance with clause 9 of this Agreement.
- 1.10 'Complaint' means a complaint received by the Association from a Vendor pursuant to the Code relating to the Member's breach of the Code.
- 1.11 'Interest Rate' means the rate of 4% above the base rate from time to time of Barclays Bank Plc or such other clearing bank as the Association shall acting reasonably determine.
- 1.12 'the Member' means the individual member of the Association who agrees to be bound by the terms of this Code.
- 1.13 'the Membership' means the Member's membership of the Association during a Membership Term.
- 1.14 'the Membership Fee' means the annual fee payable by a member to the Association to become and to remain a Member subject to the terms of

- this Agreement. Such fee to be set by the Association from time to time and posted on the Website and notified to the Members by email.
- 1.15 'the Membership Term' means the period during which the Membership remains current.
- 1.16 'the Purchaser' means the Member purchasing a property from the Vendor.
- 1.17 'the Renewal Date' means the date being 12 months from the date hereof and the date being every 12 months thereafter.
- 1.18 'Rent Back' is a type of transaction whereby the Vendor has sold their property to the Purchaser who in turn has then rented back the property to the Vendor enabling the Vendor to continue occupying the property after the sale.
- 1.19 'Transaction Fee' means a fee payable by the Member to the Association in respect of each Certificate submitted. The level of such fee shall be determined by the Association and shall be published from time to time by the Association on its website.
- 1.20 'the Vendor' means the owner of property who wishes to sell their property to the Purchaser.
- 1.21 'the Website' means the Association's website at *www.rentbackcharter.com*
- 1.22 'Working Day' means a day Monday to Friday (inclusive) not being a bank or other public holiday in England.

2 Nature of this Agreement

- 2.1 The Member agrees to be a member of the Association and to abide by the terms of the Code.
- 2.2 The Member acknowledges that the Association will suffer loss of reputation and authority as a regulatory body if the Member fails to abide by the provisions contained within the Code.
- 2.3 The Member hereby agrees that the Association has the full power and authority to enforce against the Member the provisions of this Agreement and the Code.

3 Membership

- 3.1 Upon paying the Membership Fee at the date hereof and on each Renewal Date the Member shall be a member of the Association and shall be eligible to receive the benefits of Membership of the Association as set out in this Agreement.
- 3.2 Membership of the Association shall continue for a period of 12 months and automatically renew for further periods of 12 months on each Renewal Date unless terminated in accordance with the provisions of clause 4 below.
- 3.3 The Members shall be ineligible for membership of the Association if the Member has an unspent criminal conviction involving dishonesty or such

other crime which the Association in its sole discretion reasonably considers may bring the Association into disrepute.

- 3.4 The Members shall have a duty to notify the Association if at any time the Member is convicted of any criminal offence save for minor motoring offences.

4 Termination

- 4.1 The Association may at its sole discretion terminate the Membership if:
- 4.1.1 the Member fails to comply with any term, condition, covenant or provision of or to perform any of his obligations or liabilities under this Agreement or the Code; or
 - 4.1.2 any judgment or order made against the Member by any Court is not complied with within 14 days; or
 - 4.1.3 in the case of an individual:
 - 4.1.3.1 the Member becomes subject to an interim order or makes a proposal for a voluntary arrangement under the Insolvency Act 1986 Part VIII or enters, or seeks to enter, into any other form of composition or arrangement with his creditors whether in whole or in part; or
 - 4.1.3.2 a petition is presented for the bankruptcy of the Member; or
 - 4.1.3.3 the Member becomes of unsound mind; or
 - 4.1.3.4 the Member is convicted of a criminal offence involving dishonesty
 - 4.1.4 in the case of a company or limited liability partnership:
 - 4.1.4.1 the Member makes a proposal for a voluntary arrangement under the Insolvency Act 1986 Part I or enters, or seeks to enter, into any other form of composition or arrangement with its creditors whether in whole or in part; or
 - 4.1.4.2 the Member becomes subject to a notice of an intended appointment of an administrator or an application is made to any court or any meeting of directors or members is called with a view to the Member entering into administration; or
 - 4.1.4.3 an administrative receiver is appointed in respect of the whole or any part of the undertaking of the Member; or
 - 4.1.4.4 a petition is presented in any court or a meeting is convened for the purpose of considering a resolution for the winding up of the Member (except in the case of a reconstruction or amalgamation that has the previous approval in writing of the Association).
- 4.2 The Membership shall automatically cease and terminate if the Member fails to pay the Membership Fee on the Renewal Date or any Transaction Fee as required pursuant to the provisions of this Agreement.
- 4.3 The Member may terminate his Membership at any time by providing written notice to the Association.

