

**Schedule 8**  
**RP Option Agreement**

**Dated**

**2012**

**Countryside Properties (UK) Limited  
and  
London & Quadrant Housing Trust  
and  
Countryside Properties Plc**

**L&Q's Option:  
Form of Call Option Agreement  
(to be entered into for each purchase)**



30 Finsbury Circus  
London EC2M 7DT  
Tel: 020 7628 7576  
Fax: 020 7880 4202  
Ref: CXM/LQ1.4385

## Date

## Option Agreement

## Parties

- (1) **COUNTRYSIDE PROPERTIES (UK) LIMITED** (Company number 00614864) having its registered office at Countryside House The Drive Brentwood Essex CM13 3AT (the **Owner**);
- (2) **LONDON & QUADRANT HOUSING TRUST** (an industrial and provident society registered under the Industrial and Provident Societies Act 1965 under company registration number 030441R and with the Homes and Communities Agency Registered Number L4517), having its registered office at One, Kings Hall Mews, London SE13 5JQ ("**L&Q**");
- (3) **COUNTRYSIDE PROPERTIES PLC** (Company number 5555391) having its registered office at Countryside House aforesaid (the **Guarantor**).

## Introduction

- (A) The Owner and L&Q (and other parties) have entered into the RA for the regeneration of the Regeneration Site on a phased basis.
- (B) The Owner has acquired the Property in anticipation of the relevant Regeneration Phase concerned going ahead in accordance with the terms of the RA; and
- (C) The Owner has agreed to grant a call option to L&Q to allow L&Q to acquire the Property where L&Q exercises its right to step-in either pursuant to the RA or Affordable Housing Agreement and Building Lease.

## Agreed terms

### 1. Interpretation

#### 1.1 The definitions in this clause apply in this agreement:

**Affordable Housing Agreement** means the Agreement for Lease and Development of Dollis Valley dated [ ] 2012 and made between the Owner, L&Q and the Guarantor;

**Building Lease** shall have the meaning ascribed to it in the RA;

**Completion** means of the purchase of the Property by L&Q pursuant to the Option;

**Completion Date** means the date determined in accordance with clause 14;

**Condition Precedent** means that L&Q has either:-

- (a) (where the Property forms part of a Future Phase) served a Step In Notice under Schedule 34 to the RA and proceeds to step into the role of the Owner in its capacity as the Partner under the RA; or

- (b) (where the Property forms part of an Existing Phase) served a Step In of Whole Notice or a Step In of Affordable Notice affecting the Property under Part 2 of the First Schedule to Building Lease of which the Property forms part the RA and proceeds to step into the role of the tenant under the Building Lease with respect to the relevant Existing Phases;

**Contract Rate** means 3% per annum above the base lending rate from time to time of Lloyds Bank plc;

**Council Option** means an Option Agreement relating to the Property of even date and made between the Owner the Council and the Guarantor

**Existing Phase** shall have the meaning ascribed to it in the RA;

**Future Phase** shall have the meaning ascribed to it in the RA;

**Intention Notice** means the notice which may be served by L&Q within the Option Period pursuant to clause 4.1 stating that L&Q intends to serve an Option Notice;

**L&Q's Conveyancer** means Devonshires Solicitors or such other conveyancer as may be notified by L&Q (or its conveyancer) from time to time in writing to the Owner;

**Option** means the Option granted by the Owner to L&Q in clause 2.1 of this agreement;

**Option Notice** means the notice in the form set out in Schedule 1 which may be served by L&Q within the Option Period exercising the Option;

**Option Period** means a period commencing on satisfaction of the Condition Precedent and expiring 30 Working Days thereafter

**Option Sum** means £1.00 (exclusive of VAT);

**Owner's Conveyancer** means the In House Legal Department of Countryside Properties (UK) Limited or such other conveyancer as may be notified from time to time in writing to the Council;

**Perpetuity Period** means 20 years from the date hereof;

**Property** means the property at [ ] registered at the Land Registry under title number [ ];

**Purchase Price** means the amount calculated in accordance with clause 12 (inclusive of VAT);

**RA** means the Agreement for the regeneration of Dollis Valley dated [ ] 2012 and made between the London Borough of Barnet (1) the Owner (2) L&Q (3) and the Guarantor (4);

