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**Letter of Intent
to Purchase**

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[Your Street Address]

[City, State, Zip Code]

[Phone Number]
[Email Address]

[Date]

 Re: Letter of Intent to Purchase the [Property Name]

**PROPERTY**: [Number]-unit residential property known as the “[Property Name]”

**ADDRESS:**  [Property Street Address, City, State, Zip Code]

This letter of intent (“LOI”) will confirm the following offer by [Your Company] (“Purchaser”) to purchase via an affiliate to be formed one hundred percent (100%) of the fee simple interest, including buildings, land, and all personal property thereon and utilized in connection therewith, of the above-referenced property (“Property”).

1. **Purchase Price:** The purchase price for the Property shall be [Price, spelled out] dollars and no cents ($ [number]) (“Purchase Price”), plus or minus customary pro-rations for (without limitation to) real estate taxes, deposits, rents, etc. The purchase price shall be paid as follows:
	1. [Spell out] thousand dollars ($ [number]) as earnest money deposited into an escrow account within ten (10) business days after the execution of a purchase and sale agreement and an additional [spell out] dollars ($[number]) deposited into the escrow account within five (5) business days after the expiration of the Inspection Period. Such funds shall not go hard unless the contractual contingencies defined below occur; otherwise, the escrow agent shall return said moneys to Purchaser.
	2. Cash to Seller for the remaining purchase price at Closing (hereinafter defined).
2. **Contingencies:** Any final agreement shall be subject to the following contingencies:
	1. Purchaser obtaining financing acceptable to Purchaser;
	2. Purchaser’s review and acceptance of title;
	3. Purchaser’s review and acceptance of Due Diligence Materials, as defined on Exhibit A hereto; and
	4. Expiration of Inspection Period.
3. **Time Frame:** Seller and Purchaser shall negotiate and execute a bona fide Purchase and Sale Agreement (“Agreement”) with respect to the purchase and sale of the Property within ten (10) business days after the date this Letter of Intent is fully executed and accepted by both parties. The date the Agreement has been fully executed shall be the “Effective Date” of the Agreement.

Within ten (10) days after the Effective Date, Seller shall make all Due Diligence Materials available to Purchaser. The date on which all Due Diligence Materials have been made available to Purchaser shall be the “Start Date.”

Purchaser shall have sixty (60) days from the Start Date (the “Inspection Period”) to make best efforts to perform physical inspections and other due diligence with respect to the Property and decide, in Purchaser’s sole discretion, whether the Property is satisfactory to Purchaser.

Should Purchaser’s independent third-party environmental investigator determine that a Phase II environmental or other further environmental study is necessary, the Inspection Period shall automatically be extended by thirty (30) days to complete such further study.

Purchaser shall obtain a commitment from lender within seventy-five (75) days after the Start Date (“Financing Period”).

The closing (“Closing”) shall occur no later than ninety (90) days after the Start Date, except if extended pursuant to the terms hereof, at a location mutually agreed by Purchaser and Seller. The parties may extend the Closing date by mutual agreement. Purchaser may extend the Closing by up to two (2) additional periods of thirty (30) days each, upon deposit into escrow of an additional [spell out] thousand dollars ($[number]) for each extension.
4. **Due Diligence Materials:**  The “Due Diligence Materials” provided by Seller to Purchaser shall include, but not be limited to, the documents described on Exhibit A hereto.
5. **Inspection Period and Property Access:** Seller shall provide Purchaser and any third party contractor or inspector engaged by Purchaser or its lender reasonable access to the Property during the time that the Letter of Intent is in effect and throughout the Inspection Period.
6. **Title and Title Policy:** Seller shall convey good and merchantable title to the Property by general warranty deed with title commitment exceptions that are not objected to by Purchaser during the Inspection Period. Seller shall cooperate in the removal of any title exceptions to which Purchaser timely objects. Seller shall provide, at Purchaser’s cost and expense, an ALTA Policy of Title Insurance, insuring the value of the title to the Property in the amount of the Purchase Price.
7. **Assignment:** This LOI and/or the Agreement may be assigned to an affiliate or related entity of Purchaser upon notice to Seller and shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.
8. **Prepayment Penalty:** Seller shall be responsible for any penalties or fees associated with the early payment of any existing liens encumbering the Property.
9. **Closing Costs:** Seller shall pay for recording and transfer or transaction taxes and fees, and other costs customarily paid by Seller. Purchaser shall pay for an ALTA title insurance policy, a current ALTA survey, accounting and other investigations made in connection with the due diligence review, and other closing costs customarily paid by the Purchaser. Each party shall pay its own attorneys’ and consultants’ fees and one-half the escrow costs.
10. **Brokerage Commissions:** Seller shall pay all realtors’ commissions.
11. **Off Market:** Seller agrees that, during the time the parties are negotiating a purchase and sale agreement in good faith, Seller shall neither offer the Property for sale to, accept any offer to purchase the Property by, nor negotiate for the sale of the Property with, any other party.
12. **Non-Binding Nature:** It is understood and agreed that this letter does not constitute a complete and definitive Purchase and Sale Agreement for the Property or create any legally binding obligations on the part of either Purchaser or Seller, except for paragraphs 3 (with respect to provision of due diligence materials prior to contract date), 11 and 13 hereof. This LOI and the parties’ communications and conduct shall not be construed as an agreement to agree, an option (by estoppel or otherwise), or other binding agreement for the purchase and sale of the Property, and neither party shall be obligated to proceed to close the purchase and sale of the Property unless the Agreement is subsequently executed by both parties and the conditions of closing stated therein are satisfied. The parties agree that this LOI merely evidences the intent of the parties to enter into good-faith negotiations regarding purchase and sale of the Property on terms including, but not limited to, those outlined herein. Seller understands that Purchaser has determined the purchase price of the preceding offer based on past and current financial information supplied by Seller, the same being an accurate representation of the Property’s economic operation to Seller’s best knowledge and belief.
13. **Confidential Information:** Seller agrees to negotiate in good faith in an attempt to successfully conclude the purchase of the Property by Purchaser, and to keep confidential the content of this letter of intent except with respect to the officers and partners of Seller and its legal and financial advisors.