- 4.4 If the Membership shall terminate pursuant to clauses 4.1 to 4.3 then such termination shall not affect the right of the Association to enforce the terms of this Agreement or the Code against the Member:
- 4.4.1 in relation to pre-existing breaches thereof; or
 - 4.4.2 in relation to transactions whereby the Member has already exchanged contracts for the purchase of a property with a Vendor having held himself out to be a Member of the Association; or
 - 4.4.3 in relation to transactions whereby the Member has already submitted a Certificate to a Vendor and the Member fails to notify the Vendor that he is no longer a Member prior to the exchange of contracts for the purchase of a property.
- 4.5 Immediately upon the termination of Membership the Member shall:
- 4.5.1 notify the Vendor in any transaction that the Member is involved which has not yet proceeded to formal exchange of contracts that the Member is no longer a member of the Association and that the Vendor will therefore not have the benefit of the provisions contained within the Code; and
 - 4.5.2 cease to continue to be a member of the Association; and
 - 4.5.3 no longer be entitled to the benefits as provided for at clause 5 below.

5 Benefits of Membership

- 5.1 The Association was formed in response to negative imaging that BMV investors had been subjected to as a result of the lack of regulation of BMV transactions and specifically those that include a Rent Back element. The Association has therefore pledged to regulate its members within Rent Back transactions and to impose a duty of best practice upon those BMV investors who wish to be members of the Association. Property Vendors can therefore look to the Association's name and logo as a mark of fairness and excellence in Rent Back transactions. The Member acknowledges and accepts that Membership of the Association shall raise the Member's profile and the Member shall benefit from being associated with the Association.
- 5.2 As a further benefit of Membership the Member shall be entitled to use the Association's Logo subject to the provisions of clause 5.4 below and to hold himself out as being a member of the Association.
- 5.3 The Member shall have access to the Website upon which information and resources shall be posted from time to time.
- 5.4 Except as provided in clause 5.2 the Member shall have no rights in respect of the Association's Logo or any trade marks used by the Association or the goodwill associated with them. The Member acknowledges that except as expressly provided in this agreement he will not acquire any rights in respect of such rights and goodwill and that they are, and shall remain, vested in the Association.
- 5.5 The Member must ensure that each reference to and use of the Association's name or the Association's Logo by the Member is in a manner from time to time approved by the Association and accompanied by an acknowledgment, in a form approved by the Association, that the mark is a trade mark (or registered trade mark) of the Association.