**Regeneration** shall have the meaning ascribed to it in the RA;

**Regeneration Phase** shall have the meaning ascribed to it in the RA;

**Regeneration Site** shall have the meaning ascribed to it in the RA;

**Standard Conditions** means the Standard Conditions of Sale (4<sup>th</sup> Edition);

**Transfer** means the transfer of the Property to L&Q;

**VAT** means value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax;

**Working Day** means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday.

- 1.2 The rules of interpretation in this clause apply in this agreement.
- 1.3 Clause and schedule headings in this agreement are for ease of reference and are not to affect the interpretation of this agreement.
- 1.4 Except where a contrary intention appears, a reference to a clause or a schedule is a reference to a clause of, or schedule to this agreement.
- 1.5 Unless otherwise specified, a reference to a law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.6 A **person** includes a corporate or unincorporated body.
- 1.7 **Writing** or **written** includes faxes but not e-mail.
- 1.8 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done by anyone within that person's control.
- 1.9 Any reference to the **Owner** includes its successors in title.
- 1.10 Terms defined in the RA shall, where relevant, have the same meanings when used in this Agreement.
2. **Option**
  - 2.1 In return for the Option Sum (receipt of which is acknowledged) and subject to clause 2.3, the Owner grants L&Q, during the Option Period, an option to buy the Property at the Purchase Price.
  - 2.2 Subject to clause 2.3 the Owner shall not during the term of this Agreement deal in or dispose of its interest in the Property PROVIDED THAT this clause shall not prevent the Owner from:-
    - 2.2.1 charging the Property; or

2.2.2 granting an assured tenancy of the same; or

2.2.3 granting the Council Option

2.3 This agreement shall cease to have effect (and the Option shall therefore be of no effect) on the "Expiry Date" being the earlier of:-

2.3.1 expiry of the Option Period (where, at such date, the Option has not been exercised); and

2.3.2 the Owner achieving completing its development of the Property as part of the Regeneration.

2.4 Forthwith following the Expiry Date, L&Q shall forthwith apply to the Land Registry for the removal of entry at the Land Registry relating to this agreement and/or the Option.

### 3. **Access**

3.1 The Owner grants licence for L&Q, its agents and contractors, with or without plant and machinery, to enter such parts of the Property as are unbuilt upon at all reasonable times during the Option Period, after giving at least 3 Working Days notice to the Owner to carry out any soil, water or environmental tests, inspections or surveys and in the case of parts of the Property that are built upon only to carry out inspections and surveys subject to such reasonable requirements in relation to such tests, inspections or surveys as the Owner may impose.

3.2 L&Q will cause as little disturbance and damage as reasonably practicable when entering the Property and will immediately at its own cost make good any physical damage caused to the Property when entering the Property.

### 4. **Exercise of the option**

4.1 L&Q may at any time during the Option Period serve on the Owner an Intention Notice.

4.2 Within one week of service of an Intention Notice the Owner shall deduce title to the Property to L&Q's Conveyancer and supply up to date official copies and title plan, copies of the documents listed in Schedule 2 and replies to the latest version of Oyez (longform) residential enquiries.

4.3 For the avoidance of doubt the service of an Intention Notice does not oblige either L&Q to serve an Option Notice.

4.4 L&Q may exercise the Option at any time during the Option Period by serving an Option Notice on the Owner.

4.5 An Option may only be exercised in respect of the whole of the Property and not in respect of part only.

4.6 L&Q acknowledges that the Owner has given L&Q, and others authorised by L&Q, permission and the opportunity to inspect, survey and carry out investigations as to

the condition of the Property and that L&Q has formed its own view as to the condition and suitability of the Property for L&Q's purposes.

- 4.7 If the Option has not been exercised in accordance with this Agreement by expiry of the Option Period this Agreement shall cease to have effect (and the Option shall therefore be of no effect).

5. **Sale and purchase**

- 5.1 If the Option is exercised in accordance with the terms of this agreement, the Owner will sell and L&Q will buy the Property for the Purchase Price on the terms of this agreement.

