

# LETTER OF INTENT TO PURCHASE COMMERCIAL PROPERTY

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

**Seller's Name:** \_\_\_\_\_

**Seller's Address:** \_\_\_\_\_

**Buyer's Name:** \_\_\_\_\_

**Buyer's Address:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_

**Property PIN#:** \_\_\_\_\_

The purpose of this letter is to indicate the basis on which the Buyer is prepared to acquire the Property from Seller. THIS IS A LETTER OF INTENT ONLY AND SHALL IN NO EVENT BE DEEMED TO BE A LEGALLY BINDING CONTRACT. It is, however, an indication of the intent of each party to negotiate in good faith the terms of a binding real estate purchase and sale agreement generally on the following terms:

## 1. PROPERTY

The Property is legally described as:

\_\_\_\_\_, located in \_\_\_\_\_, County, Illinois..

## 2. PURCHASE PRICE

The Purchase Price for the Property shall be \$\_\_\_\_\_, payable and allocated as follows:

### a. EARNEST MONEY

Buyer shall deliver to \_\_\_\_\_, as Escrowee the sum of \$\_\_\_\_\_ as initial earnest money, within \_\_\_\_\_ hours after the acceptance of this Letter of Intent by both parties. The initial earnest money shall be refundable to Buyer at any time during the inspection and due diligence period. At the time of a fully accepted contract to purchase (Paragraph 6), Buyer shall deliver to Escrowee an additional sum of \$\_\_\_\_\_ as additional earnest money.

### b. CASH BALANCE

Buyer shall pay the balance of the Purchase Price in cash at closing to be held on or before \_\_\_\_\_, 20\_\_.

## 3. DELIVERY OF DOCUMENTS AND INFORMATION

Promptly upon the execution of this Letter of Intent and concurrent with the deposit of the initial earnest money, Seller shall deliver to Buyer within five (5) business days any information in Seller's possession that could be pertinent to the ownership and operation of the Property, including but not limited to, preliminary title reports and surveys; existing leases (if any) and related tenant credit information; real estate tax bills and special assessment bills for the last three years; environmental reports; physical reports (including architectural, environmental, and engineering reports); and "as built" plans and specifications, if any. Buyer further requests the following documentation for review under this Letter of Intent:

\_\_\_\_\_  
Buyer's Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller's Initials

\_\_\_\_\_  
Date

**4. INSPECTION AND DUE DILLIGENCE PERIOD**

Buyer shall have a period of \_\_\_\_\_ days in which to conduct an inspection and due diligence of the Property. During that period, Buyer shall have the right to inspect the Property and perform due diligence investigations with respect to the Property, including, without limitation, structural, mechanical, and environmental studies and investigations into regulatory, title, lease, tenant, and operational matters. If, after such inspections and investigations, Buyer, in its sole discretion, determines that the Property is not satisfactory to Buyer for any reason, Buyer may terminate the Letter of Intent by written notice to Seller delivered prior to the expiration of the inspection and due diligence period.

**5. BROKERAGE**

Seller shall have no obligation to pay any commissions to any Brokers in relation to this transaction, except to Seller's Broker pursuant to a separate brokerage agreement between Seller and Seller's Broker.

**6. CONTRACT TO PURCHASE**

Upon acceptance by Seller and Buyer of this Letter of Intent and completion of the inspection and due diligence period, the \_\_\_\_\_ Buyer \_\_\_\_\_ Seller shall cause its legal counsel to prepare a Purchase Contract which incorporates the terms and conditions of this Letter of Intent, which includes representations and warranties by Seller for the benefit of Buyer as to the Property, and otherwise contains terms and conditions and is in a form customary for the county and state in which the Property is located.

**7. ACKNOWLEDGEMENT**

Seller and Buyer hereby expressly acknowledge that (a) any action taken by Buyer in connection with this Letter of Intent shall not be deemed to be an agreement of Buyer to purchase the Property and that no such obligation shall be imputed unless and until a Purchase Contract with respect thereto has been signed by both Seller and Buyer; (b) the parties have not agreed on the material terms of any agreement relating to the purchase and sale of the Property, save and except the sales price; and (c) either Seller or Buyer may determine, each in its sole discretion, to terminate all negotiations with respect to the purchase and sale of the Property at any time prior to the execution of a Purchase Contract.

**8. NON-DISCLOSURE**

The parties further agree that this Letter of Intent and the initial disclosures and negotiations for this sale and any information provided to Buyer by Seller with regard to said Property and/or business shall be held in strict confidentiality and shall not be disclosed to any other party, save and except the Buyer disclosing the purchase price to the Buyer's bank or finance company and Buyer further agrees that any information obtained from Seller will not be used by Buyer to compete against Seller, nor will such information be disclosed to any other party which would enable any other party to compete with Seller. The parties further agree that if any said information is disclosed, said disclosure shall constitute an action for which the Seller can be compensated in a court of law.

\_\_\_\_\_  
Buyer's Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller's Initials

\_\_\_\_\_  
Date

If the terms outlined herein are acceptable, Seller should sign and accept this letter where indicated below and return it to Buyer no later than \_\_\_\_\_, 20\_\_\_\_\_, at 5:00 p.m. C.S.T.

Upon such acceptance, Seller shall cease to market the Property and shall not solicit or accept any offers or engage in any discussions concerning the sale of the Property (other than the transaction described herein) for a period of \_\_\_\_\_ days from the date of Seller's acceptance hereof. Notwithstanding the nonbinding nature of this Letter of Intent, the foregoing covenant of Seller shall be binding on Seller and enforceable by Buyer.

**BUYER**

**SELLER**

\_\_\_\_\_  
*Signature of Buyer*                      *Date*

\_\_\_\_\_  
*Signature of Seller*                      *Date*

\_\_\_\_\_  
**Buyer's Initials**                      **Date**

\_\_\_\_\_  
**Seller's Initials**                      **Date**