- 5.6 The Member must not:
- 5.6.1 make any modifications to the Association's Logo;
 - 5.6.2 use the Association's Logo in any way that might prejudice its distinctiveness or validity or the goodwill of the Association in them;
 - 5.6.3 use in relation to the provision of services of the nature governed by the Code any logo or other trade mark other than the Association's Logo without obtaining the prior written consent of the Association; or
- 5.7 The Member must not advertise in any literature, email, website or otherwise that a Vendor could sell his home and obtain Housing Benefit or any such similar state benefit to assist in paying the rent pursuant to any Rent Back tenancy. If in the individual circumstances of a transaction it transpires that the Vendor may be eligible for Housing Benefit or otherwise then the Member shall advise the Vendor and act in accordance with the Code.
- 5.8 The Member must, at the expense of the Association, take all such steps as the Association may reasonably require to assist the Association in maintaining the validity and enforceability of the intellectual property of the Association during the term of this Agreement.
- 5.9 The Member must at the request of the Association execute such agreements or licences in respect of the use of the Association Logo as the Association may reasonably require, provided that the provisions of the agreements or licences must not be more onerous or restrictive than the provisions of this Agreement.
- 5.10 The Member must not do or authorise any third party to do any act that would or might invalidate or be inconsistent with any intellectual property of the Association, and must not omit to do any act that, by its omission, would have that effect or character, or authorise any third party to omit to do any such act.
- 5.11 The Member must promptly and fully notify the Association of any actual, threatened or suspected infringement of any intellectual property of the Association that comes to the Member's notice, and of any claim by any third party coming to his notice that the use of the Association's Logo, infringes any rights of any other person. The Member must at the request and expense of the Association do all such things as may be reasonably required to assist the Association in taking or resisting any proceedings in relation to any such infringement or claim.
- 5.12 The Association shall have the conduct of all proceedings relating to the Association's Logo and shall in its sole discretion decide what action, if any, to take in respect of any infringement or alleged infringement of or by the Association's Logo, including any action under the Trade Marks Act 1994 section 30 or any similar or equivalent legislation, or passing-off or any other claim or counterclaim brought or threatened in respect of the use or registration of the Association's Logo. The Member must at the request and expense of the Association co-operate with the Association in any action, claim or proceedings brought or threatened in respect of the Association's Logo subject to his reasonable and properly incurred costs, including reasonable legal expenses, being reimbursed by the Association.

6 Transaction Fee

- 6.1 Within 14 Working Days of the legal completion of the Member's purchase of a property in respect of which the Member is required by the terms of the Code and this Agreement to submit a Certificate to the Association the Member shall:
- 6.1.1 submit an electronic copy of the Certificate to the Association via the Website; and
 - 6.1.2 pay to the Association the Transaction Fee.
- 6.2 In addition to the submission of the Certificate electronically in accordance with Clause 6.1 above the Member shall ensure that an original copy of the Certificate bearing the Member's signature and (if possible) the Vendor's signature is sent by first class post in a properly addressed envelope with postage paid to the Association's Administrative Address within 28 days following legal completion of the Member's purchase of the Property.

7 Utilisation of Monies and Obligations of the Association

- 7.1 Monies received by the Association from time to time by way of Membership Fees or otherwise shall be used by the Association:
- 7.1.1 in raising public awareness of the positive aspects of Rent Back transactions;
 - 7.1.2 to offer a Rent Back regulatory service;
 - 7.1.3 to offer remedial action for Vendors in circumstances where Members have breached the terms of the Code;
 - 7.1.4 in the administration and set up of the RBCA
 - 7.1.5 in any other way that the Association may choose in accordance with its Memorandum and Articles of Association.
- 7.2 The Association agrees to act diligently and proactively for as long a period as necessary to promote the business of Rent Back transactions by way of any process as the Association from time to time consider appropriate.
- 7.3 The Association shall ensure that each member of the Association shall enter into and remain bound by an agreement in similar terms to this Agreement and the Association shall take all reasonable and necessary steps to enforce the terms of such agreements against all members of the Association.

8 Conduct and Behaviour

- 8.1 When acting as an investment Purchaser in relation to the purchase of Property within a Rent Back transaction where the Member is holding himself out as a member of the Association the Member shall act in accordance with the Code and any other regulations that the Association may from time to time impose.
- 8.2 Nothing in this Agreement shall require the Member to act in any particular manner in relation to the sale and purchase of the Members

own property that he intends to occupy as his own residence and not as an investment purchase, or in relation to non Rent Back transactions.