- 5.2 L&Q cannot require the Owner to:

5.2.1 transfer the Property in more than one parcel or by more than one transfer;  
or

5.2.2 apportion the Purchase Price between different parts of the Property.

6. **Conditions**

- 6.1 If L&Q exercises the Option this agreement incorporates the Standard Conditions, except to the extent that they are varied by or inconsistent with the terms set out in this agreement.

- 6.2 References to **contract** will mean this agreement.

- 6.3 Standard Conditions 1.1.1 (b), (d) and (e) shall be deleted.

- 6.4 Standard Conditions 1.5, 2.2, 2.3, 3.4, 4.2 - 4.3, 4.5, 5.2, 6.1.1 and 8 - 10 shall be deleted.

7. **Deducing title**

- 7.1 The Owner's title to the Property will be deduced to L&Q's Conveyancer pursuant to clause 4 and L&Q will have an opportunity to investigate the title to the Property.

- 7.2 L&Q is deemed to have full knowledge of the Owner's title as so deduced to the Property and is not entitled to raise any objection, enquiry, requisition or claim in relation to it.

8. **Vacant possession**

The Property will be sold with vacant possession on Completion.

9. **Title guarantee**

The Owner will transfer the Property with full title guarantee **and free from all financial charges.**

10. **Matters affecting the property**

10.1 The Owner will sell the Property free from encumbrances other than:

- 10.1.1 encumbrances deduced pursuant to clause 7 or created by the Transfer Deed from the Council to the Owner;
- 10.1.2 all local land charges (whether registered before or after the date of this agreement) and all matters capable of registration as local land charges or on any other public register whether or not actually registered;
- 10.1.3 all notices served and orders, demands, proposals or requirements made by any local, public or other competent authority whether before or after the date of this agreement;
- 10.1.4 all actual or proposed charges, notices, orders, restrictions, agreements, conditions, contraventions or other matters arising under town and country planning legislation, whether before or after the date of this agreement;
- 10.1.5
  - (a) any unregistered interest which falls within any of the paragraphs of schedule 3 of the Land Registration Act 2002 and which exist at the Completion Date;
  - (b) such unregistered interests as may affect the Property at the Completion Date to the extent and for so long as they are preserved by the transitional provisions of schedule 12 of the Land Registration Act 2002.

10.2 L&Q is deemed to have full knowledge of the matters referred to in clause 10.1 and will not raise any enquiry, objection, requisition or claim in respect of any of them.

11. **Transfer**

11.1 The Transfer will contain:

- 11.1.1 a declaration as to the title guarantee with which the Property is transferred as stated in this agreement;
- 11.1.2 a provision that all matters recorded at Completion in registers open to public inspection, are deemed to be within the actual knowledge of the Council for the purposes of section 6(2)(a) of the Law of Property (Miscellaneous Provisions) Act 1994, notwithstanding section 6(3) of that Act;
- 11.1.3 (if and to the extent the Owner has itself given such a covenant) a covenant by L&Q by way of indemnity only, on its own behalf and on behalf of its successors in title, to observe and perform the charges, encumbrances, covenants and restrictions contained or referred to in the property and charges registers of the relevant title numbers in so far as they affect the



Property and are subsisting and capable of taking effect against L&Q and will keep the Owner indemnified against all proceedings, costs, claims and expenses arising from any future failure to do so;

- 11.2 The Transfer shall be prepared in original and counterpart by the Owner's Conveyancer and the counterpart provided to L&Q at least 10 Working Days prior to completion and the Owner and L&Q will execute the Transfer in duplicate.

12. **Purchase price**

- 12.1 The Purchase Price:

12.1.1 will be a sum equal to the Market Value of the Property at the date the Option Notice is served on the assumption (if not a fact) that the Property is vacant;

12.1.2 and shall be reduced by any amount attributable to the Property as part of any amount paid by L&Q pursuant to clause 43 of the Affordable Housing Agreement.

- 12.2 If the Owner and L&Q fail to agree on the Purchase Price within 10 Working Days of the date of exercise of an Option either party may refer the matter to an independent Chartered Surveyor appointed jointly by the parties with at least 10 years' experience in valuing properties similar to the Property in a similar locality who shall determine the Purchase Price or dispute (as appropriate) acting as an expert and whose determination shall be binding on both parties save in the case of manifest error.

