

UK-PRopt09

Option to buy land and property: extension of term for a fixed length of time

This agreement is dated: [date]

[*Private individuals*]

The Seller is: [name] of [address]

The Buyer is: [name] of [address]

The Guarantor: [name] of [address]

[*For Companies*]

The Seller is: [name of company] a company registered in England and Wales, [REDACTED] [REDACTED] [REDACTED].

The Buyer is: [name] of [address].

It is now agreed as follows:

1. Definitions

The following definitions apply in this agreement:

"Completion Date" means the date of legal completion [REDACTED]
[REDACTED].

"Deposit" means the deposit payable on exchange of [REDACTED]
[REDACTED].

"Extended Exercise Date" means the last date by which the Buyer may exercise the Option after [REDACTED]
[REDACTED].

"Extended Option Notice" means a notice by the Buyer to the Seller whereby [REDACTED]
[REDACTED].

"Extended Option Price" means the additional Option Price, payable at the time [REDACTED]
[REDACTED].

"Land" means [the land and building containing 12 residential flats known as Plumly Gardens, Plumly Street, Lancaster LS2 4RG] [REDACTED]
[REDACTED], [REDACTED]
[REDACTED]

OR

2. Interpretation

- 2.3. A reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context [] .
- 2.4. The headings to the paragraphs and schedules (if any) to this agreement are inserted [] .
- 2.5. Any agreement by any party not to do or omit to do something includes an obligation not to allow some [] .
- 2.6. [Except where stated otherwise], any obligation of any person arising from this [] .
- 2.7. A reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, [] .
- 2.8. This agreement contains the entire agreement between the parties and supersedes all previous agreements whether written or oral, discussion, promises and understandings between the parties. Each party acknowledges that while entering into this [] , [] .

3. Particulars of transaction

- 3.1. The Option Price is: £ [1 , 000].
- 3.2. The Deposit is: £ [100,000 ([])]
- 3.3. The Sale Price is: £ [1,000, 000 ([])]
- 3.4. The Last Exercise Date is: [31st [] 20xx].
- 3.5. The Completion Date is: [eight weeks after the []].
- 3.6. If the Option is exercised, [] [] / [] [] .
- 3.7. The Extended Option [] : £ [20 , 000]
- 3.8. The Extended Exercise Date is: [date]

4. Seller's warranties

The Seller represents and warrants that:

- 4.1. his title to [■■■■■];

OR

- 4.2. he is the owner of the Land and knows no reason [■■■■■]
[■■■■■]
[■■■■■]
■, ■■■■■.

OR

- 4.3. title to the [■■■■■]
■■■■■]
- 4.4. all planning applications and informal discussions with planning officers
in relation [■■■■■]
■■■, ■■■■■
■■■, ■■■■■ 3;
- 4.5. he knows of no development project in sufficient proximity [■■■■■]
■■■■■
■■■■■ [■■■■■] ■■■■■.
- 4.6. there are not now nor have been during [■■■■■]
■■■■■
■■■■■.
- 4.7. all of the Seller's interest in the [■■■■■]
■■■■■, ■■■■■
■■■■■.
- 4.8. [add more warranties that will vary from one Land to another, [■■■■■]
■■■■■
■■■■■.
■■■■■ - ■■■■■ ■■■■■].

5. Leases or other occupants

- 5.1. the Land shall [■■■■■]
■■■■■.

OR

AND

OR

AND

5.5. If the tenant fails to vacate the Land within the [REDACTED], [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6. Taxation

6.1. the Sale will [REDACTED]
[REDACTED].

OR

7. Seller's compliance

- 7.2. not submit any planning application;
- 7.3. not charge the Land;
- 7.4. not grant over the Land any right whatever;
- 7.5. allow the Buyer and anyone with his [REDACTED], [REDACTED]
[REDACTED];
- 7.6. send to the Buyer [REDACTED]
[REDACTED].

8. The agreement

- 8.1. For the Option Price, and subject to the terms of [REDACTED], [REDACTED]
[REDACTED]
[REDACTED].
- 8.2. The Option may be exercised by the Buyer at any time before the Last Exercise Date , [REDACTED]
[REDACTED] ([REDACTED]
[REDACTED]) [REDACTED].
- 8.3. The Deposit may be paid by:
 - 8.3.1 electronic means to [REDACTED]
[REDACTED];
 - 8.3.2 cheque , then [REDACTED]
[REDACTED];
 - 8.3.3 in cash;
 - 8.3.4 by any other transfer whereby [REDACTED]
[REDACTED]
24 [REDACTED];
- 7.3.5. by any other means agreed by the Seller.

