The Notice to a Lessee of a Building Site or a Farm Land
Regarding a Right of First Refusal: the Conflict between the
Civil Code and Land Laws

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Abstract

There is no provision concerning “the way to notice the person who has a
right of first refusal when the lessor of a building site or a farm land sells the
land” in the Land Act enacted formerly, but there are provisions in the Civil
Code added later and provide that the seller shall notify the person “in
writing”. What is the validity if the lessor of the land notifies the person who
has the right of first refusal in the way other than writing? It has been an
important dispute in practice and of great value to anatomize.

This study selects a leading case in practice and elaborates “the efficiency
and costs of statutory rights of first refusal” as the foundation of discussion,
lists “the provisions regarding the ways to notify the person who has the right
of first refusal”, researches “the legislative purpose of the provisions about
notice in writing and what the validity is if someone violates the provision”,
discusses “the content of notice”, explores “whether the person who has the
right of first refusal can exercise the right if the seller violates the provision”,
and analyzes “the obliger of notice”, “the principle of good faith”, and
“the applicative relation between the Civil Code and the Land Act”.

The written notice has the functions such as protecting the person who has
the right of first refusal and preserving the evidence. The person who has the
right of first refusal may claim for “written” notice according to said

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stipulations of the Civil Code. However, the person who has the right of first refusal is deemed to give up his right, if the seller notices the important terms of the sale to the person who has the right of first refusal without writing, and the person who has the right of first refusal does not claim for “written” notice, nor exercise the right of first refusal within the statutory period.

Keywords: right of first refusal, right of preemption, lessee, notice, in writing, special law, the principle of good faith