

**LETTER OF INTENT TO PURCHASE  
COMMERCIAL REAL ESTATE**

This Contract is Intended to be a Binding Real Estate Contract

---

Date: \_\_\_\_\_

**BUYER:** \_\_\_\_\_

**SELLER:** \_\_\_\_\_

Buyer's Broker is \_\_\_\_\_

Seller's Broker is \_\_\_\_\_

Individual  Corporation  LLC  Partnership  
 Trust  Other \_\_\_\_\_

Individual  Corporation  LLC  Partnership  
 Trust  Other \_\_\_\_\_

This Letter of Intent ("LOI") sets forth certain non-binding provisions and certain binding provisions between Buyer and Seller with respect to the possible acquisition of commercial real estate commonly known as \_\_\_\_\_ ("Premises").

This LOI will remain open for execution by the other party until \_\_\_\_\_, 20\_\_\_\_, provided however, that the party submitting this LOI may withdraw this LOI, in writing, at any time prior to the other party's execution.

**NON-BINDING PROVISIONS**

Upon execution by Buyer and Seller of this LOI, the following numbered paragraphs (collectively, "Non-Binding Provisions") reflect only the general understanding of the matters described in them, and each party acknowledges that the Non-Binding Provisions are not intended to constitute a complete statement of, or a legally binding or enforceable obligation on the part of, Seller or Buyer; and neither Seller nor Buyer shall have any liability to the other with respect to the Non-Binding Provisions until a Real Estate Purchase Contract ("Contract") is executed and delivered by and between them. If a Contract is not prepared, authorized, executed, and delivered for any reason, no party to this LOI shall have any liability to any other party to this LOI based upon, arising from, or relating to the Non-Binding Provisions.

1. **Basic Transaction.** On the terms and subject to the provisions to be set forth in the Contract to be negotiated and entered into by the parties, Buyer would purchase the Premises from Seller.
2. **Purchase Price and Earnest Money.**
  - (A) \_\_\_\_\_ Buyer would pay \_\_\_\_\_ (\$ ) Dollars for the Premises.
  - (B) \_\_\_\_\_ Buyer would pay \_\_\_\_\_ (\$ ) Dollars as earnest money upon execution of the Contract.
3. **Proposed Closing.** If a Contract is entered into between Buyer and Seller, the parties intend that the proposed transaction would be consummated on or before ("Closing").
4. **Initial Drafting.** The initial draft of the Contract shall be prepared by the attorney for the \_\_\_\_\_.
5. **Contract.** The Contract would contain the usual and customary conditions of those typically found in commercial real estate contracts in the Chicago, Illinois area for real property of a similar nature. In addition, the contract would contain the following additional provisions.
  - A. **Title Insurance and Deed.** Seller, at Seller's sole expense, would provide to Buyer a standard ALTA commitment for title insurance in the amount of the purchase price. Additional endorsements to, and extended coverage, of the commitment and the type of deed would be as negotiated between Seller and Buyer in the Contract. Seller and Buyer shall execute all real estate transfer tax declarations and real estate transfer tax shall be paid as set forth in the Contract.
  - B. **Payment of real estate commission.** The real estate commission would be paid by \_\_\_\_\_. If the Premises is not currently listed in the MLS / CMLS, then \_\_\_\_\_ shall pay a sale commission of \_\_\_\_\_% of the gross sale price to the Seller's Broker who shall pay Buyer's Broker, \_\_\_% thereof.
  - C. **Environmental Inspections.** The environmental inspection(s) shall be at expense of the Buyer and would be completed no later than \_\_\_\_\_ days after execution of the Contract.

- D. Other General Physical Inspection of the Premises. A general physical inspection of the Premises would be at the expense of Buyer and would be completed no later than \_\_\_\_\_ days after execution of the Contract.
- E. Appraisal. The appraisal would be at the expense of Buyer and would be completed no later than \_\_\_\_\_ days after execution of the Contract.
- F. Financing. Buyer would have \_\_\_\_\_ days after execution of the Contract to obtain financing for the purchase of the Premises on terms and conditions acceptable to Buyer.
- G. Personal Property Included in the Purchase. \_\_\_\_\_.
- H. American Land Title Association (“ALTA”) Survey. The ALTA survey would be obtained by Seller at Seller’s expense and would be completed no later than \_\_\_\_\_ days after execution of the Contract.
- I. Zoning and Land Use. Any rezoning and land use issues would be resolved at the expense of Buyer and shall either be resolved not later than \_\_\_\_\_ days after execution of the Contract or the Contract shall provide for a contingency and contingency period in which time the parties shall seek to obtain rezoning of the Premises as \_\_\_\_\_; and each party shall agree to cooperate with the other party’s rezoning efforts.
- J. Review of Leases, Service Contracts, and Other Agreements. Seller shall produce copies of all leases, service contracts, and other agreements relating to the Premises, and Buyer shall have a period of \_\_\_\_\_ days to review and either approve or disapprove same.
- K. Assignment of Leases, Security Deposits, Service Contracts, and Other Agreements, if any. Subject to Buyer’s approval pursuant to the review afforded by Paragraph 5.J above, at Closing Seller shall assign all leases, security deposits, services, contracts and other agreements relating to the Premises to Buyer and Buyer shall assume same.
- L. Proration of Taxes, Rentals, Assessments, Service Contracts, Utilities and Other Recurring Obligations (collectively “Property Expenses”). All Property Expenses shall be prorated as of date of Closing as set forth in the Contract.
- M. Condition of Premises.
  - \_\_\_\_\_ a) “As-Is” condition as of the date of Buyer’s final inspection prior to the execution of the Contract, with no warranties expressed or implied.
  - \_\_\_\_\_ b) “As-Is” condition as of Buyer’s final inspection prior to execution of the Contract, except Seller would provide the following warranty(s), with the specific language of such warranty(s) to be negotiated between Seller and Buyer in the Contract.