9 Complaints

- 9.1 If the Member receives a Complaint then the Member shall promptly deal with that Complaint in a reasonable and professional manner in an attempt to resolve the Complaint.
- 9.2 The Member acknowledges that the Code provides that if the Vendor is unable to resolve a Complaint with the Member directly the Vendor may raise such Complaint with the Association requesting that the Association mediate between the Vendor and the Member in an effort to resolve the Complaint. The Member shall act reasonably in respect of such mediation and provide any such information and assistance that the Association require in order to bring about a reasonable resolution to the Complaint.
- 9.3 The Member hereby specifically acknowledges that if in the reasonable opinion of the Association a dispute between a Vendor and the Member cannot be resolved due to the unreasonable behaviour of the Member then the Association may acting in their sole discretion award compensation to the Vendor, being a sum not more than the value of the percentage discount at which the Member purchased the property from the Vendor.
- 9.4 The Association shall, in determining the amount of compensation to award to the vendor pursuant to Clause 9.3 above have regard to any benefit that the Vendor may have received as a result of the transaction with the Member.
- 9.5 If pursuant to the terms of this Agreement the Association makes an award of compensation to a Vendor then the Member shall within 7 working days of receiving notification of the Association's decision make payment to the Association the Compensation Amount as notified to the Member or at the sole discretion of the Association the Member shall pay the Compensation Amount to the Vendor directly immediately notifying the Association that payment has been made.
- 9.6 In addition to the Compensation Amount payable by a Member pursuant to clause 9.5 above the Member shall also pay to the Association within 7 days of receiving written notification of the same a sum equal to the 5% of the Compensation Amount subject to a minimum payment of £500 in respect of the Association's administration costs and expenses in dealing with the Complaint.
- 9.7 The award of compensation provided for at Clause 9.3 above shall be by way of fine and not damages flowing from the breach of this Agreement but the failure to pay the specified sum of compensation in accordance with Clause 9.5 above shall be a direct breach of this Agreement and may be enforced by any such methods as are available to the Association.

10 Amendments to the Code

- 10.1 The Member acknowledges that from time to time the Association may be required to or may wish to amend the terms of the Code.

- 10.2 The Member shall be bound by such amended terms of the Code immediately that the same are placed on the Website provided that the Association shall have provided to the Member by email (or otherwise) a full copy of the amended Code.
- 10.3 Immediately following the Member receiving the emailed notification of amendment pursuant to this clause 10 the Member shall provide to the Vendor in any pending transaction that has not yet proceeded to a formal exchange of contracts a copy of the amended Code.

11 Interest

- 11.1 Without prejudice to any other rights that the Association may have if any sum owed to the Association by the Member including any sums owed pursuant to clause 9 above, remains outstanding then interest shall be charged thereon from the date on which such sum becomes due until the date on which it is actually paid at the Interest Rate both before and after judgment for the same.

12 Assignment

- 12.1 This Agreement shall be binding upon, and enure to the benefit of, the parties to this Agreement and their respective successors and permitted assigns, and references to a party in this Agreement shall include its successors and permitted assigns.
- 12.2 The Member shall not be entitled to assign or transfer this Agreement or any of its rights and obligations under this Agreement.
- 12.3 It is specifically agreed that the Association may assign its rights and obligations under this Agreement to any third party without the necessity for the consent of the Member.

13 General

- 13.1 The Member shall provide to the Association all contact details including an email address that the Association shall require and as and when necessary from time to time provide updated contact details to the Association during the period which the Member remains bound by the terms of this Agreement and the provisions of the Code whether or not the Member continues to be a member of the Association.
- 13.2 If any item or provision contained in this Agreement or any part of it ('an Offending Provision') is declared to be or becomes unenforceable invalid or illegal for any reason whatsoever (including but without detracting from the generality of the foregoing a decision by the competent domestic or European courts, an Act of Parliament, European Union legislation or any statutory or other bye-laws or regulations or any other requirements having the force of law) the other terms and provisions of this Agreement shall remain in full force and effect as if it had been executed without the Offending Provision appearing in it. If the exclusion of any Offending Provision will in the Association's opinion adversely affect either the

Association's Logo the goodwill in the Association or the Association's right to receive payment of all or any fees or remuneration under this Agreement, the Association may terminate this agreement by 30 days' written notice to the Member.

