

OPTION TO PURCHASE AGREEMENT

>> day of << >> 20<< >>

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

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

Completion Date: << >> working day of << >> month << >> year

Option The right to require the Landlord to grant the whole of the Property to the Tenant on payment of the Option Fee.

Option Fee: £<< >>

Option Period: From and including << >> day of << >> month << >> year until 5pm on << >> day of << >> month << >> year

Price: £<< >>

Property: The freehold property situated at <<Address>> on the plan attached to this Agreement registered with title number << >> known as:

<<Address>>

<<Address>>

<<Address>>

Tenancy Agreement: The tenancy agreement entered into between (1) <<Landlord's name>> and (2) <<Tenant's name>> on << >> day of << >> month << >> year.

1. Grant of Option

- 1.1 In consideration of the sum of << >> pounds, the Tenant to the Landlord (receipt of which the Landlord acknowledges) the Landlord grants the Option to the Tenant.
- 1.2 The Option is granted to the Tenant for the period of this Agreement.
- 1.3 The Option may be exercised by the Tenant at any time before the end of the Option Period.
- 1.4 The Option shall immediately terminate if the Tenancy Agreement is forfeited or otherwise ceases to exist.
- 1.5 The grant of the Option shall be without charge or otherwise.

2. Exercise of Option

- 2.1 The Option is to be exercised by the Tenant serving notice on the Landlord stating that the Tenant exercises the Option.
- 2.2 Once the Option is exercised, the Landlord and Tenant will be contractually bound to enter into a contract for the purchase of the Property at the Price on the Completion Date. The contract shall be subject to the Standard Conditions of Sale (Fifth Edition) and shall incorporate any other conditions of sale insofar as they are not inconsistent with the above.

3. Title

- 3.1 The Property is registered in the Land Registry with title number << >>.
- 3.2 The Property will be transferred free of all encumbrances save from the Tenancy Agreement and the Standard Conditions of Sale in standard condition 3.1.2 of the Standard Conditions of Sale. **OR** [and the incumbrances listed below:
- 4.2.1 << >>
- 4.2.2 << >>
- 4.2.3 << >>
- 3.3 The Tenant is deemed to have received title prior to the date of this Agreement and no title is to be exchanged about title after this Agreement is

4. Dealings with the Property

- 4.1 The Landlord may not dispose of or create any interest over the Property on the Completion Date, dispose of or create any interest over the Property without the Landlord's prior written consent.
- 4.2 If the Landlord transfers the Property (or any part of the Property), the transferee, chargee or lessee enters into the Tenancy Agreement in favour of the Tenant requiring the transferee, chargee or lessee to perform the obligations of the Landlord in this Agreement.
- 4.3 The Landlord consents to the entry of the following restriction against the Property:
- "No disposition of the Property, whether by the proprietor of the registered estate, or by the proprietor of the registered charge, not being a charge registered before the date of the completion, is to be registered without a certificate signed by the Landlord or the Landlord's solicitors, that the provisions of clause [4.2] of an Option Agreement dated the << >> day of << >> 20<< >> have been complied with or that they do not apply to the Property."

5. Completion of sale and purchase

- 5.1 Completion of the sale or purchase shall take place on the Completion Date.
- 5.2 The transfer deed will be executed by the Landlord or the Landlord's solicitors] **OR** [in the form of the Tenancy Agreement].
- 5.3 The Tenant will pay the purchase price on the Completion Date by direct credit to a UK bank account nominated by the Landlord.
- 5.4 The Property is sold for the benefit of the Tenancy Agreement.
- 5.5 On completion the Tenant's interest shall merge with the Landlord's interest.
- 5.6 [The Landlord shall not be liable for any payments paid in the period after completion on completion any rent and other payments relating to the Tenancy Agreement relating to the period after completion.]
- 5.7 [On the Completion Date the Tenant shall pay to the Landlord <<insert any sum of money and the Landlord's legal fees>>.]

6. Land Registry Notices

- 6.1 Neither party shall be liable for any notice to be entered on the registered

- title to the Property ent.
- 6.2 The Tenant may apply to be entered on the registered title in relation to the application and the Landlord shall not object to such an application.
- 6.3 "Agreed notice" and the meanings ascribed to them by section 34 of the Landlord and Tenant Act 1954 shall apply.
- 6.4 After the end of the term of the Agreement, the Tenant will apply for the removal of any entry on the register in relation to the Agreement.
- 7. Value Added Tax**
- 7.1 Any sums payable by the Tenant under the Agreement are exclusive of value added tax.
- 7.2 The Tenant shall pay any value added tax which is chargeable on any sums payable by the Tenant under this Agreement.
- 8. Miscellaneous**
- 8.1 The Landlord and Tenant agree that neither of them is a person who is not a party to this Agreement has no liability to either of them by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 8.2 All notices given under the Agreement shall be in writing and for the purpose of service the provisions of the Law of Property Act 1925 shall apply to notices contained in Section 196 of the Law of Property Act 1925 as amended in this Agreement.

Signed by/on behalf of the Landlord

Signed by/on behalf of the Tenant

NOTE: Draft transfer to be annexed