\_\_\_\_\_

\_\_\_\_\_
- N. Other: \_\_\_\_\_

In any event, final completion of any other due diligence and/or contingencies on behalf of Buyer would be completed not later than \_\_\_\_\_

\_\_\_\_\_

**BINDING PROVISIONS**

**Upon execution by Buyer and Seller of this LOI, the following lettered paragraphs (collectively, "Binding Provisions") will constitute the legally binding and enforceable agreement of Buyer and Seller (in recognition of the significant costs to be borne by all parties in pursuing this proposed transaction and in further consideration of their mutual undertakings as to the matters described herein).**

- A. Reasonable Efforts. Buyer and Seller will negotiate in good faith and use their reasonable efforts to arrive at a mutually acceptable Contract for approval, execution, and delivery on or before the termination date set forth in Paragraph F (ii) hereof.
- B. Confidentiality. In the event of that negotiations are terminated, each party will promptly deliver to the other party and will not retain any documents, work papers and other materials (and any reproductions thereof) obtained by each party or on its behalf from the other party as a result of this LOI or in connection therewith, whether

so obtained before or after the execution hereof, and will not use any non-public information so obtained and will use its reasonable efforts to keep such information confidential unless disclosure is required by law. Neither Seller nor Buyer may disclose the existence or status of this LOI or negotiations of the Contract to any party other than Seller or Buyer's attorney, broker, lender, and other advisors relating to the purchase and sale of the premises unless disclosure is required by law.

- C. **Exclusive Dealings.** Until the Contract has been duly executed and delivered by all the parties or until the Binding Provisions have been terminated pursuant to Paragraph F below, whichever occurs sooner: (i) Seller will not enter into any negotiations, discussions, agreements or understandings for the purpose of selling or exchanging the Premises to any other person or entity; and (ii) Buyer will not enter into any negotiations, discussions, agreements or understandings for the purpose of buying or exchanging any real property other than the Premises to be used by Buyer for the purpose for which Buyer seeks to purchase the Premises. The foregoing precludes the Premises remaining in the MLS / CMLS system while this provision remains in effect.
- D. **Broker.** It is acknowledged by the parties that the brokers or salespersons designated above have participated in the transaction by acting as agent for the parties during their negotiations.
- E. **Costs.** Buyer and Seller will each be responsible for and bear all of their own respective costs and expenses, including without limitation, expenses of their legal counsels, accountants, representatives, and other advisors (other than the parties' brokers) incurred at any time in connection with this LOI.
- F. **Termination.** The Binding Provisions of this LOI may be terminated: (i) at any time by mutual written consent of Buyer and Seller; or (ii) upon written notice by any party to the other party if the Contract has not been executed and delivered by all parties by \_\_\_\_\_; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs B and E of these Binding Provisions, which shall survive any such termination.
- G. **Non-Discrimination.** The parties understand and agree it is illegal for either party to refuse to display, lease, or sell seller's Premises to any person on the basis of race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental handicap, familial status, military status, unfavorable discharge from military service, sexual orientation, or any other class protected by Article 3 of the Illinois Human Rights Act. The parties agree to comply with all applicable federal, state and local fair housing laws.

**BUYER:**

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State and Zip

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

\_\_\_\_\_  
Buyer's Attorney

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

\_\_\_\_\_  
Broker/Agent

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

**SELLER:**

\_\_\_\_\_  
Seller's Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State and Zip

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

\_\_\_\_\_  
Seller's Attorney

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

\_\_\_\_\_  
Listing Broker/Agent

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Fax #

\_\_\_\_\_  
E-Mail

IT IS RECOMMENDED THAT PARTIES CONSULT AN ATTORNEY REGARDING THIS TRANSACTION.