- 13.3 Any approval or consent given by a company under this agreement shall be valid only if given in writing by one of its directors. The Member shall not be entitled to claim any money or other damages or remedy by way of set off counterclaim defence or in any other way based upon any claim or assertion or other that the Association has unreasonably withheld or unreasonably delayed any consent or approval required under this Agreement.
- 13.4 This Agreement is not made for the benefit of, nor shall any of its provisions be enforceable by, any person other than the parties to this Agreement and their respective successors and (where applicable) permitted assignees.
- 13.5 Any notice required to be given for the purposes of this Agreement must unless otherwise specified within this Agreement be given by sending it by pre-paid first class post or fax, or by delivery by hand at the relevant address shown in this Agreement or such other address as has been notified in accordance with this clause by the party concerned as being his address for the purposes of this clause. Any notice sent by post shall be deemed to have been served 2 days after posting. In proving service it shall be sufficient to prove that a notice was properly addressed and stamped and put into the post. Any notice sent by fax shall be deemed to have been served on the next business day following the date of dispatch of it. Any notice delivered by hand shall be deemed to have been served when physically delivered at the relevant address. Any notification sent by email (where authorised) correctly addressed shall be deemed to have been delivered on the day that it was sent provided that the sender has not received any delivery failure notice in respect thereof.
- 13.6 This agreement shall be governed by and construed according to English law.

Signed by the Member [*insert name*] whose address is at
[]

..... Member

RENTBACK CHARTER ASSOCIATION

CODE OF CONDUCT

The Rentback Charter Association ('the Association') has been formed in response to negative imaging that BMV investors have been subjected to as a result of the lack of regulation of BMV transactions and specifically those that include a Rent Back element. The Association therefore pledges to regulate its members and to impose a duty of best practice upon those BMV Rent Back investors who wish to be members of the Association. Property Vendors can therefore look to the Association's name and logo as a mark of fairness and excellence in transactions below market value.

1 Definitions

- 1.1 'the Association' means the trade organisation operated by the Rentback CA Limited a company limited by guarantee whose registered office is at Kingsbridge House, 702 South Seventh Street, Milton Keynes MK9 2PZ (company number 06595683), called the Rent Back Charter Association.
- 1.2 'the Association's Logo' shall mean the logo and other trademarks (whether registered or not) of the Association as the Association may provide from time to time.
- 1.3 "AST" shall mean an Assured Shorthold Tenancy Agreement in compliance with the Housing Act 1988 as amended or replaced.
- 1.4 'BMV' means below market value.
- 1.5 'BMV Transactions' means below market value transactions incorporating the purchase of property at a price below the market value that the property would command usually but not always as a result of the vendor's individual financial circumstances.
- 1.6 'a Certificate' means the certificate referred to at Clause 3.1 below;
- 1.7 'the Code' means this Code of Conduct as amended from time to time.
- 1.8 a 'Lead' is when a purchaser negotiates a deal with a vendor and chooses not to proceed with the purchase but instead sells the information regarding the purchase to a third party who then becomes the purchaser in the transaction.
- 1.9 'the Member' means an individual member of the Association who agrees to be bound by the terms of this Code.
- 1.10 'the Property' shall mean the property that a Vendor wishes to sell and the Purchaser wishes to buy.
- 1.11 'the Purchaser' means the Member purchasing a property from the Vendor.
- 1.12 'the Rental Period' means the period within which the Vendor in a Rent Back transaction will be entitled to renew the original tenancy with the Purchaser.

