

REAL ESTATE LETTER OF INTENT

Effective Date: _____

RE: Intent to _____

This real estate letter of intent (the "Letter of Intent") represents the basic terms for an agreement between a Buyer and Seller Lessee and Lessor. After this Letter of Intent has been made, a formal agreement may be constructed to the benefit of the Parties involved.

I. The Buyer or Lessee: _____ (the "Buyer" or "Lessee").

II. The Seller or Lessor: _____ (the "Seller" or "Lessor").

III. Property Address: _____ (the "Property").

Additional Description: _____.

IV. Property Type: The Property is defined as a commercial residential space.

V. Real Estate Transaction: This Letter of Intent is for the purchase lease of the Property (the "Real Estate Transaction").

VI. Financial Terms: The Buyer or Lessee intends to:

- Purchase the Property for _____ Dollars (\$_____) (the "Purchase Price").

- Lease the Property for _____ Dollars (\$_____) per month. Payments shall be made on the ____ day of each month with the first payment due upon the commencement of the lease (the "Base Rent").

VII. Payment Method: Payment of the Purchase Price or Base Rent shall be made in the following manner:

_____.

VIII. Bank Financing: The Buyer or Lessee has made it known that their ability to pay the Purchase Price or Base Rent is conditional not conditional on their ability to obtain financing.

If payment is conditional on financing, it shall be under the following terms:

_____.



IX. Purchase Conditions: If the Real Estate Transaction is for the purchase of the Property, the following conditions shall apply:

- a) **Closing.** The Closing shall occur on _____, 20____, or earlier by mutual agreement (the "Closing"). Any extension to the Closing must be agreed upon in writing by the Buyer and Seller.
- b) **Closing Costs.** All costs associated with the Closing shall be the responsibility of the Buyer the Seller both Parties bearing their own expenses.
- c) **Possession.** Possession of the Property shall be given on _____, 20____, or earlier by mutual agreement (the "Possession"). Any extension to the Possession must be agreed upon in writing by the Buyer and Seller.
- d) **Property Inspection.** After a binding Purchase Agreement has been made, the Buyer shall hold the right to have the condition of the Property inspected by a person of their choosing. The inspection shall occur no later than ____ days after a Purchase Agreement has been made.
- e) **Disclosure Report.** After the Property has been inspected, the Buyer shall have an additional ____ days to report any new disclosures to the Seller in writing. If the Buyer and Seller cannot reach a mutual agreement within ____ days after delivery of the written disclosures, the Purchase Agreement shall be terminated with any earnest money being returned to the Buyer.
- f) **Standstill Agreement.** Following the execution of this Letter of Intent, and until the Closing, the Seller shall not negotiate for the sale of the Property with any other party unless either the Buyer and Seller agree in writing to terminate this Letter of Intent, or the Buyer and Seller fail to sign a Purchase Agreement by _____, 20____.

X. Lease Conditions. If the Real Estate Transaction is for the lease of the Property, the following conditions shall apply:

- a) **Late Rent.** If the Lessee fails to pay the Base Rent for more than ____ days after it is due, a late fee of _____ Dollars (\$_____) may be charged each day until the overdue amount is paid.
- b) **Security Deposit.** A security deposit in the amount of _____ Dollars (\$_____) shall be due prior to or upon the signing of a lease.
- c) **Subletting.** The Lessee may not sublet the Property without first obtaining the prior written consent of the Lessor.
- d) **Appliances and Furniture.** The Landlord shall provide the following items for the use of the Lessee: _____.
- e) **Parking.** The Lessor shall provide ____ parking space(s) to the Lessee for a fee of _____ Dollars (\$____). This amount shall be paid to the Lessor upon signing a lease on a monthly basis in addition to the Base Rent.
- f) **Pets.** The Lessee shall have the right to ____ pet(s) on the Property. The following types of pets are allowed: _____.

XI. Expenses: If the Real Estate Transaction is for the lease of the Property, the Lessee shall be required to pay the following monthly expenses in addition to the Base Rent:

_____.

The Lessor shall be required to pay the following monthly expenses:

_____.



XII. Lease Term: If the Real Estate Transaction is for the lease of the Property, the term of the lease shall:

- Be a fixed period commencing on the ____ day of _____, 20____, and expiring on the ____ day of _____, 20____.

- Commence on the ____ day of _____, 20____, and continue as a month-to-month tenancy.

XIII. Lease Termination: If the Real Estate Transaction is for the lease of the Property, the lease may only be terminated under the following conditions:

- The Lessee shall have the right to terminate the lease by providing at least ____ days' notice to the Lessor.

- The Lessee shall not have the right to terminate the lease.

XIV. Binding Effect: This Letter of Intent shall be considered: (Initial and Check)

____ - **Binding** – Therefore, the Parties acknowledge that remedies at law will be inadequate for any breach of this Letter of Intent and consequently agree that this Letter of Intent shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights at law or in equity of the Parties under this Letter of Intent.

____ - **Non-Binding** – Therefore, the Parties acknowledge that this Letter of Intent is not enforceable by any Party. The terms outlined herein are solely for the purposes of reaching an agreement in the future, of which the Buyer and Seller Lessee and Lessor are not bound.

XV. Additional Provisions: _____

_____.

XVI. Currency: All mentions of currency or the usage of the "\$" icon shall be known as referring to the US Dollar.

XVII. Governing Law: This Letter of Intent shall be governed under the laws of the State of _____.

XVIII. Acceptance: If you are agreeable to the aforementioned terms, please sign and return a duplicate copy of this Letter of Intent by no later than _____, 20____.

BUYER/LESSEE

Buyer/Lessee Signature _____ Date _____

Print Name _____

SELLER/LESSOR

Seller/Lessor Signature _____ Date _____

Print Name _____

