

OPTION TO PURCHASE AGREEMENT (OPTIONAL ON PLANNING)
<< >> day of << >> 20<< >>

(OPTIONAL ON PLANNING) dated the

Seller: <<Seller's name>> [(company number << >>)]

Buyer: <<Buyer's name>> [(company number << >>)]

Completion Date: << >> working day(s) after the Price is paid or (if later) << >> working day(s) after the

Expert: An member or fellow of the Institution of Chartered Surveyors with at least ten years' experience in valuing properties similar to the Property for uses similar to the Property

Market Value: The best price obtained from a willing buyer for the Property at the date of this Agreement with the benefit of any Planning Permission that has been obtained

Option: The right to require the Seller to sell the whole of the Property to the Buyer on payment of the Option Fee

Option Fee: £<< >>

Option Period: From and including << >> until 5pm on << >>

Planning Application: An application for Planning Permission in the form of the draft annexed to this Agreement]

Planning Obligation: A statutory obligation to assist in obtaining Planning Permission including but not limited to the Planning Act 1990, the Highways Act 1980 or section 104 of the Water Industry Act 1991

Planning Permission: [detailed] OR [outlined] for the Proposed Development at the Property

Price: The greater of £<< >> or the Market Value or determined as << >>% of the Market Value

Property: The property shown on the map attached to this Agreement known as:

<<Address>>
<<Address>>
<<Address>>

Proposed Development: <<Insert description of Proposed Development of X dwellings>>

1. Grant of Option

1.1 In consideration of the sum of £<< >> paid by the Buyer to the Seller (receipt of

which the Seller ack

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|-----|--|
| 1.2 | The Option is granted |
| 1.3 | The Option may be |
| 1.4 | The grant of the Op
charge or otherwise |

2. Access to Property during

- 2.1 During the Option Period, the Contractor (and its subcontractors) may employ up to 100 hours' written notification of any investigations and site visits.

3. Planning

- | | |
|------|--|
| 3.1 | Before submitting the Planning Application, the Buyer will obtain the approval of the relevant planning authority not to be used for the purposes of the Project. |
| 3.2 | The Buyer will ask the relevant planning authority to submit a Planning Application for the Project to the relevant planning authority in accordance with the relevant planning authority's requirements. |
| 3.3 | The Buyer shall not proceed with the Project without the Seller's consent, subject to the terms and conditions of the relevant planning authority's requirements. |
| 3.4 | The Buyer will use the relevant planning authority's Permission within the time period specified in the relevant planning authority's requirements. |
| 3.5 | The Buyer will provide the relevant planning authority with all the information (including plans and drawings) required by the relevant planning authority and will keep the relevant planning authority updated with any changes to the Planning Application. |
| 3.6 | The Buyer will give the relevant planning authority all the information with and relevant authorities in connection with the Project. |
| 3.7 | The Buyer is not responsible for the outcome of the Planning Application or for any conditions that may be attached to the relevant planning authority's Permission. |
| 3.8 | The Seller will provide the Buyer with all the information required to obtain Planning Permission and will bear the associated costs. |
| 3.9 | The Buyer will provide the Seller with all the information relating to the Planning Application and the relevant planning authority's requirements. |
| 3.10 | If requested by the Seller, the Buyer will provide the Seller with the following information, provided that: |
| | 3.10.1 any liabilities or obligations incurred by the Buyer upon the grant of the relevant planning authority's Permission; |
| | 3.10.2 the Buyer's estimate of the costs of the Project arising out of the relevant planning authority's Permission will contain a provision for the Seller to recover the costs of the Project; |
| | 3.10.3 all the Seller's obligations in connection with the Project. |

4. Exercise of Option

- 4.1 The Option is to be exercised by the Buyer by serving notice on the Seller stating that the Buyer is exercising the Option.
- 4.2 The Option may only be exercised if the Seller's written Permission has been granted.
- 4.3 Once the Option is exercised, the Seller and Buyer will be contractually bound to the sale and purchase of the Property at the Price on the Conditions (Second Edition) (Standard Commercial Property Conditions) incorporated into the sale and purchase contract insofar as they are not inconsistent with the other provisions of this Agreement.
- 4.4 The conditions in Part 2 of the Standard Commercial Property Conditions (Second Edition) do not apply.