- 1.13 'Rent Back' is a type of transaction whereby the Vendor has sold their property to the Purchaser who in turn has then rented back the property to the Vendor enabling the Vendor to continue occupying the property after the sale.
- 1.14 "RPI" means the 'all items' figure of the Index of Retail Prices published by the office for National Statistics or any successor authority.
- 1.15 'the Tenant' means the Vendor subsequent to the sale of the property to the Purchaser when a Rent Back situation has taken place.
- 1.16 'the Vendor' means the owner of property who wishes to sell their property to the Purchaser.
- 1.17 'Writing' and any similar expression includes facsimile transmission and electronic mail.

2 This Code

- 2.1 This Code shall apply to all transactions conducted by a Member which involves a Rent Back.
- 2.2 When dealing with a Purchaser who is a Member of the Association in a transaction involving a Rent Back a Vendor can expect the Purchaser to deal with the Property transaction in accordance with the provisions of this Code and shall have the ability to raise a complaint with the Association should a Purchaser fail to act in such a manner.

3 Making Offers

- 3.1 When making offers to purchase property from a Vendor a Purchaser shall provide the offer to the Vendor in writing by way of a certificate in the form similar to that as set out in Appendix 1 hereto.
- 3.2 The Certificate shall include but shall not be limited to:
 - 3.2.1 the name, address, telephone number, email address and such other contact details of the Purchaser as are appropriate;
 - 3.2.2 (if the Purchaser is a Company) the details as set out at paragraph 3.2.1 above in respect of the directors of the Purchaser company;
 - 3.2.3 the offer price;
 - 3.2.4 the estimated market value of the Property;
 - 3.2.5 the percentage below the market value of the Property at which the offer is being made;
 - 3.2.6 the length of term of the initial AST that will be granted in favour of the Vendor upon completion of the Purchase;
 - 3.2.7 the length of the Rental Period subject to the provisions of paragraph 4 below;

- 3.2.8 the method of calculation of any rental increases upon the renewal from time to time of the tenancy agreement;
- 3.2.9 any charges that the Vendor will be subject to as a tenant of the Property, ie utilities, council tax;
- 3.3 The Purchaser must sign and provide to the Vendor a copy of the Certificate and the Association recommends that the Purchaser retains a copy of the Certificate signed by the Vendor as evidence of the terms of the offer;
- 3.4 The Purchaser must also ensure that the Certificate is submitted to the Association electronically via the Association's website and by post.
- 3.5 The Purchaser must also notify the Vendor if they have not already done so that the Purchaser is a member of the Association and provide the Vendor with a copy of the Code;
- 3.6 The Certificate and any other documentation utilised by the Purchaser setting out the offer being made to the Vendor shall be in plain English.
- 3.7 The Association recommends that a Purchaser shall not make any offer to a Vendor to purchase a Property at less than 70% of the market value of the Property save where the market value of the Property is such that a sale price discount of 30% or less would be insufficient to cover the Purchaser's reasonable costs of the transaction, or where a greater discount has been agreed in writing by the Vendor.
- 3.8 A Purchaser will use all reasonable endeavours to provide the Vendor with a true and honest opinion of the market value of the Property and shall encourage the Vendor to seek an independent valuation of the Property if they have any doubts or concerns as to the valuation that the Purchaser has suggested.
- 3.9 The Purchaser shall not seek to deviate from the terms of any written offer provided to the Vendor save for in circumstances whereby the Purchaser has received an adverse mortgage valuation of the Property or an adverse legal report as to the title of the Property or otherwise.
- 3.10 The Purchaser accepts that the Vendor may change their mind and decide not to proceed with the sale of the Property to the Purchaser at any time up until formal exchange of contracts by the Vendor and the Purchaser in respect of the Property. The Purchaser shall not seek to prevent the Vendor from otherwise pulling out of the deal or to attempt to make the Vendor liable for the Purchaser's costs and expenses in the event that the Vendor chooses not to proceed.

