Date xxxxxx

Recipient Name

Recipient Address

Dear Recipient Name

Re: Site Address

Thank you for taking the time to meet last Friday. As discussed, we have prepared our offer to purchase your property at the above address and the details are outlined in the Heads of Agreement (HOA) below.

This offer is in the form of a Call Option Agreement (the Option) which we will enter into with you to purchase the property under the terms and conditions outlined and at the agreed price and timeframe.

Under the Option the property title remains with you until the Option is exercised and as the owner you maintain all your rights including the benefit of leasing your property or accessing equity if required.

**HEADS OF AGREEMENT**

This Heads of Agreement (HOA) is a non-binding document that sets out the key commercial terms of our proposal to you.

Before we take the next step to instruct our legal team to prepare an Option Agreement, we wish to obtain your commitment to the following terms and conditions. Upon signing this Heads of Agreement, you agree to negotiate exclusively with us during an exclusivity period of 90 days to allow us to negotiate with other Owners and prepare the legal documentation.

**Proposed Terms & Conditions**

|  |  |
| --- | --- |
| Vendors: | Vendor Name(s) |
| Purchaser: |  |
| Property Address: | Site Address |
| Purchase Price: | **$** |
| Option Fee: | **$** (non-refundable) |
| Option Period: | A period of 18 months commencing on the date the option agreement is formally exchanged and dated, with an option to extend for a further 6 months. At the exercise of the extension, a further option fee of $xxxx will be paid (non-refundable) and will form part of the Purchase Price. |
| Terms of  Payment: | Option Fee payable on the date of execution of the Call Option (the signing the Option Agreement); On the exercise of the Option (maximum 24 months) the payment of a 10 percent deposit on exchange of Contracts for Sale, that sum to include the option fees paid; the balance of the price payable on settlement. |
| Settlement: | 42 days after the date of exercise of the Call Option |
| Option Conditions: | 1. Owner’s consent to us or our nominee preparing and lodging a development application of a multi-storied residential development for the development of the land which includes the Owners Land (the “DA”). 2. Owner grants access to their property by us or our staff, employees and consultants in preparing the DA within reason and notice. 3. Owners will be given not less than 12 weeks’ notice of intention to exercise the Option. 4. After the first 12 months of the Call Option period, all residential tenants must be on a month-to-month agreement unless otherwise agreed. 5. All current lease agreements must be made available on request. 6. All future lease agreements for tenants must include a 6 months ‘Demolition Clause’. 7. Subject to a simultaneous agreement with all the Owners. 8. The Owner will be given 4 weeks to take the opportunity to purchase an Apartment off the plan prior to the Project being marketed |
| Form of  Documents: | The Option and the associated Contract of Sale will be in a form prepared and approved by our solicitor, incorporating the terms of this offer in so far as they are relevant but may include such other terms that we require or which have been agreed between the parties, acting reasonably. |
| Stamp Duty and GST: | We will be responsible for any stamp duty and GST payable upon the Option, the Contract of Sale, and any other documents reasonably required to perfect those documents. |
| Caveat: | We may lodge a caveat on the title of the Owners’ properties. It is our responsibility to remove any Caveat we lodge if the Option is not exercised. We will also be responsible for all Land and Property Information Authority fees. |
| Confidentiality: | The terms of this offer are and must remain confidential. |
| Assignment: | We may at our discretion assign or transfer our interest in the Option, the Contract or the Property without the written consent of an Owner. |
| Binding Agreement: | We will not be taken to have entered into a legally binding commitment in respect of the option to purchase the Property unless and until call Options for the development site have been duly executed by all Owners and by us, formally exchanged and dated. |

Upon the owners signing this Heads of Agreement, we will:

1. Instruct our solicitors to prepare the Option Agreements.
2. Commit to pay an independent firm of solicitors’ professional fees to a maximum of $xxxxx (incl. GST and disbursements) for the amalgamated site, to review legal documents and provide advice to the owners.

This expression of interest remains valid for 14 business days from the date of this letter. We await your signed confirmation of this Heads of Agreement and that the terms contained in it are acceptable and you agree to proceed to legal documentation.

Signed by the owners of Site Address

I/We, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

confirm that I / we have received this Heads of Agreement and agree to all terms within it.

|  |  |
| --- | --- |
| **Owners’ signature** | **Date** |
|  |  |
|  |  |
|  |  |
|  |  |

Signed on behalf of **(company name)**

Director Director

Date Date