5. Price

- 5.1 If the Seller and Buyer agree on the Price within << >> working days after the date of the Agreement, they will immediately prepare, sign and date a memorandum of the Price.
- 5.2 If the Seller and Buyer do not agree on the Market Value within << >> working days after the date of the Agreement, either party may refer the matter for determination by an Expert.
- 5.3 The parties will agree with the Expert the terms of the reference to the Expert.
- 5.4 If the Seller and Buyer do not agree on an appointment within << >> working days after the date of exercise of the Option, either party may refer the matter to the Institution of Chartered Surveyors for the time being of the Royal Institution of Chartered Surveyors to appoint the Expert and to agree with the Expert the terms of the reference to the Expert.
- 5.5 The Expert must provide a decision to the parties within << 12 weeks>> of the matter being referred to the Expert.
- 5.6 The Seller and the Buyer will provide submissions to the Expert and will ensure that the Expert has all the evidence and documents as the Expert reasonably requires for the decision.
- 5.7 The Expert will act as an arbitrator and will determine the Market Value. The decision of the Expert will be final and binding on the parties save in the case of fraud.
- 5.8 Each party will bear its own costs in relation to the reference to the Expert. The Expert's fees and costs (including the fees and costs of a valuation by the Expert) will be paid by the parties equally or in such proportions as the Expert may direct.

6. Title

- 6.1 The Property is registered in the Land Registry with title number << >>.
- 6.2 The Property will be sold subject to the standard conditions of sale (Second Edition) and the Standard Commercial Property Conditions (Second Edition) listed below:
- << >>
- 6.3 The Buyer is deemed to have accepted the title prior to the date of this Agreement and may not raise any objection about title after this Agreement is entered into.

exchanged.

7. Dealings with the Property

7.1 The Seller may not create any interest over the Property

7.2 If the Seller transfers the Property (or any part of the Property), the Seller enters into a deed of charge or lessee to the Buyer requiring the transferee, chargee or lessee to assume the obligations of the Seller in this Agreement.

7.3 The Seller consents to the following restriction to be entered on the Land Registry to enter the Property:

"No disposition of the Property, or by the proprietor of the registered estate, or by the proprietor of the registered charge, not being a charge created by the proprietor of the registered charge, is to be registered without a certificate signed by the proprietor of the registered charge, dated the << >> day of << >> 20<< >> have effect in relation to the disposition."

8. Completion of sale and purchase

8.1 Completion of the sale and purchase shall take place on the Completion Date.

8.2 The transfer deed will be executed by the Seller or the Seller's solicitors] OR [in the form of the draft transfer deed.]

8.3 The Buyer will pay the purchase price on the Completion Date by direct credit to a UK bank account.

8.4 The Seller will give possession of the Property on the Completion Date.

8.5 [On the Completion Date the Seller shall pay to the Seller <<insert any other payments e.g. service charges>>.]

9. Land Registry Notices

9.1 Neither party shall apply for a notice to be entered on the registered title to the Property.

9.2 The Buyer may apply for a notice to be entered on the registered title in relation to the Property.

9.3 "Agreed notice" and "notice" shall have the meanings ascribed to them by section 34 of the Land Registration Act 2002.

9.4 After the end of the term of the Agreement, the Seller will apply for the removal of any notice entered on the registered title.

10. Value Added Tax

10.1 Any sums payable by the Buyer under the Agreement are exclusive of value added tax.

10.2 The Buyer shall pay any sums payable by the Buyer under the Agreement which is chargeable on value added tax.

11. Miscellaneous

11.1 The Seller and Buyer agree that no person who is not a party to this Agreement

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has no right arising
Act 1999 to enforce

Contracts (Rights of Third Parties)

11.2 All notices given un
of service the provi
the Law of Property

t be in writing and for the purpose
otices contained in Section 196 of
ed in this Agreement.

Signed by/on behalf of the Seller

Signed by/on behalf of the Buyer

NOTE: Draft transfer to be annexed

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