4 Tenancy Agreements

- 4.1 The Purchaser should provide to the Vendor at the earliest possible opportunity a copy of the AST agreement in a completed albeit draft form including the details of the rent and length of the term.

- 4.2 The Purchaser shall not require any Vendor to enter into any tenancy agreement pursuant to a Rent Back other than an AST.
- 4.3 During the continuance of the Vendor's occupation of the Property pursuant to the tenancy but subject to the provisions of paragraphs 4.7 and 4.8 below the Purchaser shall at the expiry of each fixed period renew the AST on the same or materially similar terms as the original agreement during the Rental Period.
- 4.4 The Association recommends that a Rental Period of a minimum of 3 years would be reasonable.
- 4.5 Subject to the provisions of paragraphs 4.7 and 4.8 below the Purchaser:
- 4.5.1 may amend or alter the terms of the AST (save for in relation to the term of the AST and the rent reserved) only if it is reasonable to do so; and
- 4.5.2 shall not increase the rent payable by the Vendors pursuant to a AST during the Rental Period otherwise than at the end of the fixed term of any AST and only in accordance with the rental increase provisions contained within the Certificate.
- 4.6 The Association recommends that the reviewed rent under a renewed AST during the rental Period should not exceed the sum of rent payable pursuant to the terminated AST increased by the percentage increase of the RPI published in respect of the last complete month prior to the date on which the terminated AST commenced until the last complete month prior to the date on which the new AST is to commence plus 2%
- 4.7 The Purchaser shall only be required to renew the AST pursuant to paragraph 4.3 above if the original Vendor of the Property (or one of them in the case of joint Vendors) remains in occupation of the Property and is a 'tenant' pursuant to the AST.
- 4.8 The provisions at paragraphs 4.3 to 4.5 inclusive shall not apply in situations where the Vendor tenant is in persistent and flagrant breach of any term of the AST and fails to remedy such breach (if capable of being remedied).
- 4.9 The Purchaser will at all times comply with all legislation relating to the letting of residential properties in England and Wales including the provisions relating to the handling of rent deposits.
- 4.10 In the event that the Vendor tenant is in breach of the terms of the AST the Purchaser shall continue to treat the Vendor tenant fairly and reasonably. The Purchaser shall offer guidance and assistance where reasonably possible especially in the event that the Vendor tenant falls into financial difficulties.
- 4.11 The Purchaser accepts that possession of the Property is a last resort only to be used when all other reasonable avenues of resolution have been exhausted.
- 4.12 If the Purchaser intends to utilise the services of third party property managing agents to manage the Vendor's tenancy of the Property

then the Purchaser must make the managing agents aware of the terms of the Code and provide a copy of the Code to such agents and require them as a condition of the contract for management of the Property not to act in such a way as will cause a breach of the terms of this Code.

5 Conduct

- 5.1 In accordance with the requirements of the Data Protection Act 1998 the Purchaser shall not, unless specifically authorised by the Vendor in writing, reveal to any third party other than the Association the confidential financial circumstances of the Vendor in any circumstances other than:
 - 5.1.1 when required to do so by any statute, other law, or Court order; or
 - 5.1.2 to the Purchaser's professional advisers and then only in connection with the proposed purchase of the Property; or
 - 5.1.3 to a third party purchasing the Lead from the Purchaser in circumstances where the Purchaser has fully complied with the provisions of paragraphs 6.1 to 6.5 below.
- 5.2 The Purchaser shall not embark on any direct unsolicited contact with any Vendor or potential vendor save in relation to an initial contact pursuant to the purchase of a Lead.
- 5.3 The Purchaser shall at all times comply with the requirements of the Data Protection Act 1998.

