

Print on Buyer's Letterhead

Date

Seller Name
Seller Address Line 1
Seller Address Line 2
Fax:
Phone:
Email:

Letter of Intent to Purchase the Property at: [add address]

Dear _____:

This letter constitutes a Letter of Intent ("LOI") to purchase the above referenced property owned by _____ . The terms and conditions under which Buyer would enter into a Purchase and Sale Agreement ("Contract"), which will be prepared by Seller or its counsel, are as follows:

Name of Buyer or Entity:

Purchase Price:

Deposit: Upon mutual execution of the Contract, Buyer shall deposit the greater of (i) ten percent (10%) of the Purchase Price or (ii) Fifty Thousand Dollars, in escrow with the Title Company designated by the Seller per below. The Deposit will become non-refundable at the expiration of the Review Period. In the event the transaction fails to close on or before the closing date as a result of a breach by the Buyer, the Seller shall retain the Deposit as liquidated damages.

Review Period: Buyer shall have twenty-one (21) days from the Effective Date of the Contract to complete its due diligence. In the Contract, Buyer acknowledges that the sale of the Property to Buyer is made solely on an "AS-IS, WHERE-IS, WITH ALL FAULTS" basis. Copies of all data and work product compiled by or at the request of Buyer about the Property, including, but not limited to, all feasibility and property studies, audits, and environmental studies will be delivered to Seller (at no charge to Seller) when received by Buyer. Any materials provided by Buyer to Seller about the Property are not confidential and may be used by Seller, as Seller sees fit (without warranty by Buyer as to their accuracy or Seller's right to rely thereon).

Indemnity: At Closing, Buyer shall waive, release, discharge, defend, indemnify and hold harmless, Seller and its employees, agents, and representatives, from any and all liabilities relating to the Property, including but not limited to, any issues pertaining to the presence of Hazardous Substances on, under, or about the Property.

Closing Costs: Buyer shall pay (a) the cost of any and all documentary stamps, excise taxes, stamp taxes or transfer taxes which must be paid or affixed to the Deed as a result of the transaction, (b) the cost of recording the Deed (c) the cost of survey (if any), and (d) the cost of title insurance on the Property. All other normal and customary costs of Closing (such as escrow fees) shall be divided equally between Seller and Buyer and paid by them accordingly.

Possession: Seller shall deliver possession of the Property to Buyer on the Closing Date.

Close of Escrow: Close of Escrow shall occur on a date selected by Seller and reasonably acceptable to Buyer, on or before fifteen (15) days from the [deposit, signed contract, etc] date.

Contact information for Title

Company: XYZ Title Insurance Company
Address
City, State, Zip
ATTN:
Email: properaddress@xyz.com
Phone Number:

Brokers of Finder's Fee: In the Contract, each party will represent to the other party that no third party has a claim for a finder's fee or a real estate broker's commission.

Binding Nature: This letter is not intended to be and will not create any legal binding obligation on either the Buyer or Seller. This entire transaction is subject to the negotiation and execution of a separate legal agreement as reasonably required by our lawyers (the "Definitive Agreement"), to be negotiated following execution of this letter of intent and executed on closing. The Definitive Agreement would contain additional terms and conditions which are appropriate for a transaction of this kind, including, but not limited to, representations and warranties, provisions concerning notice, force majeure, indemnification, liability, confidentiality, choice of law, termination, and other similar provisions.

Lockup: The parties agree that, until such time as this transaction has been completed or these discussions are terminated as set out below, they will not entertain, solicit or enter into any other offers, agreements or negotiations for or with respect to the sale and purchase of the property described herein.

Confidential Information: We also confirm and agree that this and all future negotiations and disclosures between all parties subject to this agreement will be subject to the following confidentiality provisions:

- (a) In the course of our discussions we will each have access to and will be entrusted with detailed confidential information relating to the other; and
- (b) The right to maintain the confidentiality of this information constitutes a proprietary right which the other party is entitled to protect and which shall be respected and honored; and
- (c) Neither party will at any time disclose any confidential information or use same for any purpose which would give it or any competitor or other interested party an advantage over its counterpart in these discussions;
- (d) At the end of these discussions, and subject to any other agreement reached, all copies of any documentation or records referring to or containing confidential information belonging to the other party shall be returned or destroyed, to be confirmed by a statutory declaration if so requested; and
- (e) The entering into of this letter of intent, and the potential completion of this transaction, will be kept strictly confidential and will not be disclosed to customers, suppliers, employees or other persons without the consent of both parties, such consent not to be unreasonably delayed or withheld; this provision shall not apply to disclosure to professional advisors, potential financiers, or appraisers, provided they agree to maintain the same level of confidentiality required by the parties.

Confidentiality Exclusions: Confidential Information does not include the following information that:

- (a) is developed by the receiving party independently and without use of or concerning the disclosing party's Confidential Information;

- (b) is obtained by the receiving party from a third party without restriction on disclosure and without breach of a nondisclosure obligation;
- (c) is in or enters the public domain other than through the fault or negligence of the receiving party and without breach of this Agreement;
- (d) the receiving party possesses before first receiving it from the disclosing party; or
- (e) as legally required to be disclosed by law, at which point the disclosing party will notify the other party.

Confidentiality Obligations: Each party will maintain in strict confidence, and will not use or disclose, except as expressly permitted under this Agreement, any Confidential Information received from the other party. Each party further agrees to use the same degree of care to maintain the confidentiality of all Confidential Information received from the other party that it uses to maintain the confidentiality of its own information of similar importance, but in no event will it use less than reasonable care.

Fees: Each party will pay their own professional fees and other expenses related to this letter of intent, the Definitive Agreement, and the transactions contemplated by this document, unless otherwise expressly set out in this Letter of intent in writing or separate, mutually executed agreement.

Governing Law: The laws of the State of _____ and the Country of _____ govern the validity and interpretation of this Agreement and the legal relation of the parties.

Buyer Understanding: Buyer understands that Seller requires execution of this LOI to confirm that Buyer is ready to execute the Contract, if the terms of this LOI are acceptable to Seller. This LOI and the parties' previous (or subsequent) conduct or activities will not be construed as: (a) an agreement to agree, an option, or a reservation of the Property for the benefit of Buyer, or (b) a contract (express, by estoppel or otherwise), an option to purchase, or other binding agreement for the sale and purchase of the Property, and neither party will be obligated to proceed to close the sale and purchase of the Property, unless the Contract is subsequently executed by both parties and the conditions for Closing stated therein are satisfied.

Confirmation of Intent: If you are interested in proceeding to final negotiations, please execute one copy of this letter where indicated and return it to us. If you are not interested in proceeding to final negotiations, please inform us in writing within two (2) business days.

We look forward to hearing from you, and sincerely hope that we will be able to negotiate and complete a mutually satisfying and rewarding transaction.

Regards,

[Buyer Name Here]

(Title Here)

The undersigned hereby confirms his intent to negotiate toward a Definitive Agreement upon the terms set out above. Please mail this signed LOI to (address here) or fax to (fax number here) attn: _____

(Seller Name Here)

Date: _____

(Seller Signature)

Sample Preview
Sample Preview