- 12.3 In default of agreement on the identity of the Chartered Surveyor within 15 Working Days after the date of exercise of the Option, either party may apply to the President of the Royal Institution of Chartered Surveyors requesting that an appointment be made

- 12.4 The Chartered Surveyor will act as an expert and the costs of the determination by the Chartered Surveyor will be payable in such proportions as determined by the Chartered Surveyor, and the parties agree to pay their respective share of the costs as so determined by the Chartered Surveyor. In the absence of any determination of fees by the Chartered Surveyor, the costs shall be borne equally between the parties.

13. **VAT**

Each amount stated to be payable by L&Q to the Owner under or pursuant to this agreement is inclusive of VAT (if any).

14. **Completion**

- 14.1 Subject to the Option being exercised Completion will take place on the earlier of:

14.1.1 three months immediately after the later of (i) the date of service of an Option Notice and (ii) the date on which the Purchase Price is agreed or determined (or the next Working Day if such date is not a Working Day); or

14.1.2 (if earlier) where the Purchase Price has been agreed or determined and vacant possession can be given the date twenty working days after either party serves notice on the other requesting an earlier completion.

14.2 On Completion L&Q will pay the Purchase Price to the Owner by way of direct credit to the Owner's Conveyancer's client account details of which shall be provided to the L&Q or L&Q's Conveyancer prior to Completion.

**15. Entire Agreement**

15.1 This agreement constitutes the entire agreement and understanding of the parties and supersedes any previous agreement or understanding between them relating to the subject matter of this agreement.

15.2 L&Q acknowledges and agrees that in entering into this agreement, it does not rely on and will have no remedy in respect of any statement, representation, warranty, collateral agreement or other assurance (whether made negligently or innocently) of any person (whether party to this agreement or not) other than:

15.2.1 as expressly set out in this agreement, or

15.2.2 in any written replies which the Owner's Conveyancer has given to any enquiries raised by the L&Q's Conveyancer before the date of this agreement save in respect of any matter raised after the date of this agreement pursuant to L&Q's right to do so in clause 8.2 of this Agreement.

15.3 Nothing in this clause will, however, operate to limit or exclude any liability for fraud.

**16. Rights of third parties**

A person who is not a party to this agreement will not have any rights under or in connection with it by virtue of the Contracts (Rights) of Third Parties Act 1999.

**17. Governing law and jurisdiction**

17.1 This agreement will be governed by and construed in accordance with the law of England and Wales.

17.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement or the legal relationships established by this agreement.

**18. Joint and several liability**

Where there are two or more persons included in the expression the **Owner** all covenants and obligations entered into by the Owner will be deemed to be entered into by such persons jointly and severally

19. **Legal and professional costs**

Each party shall bear their own legal and professional costs in connection with this Agreement.

**In witness** of which this deed has been duly executed and is delivered on the date written at the beginning of this deed

**Schedule 1**  
**The Option Notice**

To: [ ] at:

[Address]

[Fax No: [Number]]

for the attention of [Position]

[SUCH OTHER ADDRESS/ FAX NUMBER/ FOR THE ATTENTION OF SUCH OTHER PERSON, AS WAS LAST NOTIFIED IN WRITING BY THE OWNER/ SUCCESSOR IN TITLE]

**[BY HAND]**

**[BY PREPAID FIRST CLASS POST][BY RECORDED DELIVERY]**

**[BY FAX]**

(A) Words and phrases defined in the Agreement bear the same meanings in this Notice.

Pursuant to an Option Agreement (**Agreement**) dated [ ] made between Countryside Properties (UK) Limited (1) London & Quadrant Housing Trust (2) and Countryside Properties Plc relating to [**Property**]:

1. L&Q exercises the Option.
2. L&Q gives the Owner notice of the exercise of the Option contained in the Agreement.
3. It is agreed that the sale and purchase of the Property will be completed on the date and terms specified in the Agreement.

Date:

Signed by [ ] for and  
on behalf of **London & Quadrant Housing Trust**

.....

**Schedule 2**

**Documents of Title**

Date	Description	Parties
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