6 Sale and Purchase of Leads

- 6.1 By agreeing to and by signing the Certificate the Vendor shall be deemed to have accepted and authorised (for the purposes of clause 6.2 below) that a Lead can be sold to a third party Member and that the Purchaser shall be authorised to provide the Vendor's details to such third party Member for this purpose.
- 6.2 The Purchaser shall only sell a Lead to a third party with the express written authority of the Vendor
- 6.3 If a Purchaser wishes to sell a Lead then they shall firstly provide the Vendor with the full contact details and such other information concerning the third party purchaser so as to enable the Vendor to make an informed decision as to whether to authorise the sale of the Lead.
- 6.4 It shall be the duty of the Purchaser to verify that the third party's membership of the Association remains valid and current at the time of the sale of such lead.
- 6.5 If a Purchaser has purchased a Lead from a third party then the Purchaser shall as soon as reasonably practical provide to the Vendor:
 - 6.5.1 the Certificate; and

6.5.2 confirmation that the Purchaser is a member of the Association and provide the Vendor with a copy of the Code.

7 Attending Court

- 7.1 It is accepted that often the types of transactions that proceed BMV are resultant of pending re-possession proceedings.
- 7.2 If the Purchaser offers to assist the Vendor with any legal re-possession proceedings or if the Purchaser offers to refer the Vendor to suitable legal representation to assist the Vendor with such proceedings then the Purchaser shall not demand from the Vendor any fee charge or reimbursement of expenses unless there shall be an express agreement in writing between the Purchaser and Vendor prior to such assistance being offered or provided which sets out specific details of the level of fees and the manner in which these will be incurred.
- 7.3 Where he is reasonably able to do so the Purchaser should offer advice to the Vendor as to how to deal with any legal proceedings.

8 Fees and Legal Advice

- 8.1 If the Purchaser agrees to provide financial assistance to the Vendor in respect of legal or other fees costs and expenses then the Purchaser shall include this within the offer documentation provided for at paragraph 3.1 above.
- 8.2 The Purchaser shall not seek to bind the Vendor into using particular legal representation in the sale of the Property but the Purchaser may provide the Vendor with details of suitable legal representatives experienced in handling transactions of the nature of that between the Purchaser and the Vendor.

9 Complaints

- 9.1 The Purchaser acknowledges that the Vendor is entitled to rely upon the Code as an indication of the level of conduct that the Vendor will receive from the Purchaser.
- 9.2 If the Vendor reasonably considers that the Purchaser has breached any of the provisions of the Code then the Vendor should firstly attempt to resolve the complaint with the Purchaser directly.
- 9.3 If the complaint cannot be resolved by way of direct contact between the Vendor and the Purchaser then the Vendor shall be entitled to raise such complaint with the Association in writing to *58 Church Street, Wolverton, Milton Keynes MK12 5JW* or by email to *complaints@rentbackcharter.com* providing to the Association the following information:
- 9.3.1 the Certificate;
- 9.3.2 full details of the alleged breach including documentary evidence if available.

- 9.4 Any complaint received by the Association shall be acknowledged within 7 working days and the Association shall then act as a mediator between the Purchaser and the Vendor in order to bring about the resolution of the complaint. During the process of mediation the Association shall keep both the Vendor and the Purchaser fully informed of the progress of the procedure by giving written updates to both parties at least once in every month.
- 9.5 In the unlikely circumstance that a Purchaser is in breach of the provisions of the Code but fails despite the intervention of the Association to remedy such breach or in circumstances where the breach is irremediable by the Purchaser the Association may at its sole discretion award financial compensation to the Vendor which shall in all circumstances be limited to the value of the percentage discount at which the Purchaser purchased the Property from the Vendor the Association having regard to any benefit that the Vendor may have received as a result of the transaction with the Purchaser.

10 **Amendments**

- 10.1 The Association shall be entitled from time to time to amend revise make addition to or deletion from any of the provisions within this Code and the provisions of the Code applicable in relation to any transaction shall be those in force at the time of exchange of contracts between the Purchaser and the Vendor in relation to sale and purchase of the Property.
- 10.2 The Association shall from time to time post on its website the latest version of the Code which can be viewed at *www.rentbackcharter.com*