And such amount is to be held by [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

8. Easements, rights and reservations

10. The Extended Option

11. Buyer's activity

11.4.4 undertaking any public [REDACTED]
[REDACTED];

11.4.5 speaking in any public ...

12. Insurance

12.1. The Seller shall do everything required to maintain and [REDACTED]
[REDACTED]
[REDACTED]

13. Guarantor's warranties and guarantee

14. Confidentiality

15. Indemnity - Seller to Buyer

The Seller agrees ██████████, ██████████
██████████ :

- 15.1. failing to complete the Sale, or
- 15.2. any breach of this agreement;
- 15.3. a warranty being shown to have been breached.

16. Default by Buyer

██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████.

17. Miscellaneous matters

- 17.1. ██████████
██████████, ██████████
██████████.
- 17.2. ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████, ██████████, ██████████
██████████.
- 17.3. ██████████
██████████, ██████████
██████████.
- 17.4. ██████████, ██████████
██████████, ██████████
██████████.

It shall be deemed to have been delivered:

72 : ;
24 . [()]
1

Signed by the parties

Signed by [personal name] on behalf of [name of Seller] as its / his representative who personally accepts liability for the proper authorisation by [name of Seller] to enter into this agreement.

Signed by [personal name] on behalf of [name of Buyer] as its / his representative who personally accepts liability for the proper authorisation by [name of Buyer] to enter into this agreement.

OR

Signed by [Seller personal name]

Signed by [Guarantor personal name]

Schedule 1: Description of Land and development proposals

Schedule 2: Rights granted and reserved

Example text

.....

.....

supply of water:

Supply of water;
foul drainage systems;

surface water drains, ditches and the like

Surface water drainage, ditches and tree lines

Schedule 3: Planning applications and information

Schedule 4: Leases, tenancies and other occupational rights

Example text

Schedule 5: Restrictive covenants

Example text

.....

The Buyer shall not:

Schedule 6 : Exceptions and changes to the SCPC

1.3.3 ()

[,] [] .

()

[] .

1.3.7 () ()

24 .

1.4.14 1.4.2 .

2 Shall not apply.

3.2 Shall not apply.

7.3.1

, .

9.4 Shall not apply.

10.5.2

: .

10.5.3 .

10.6.2

: .

() , , ;

() , ;

Notice of Exercise

Date: [Enter]

To,

[Name of the Seller]

[Address]

Re: Notice of Exercise of option

Agreement dated [date].

Dear [name of the Seller],

.....

.....

£ [],
[].

For and on behalf of Buyer;

Signature:

Date:

Explanatory notes:

General notes:

Option to buy land and property: extension of term for a fixed length of time

1. The politics of your deal

An option agreement is unusual in that it is a selling proposal. It is up to you to convince the land owner that he should sign to a deal proposed by you. You therefore have a problem in deciding how far to push for terms which protect you. In our experience, most option agreements are rough and simple. The optioner takes many risks. This agreement is a

.....
.....

2. This is the contract

3. Many options

4. Check every detail

5. Register your contract

Whether or not your contract is in respect of registered land, you should register it at the Land Registry. You do not need a solicitor to do this, but you will require a site plan unless the area covered by the contract is the same as

6. Unregistered title

7. Simpler version available

Our changes to the Law Society's Commercial Property Conditions

These are the explanations of our proposed changes:

The following numbering applies to the numbers in ■ ■ ■ ■ ■ ■ ■ ■ ■ .

- 1.3.3 Substitute: a) Where delivery of the original document is not essential, a notice or document is validly given or sent if it is sent by email to an address ■ ■ ■ ■ ■

■ [■ ■ ■] ■ ■ ■ .

Explanation: These days, few people use fax and email

1.3.7 (d) and (■ ■ ■ ■) ■ ■ ■ ■

Explanation: So that the time of delivery becomes reasonable. Otherwise it is ■ ■ ■

1.4.1 and 1.4.2

2 Shall not apply.

Explanation: It means that you pay VAT on the purchase price only provided ■ ■ ■

3.2 Shall not apply.

Explanation: Provides for 10% deposit. No applicable in [REDACTED]

9.4 Shall not apply.

10.5.2 Delete ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ :

10.5.3 Shall ■ ■ ■ ■ ■ ■ ■ ■ ■ .

Explanation: As for 10.5.2

10.6.2 Delete sub-sub-

1

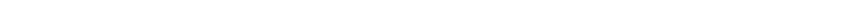
Part 2, number A1 shall not apply.

Paragraph specific notes:

Note: numbering refers to paragraph numbers.

1. Definitions

You should first decide on the contents of the document, then return to check



.....,,
.....,,
.....
.

Of course you will check the VAT position.

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove.
Each of these items has been carefully considered in the context

.....
.....
.....

3. Particulars of transaction

This paragraph provides additional detail and figures not fully specified in

.....
.....

4. Seller's warranties

The extent of seller's warranties is a matter of negotiation. It is essential that
you use this opportunity to tie the seller to any "facts"
.....
.,
.....

This paragraph covers points you would normally cover in pre-contract
enquiries or through your own investigation. By obtaining a warranty

.,
.....
.....

5. Lease or other occupants

We have provided alternatives. By all means select the

.....

6. Taxation

You will know the VAT

7. Seller's compliance

Here you are telling the seller to stay away. It is a matter of negotiation. If you
unable to register your option at the,,
.....

1. **What is the primary purpose of the study?**

8. The agreement

Exercise of the option

.....,

Contract for sale

They can be found on the Internet if you take the trouble to search. However, you can buy a copy from Oyez legal forms http://www.oyezstore.co.uk/f_title/buy_6232.htm or you can ask your solicitor to send you a copy.

Certain of the terms are not appropriate to this contract, so we have edited those terms in Schedule 6. If you are not █, █
█ █ █ █ █ 6 . █ █ █ █ █
█ █ █ █ █ .

Alternatively you could use your own sale contract. We assume this will be a version you have previously used, drawn by a solicitor. █

█ 8 . 6 █ 8 . 5 █
█ █ █ █ █ .

9. Easements, rights and reservations

Delete if none. If applicable, we have provided a separate █ “ █
█ ” █ █ █ █ █ █ █ █
█ , █ █ █ █ █ █ █ █
█ █ █ █ █ █ █ █ .
█ █ █ █ █ █ █ █ .

10. The Extended Option

Of course, the terms of the extension are critical. We advise the optioner to negotiate the most extreme possibility. It would be deeply frustrating to █
█ █ █ █ █ █ █ █ █ █ █ , █
█ █ █ █ █ █ █ █ █ █ █ █ (█
█ █ █ █ █) █ █ █ █ █ █ █ , █
█ █ █ █ █ █ █ █ █ █ █
█ █ █ █ █ , █ █ █ █ █ █ █
█ █ █ █ █ , █ █ █ █ █ █ █
█ █ █ █ █ .
█ █ █ █ █ .

The "extension" could █ █ █ █ █ █ █ █
█ █ █ , █ █ █ █ █ █ █
█ █ █ █ █ .

11. Buyer's activity

Beware of the Seller's solicitor inserting provisions relating to █
█ █ █ █ █ █ █ █
█ █ █ █ █ █ █ █
█ █ █ █ █ █ █ █ .

12. Insurance

Edit as you require.

13. Guarantor's warranties and guarantee

If the land ■■■■■ , ■■■■■ .
■■■■■ .

14. Confidentiality

Delete if not important to you.

15. Indemnity - Seller to Buyer

This is a short form of indemnity intended ■■■■■
■■■■■ .
■■■■■ .
■■■■■ .
■■■■■ .

16. Default by buyer

We have added this paragraph in ■■■■■
■■■■■ .
■■■■■ .
■■■■■ .

17. Miscellaneous matters

A number of special points. We have identified each of these as important to
■■■■■ .
■■■■■ , ■■■■■ .
■■■■■ , ■■■■■ .
■■■■■ .
■■■■■ .
■■■■■ .

These are just as valid in ■■■■■
■■■■■ , ■■■■■ .
■■■■■ .

An option ■■■■■
■■■■■ .

Schedule 1 - Description of Land and development proposals

If the land is registered ■■■■■ , ■■■■■
■■■■■ .
■■■■■ .

If unregistered, ■■■■■ .
■■■■■ .

If ■■■■■ , ■■■■■ .

Make sure ■■■■■
■■■■■ .

In any event provide an address

Schedule 2 - Rights granted and reserved

Delete if none. Otherwise, set down clearly [REDACTED], [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

Schedule 3 - Planning applications and information

We have no comment.

Schedule 4 - Leases, tenancies and other occupational rights

Delete if no lease

Schedule 5 - Restrictive covenants

Enter as required, if any. Example:

"The transfer [REDACTED]
[REDACTED].

The Buyer shall not:

- a) [REDACTED]
[REDACTED]
- b) Use or [REDACTED]
[REDACTED] [REDACTED / [REDACTED] ...]
- c) [REDACTED]"

Schedule 6 - Exceptions and changes to the SCPC

See long note above

End of notes