This LOI is open for your approval and acceptance below for a period of five (5) calendar days from the date of Purchaser’s signature. If it is acceptable, please indicate by signing and dating this letter in the space provided below and returning one fully executed copy to Purchaser by PDF to the email address above. A facsimile or PDF signature by a representative Purchaser and/or Seller on a counterpart of this letter of intent shall be binding and effective for all purposes.

I look forward to hearing from you and hope we are able to negotiate a mutually agreeable transaction.

Sincerely,

[Your Name]

[Your Title]

**AGREED AND ACCEPTED:**

Owner of Record: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: Title:

Signed: Date:

Exhibit A to Letter of Intent

Seller shall make the following materials available to Purchaser within ten (10) days after the Effective Date of the Agreement.

1. A true and correct copy of each written lease and a true, correct and complete written summary of each oral lease;
2. The most recent survey of the Property in the possession or control of Seller;
3. Copies of the most recent title policy or commitment for the Property in the Seller’s possession or control;
4. A true, correct, and complete copy of each written Service Contract, if any, and a true, correct, and complete written summary of each oral Service Contract;
5. A true, correct, and complete copy of the current management agreement;
6. True, correct, and complete copies of all prior real estate tax bills, including special assessments or incentives, and all tax protests, related correspondence and protest results for the Property for the last three (3) years;
7. True, correct, and complete copies of all utility bills for the Property for the previous twenty-four (24) months;
8. Certificates of Occupancy for the premises and all other documentation with respect to compliance of the Property with governmental requirements;
9. A current certified rent roll, including unit number, unit size, market rent amount, contractual rent amount, vacant units, down units, and security deposit amounts;
10. Financial books and records for the Property, without limitation to the following:
	1. Detailed operating statements for the past three (3) year ends, current year-to-date, and a 12 months trailing history;
	2. Schedule of replacement costs and capital expenditures (if not already included in detailed operating statements) for the past three (3) year ends, current year-to-date, and past 12 months;
	3. General ledgers for the past three (3) year ends and current year-to-date;
	4. Rent rolls for the past three (3) year ends and current year-to-date;
	5. Twelve (12) month rolling occupancy report;
	6. Lease expiration report;
	7. Current payroll listing all employees of Seller involved with Property, their names, contact information, job descriptions, current salaries or pay rates, union status, as well as a payroll register for the last 12 months including employer taxes, contributions, and benefits;
	8. Detailed delinquency reports and/or aged receivable reports for past three (3) year ends and the current month;
	9. Concession report;
	10. Current month’s pre-paid rent report, security deposit audit report, property status report, and a detailed unit status report that shows status for all vacant, vacant pre-leased, on-notice pre-leased, and down units;
	11. Current year-to-date leasing summary report that shows activity by marketing source and reasons for tenant move-out;
	12. All monthly bank statements for the property for the current year and past three (3) years;
	13. All of the above updated monthly through closing, or as required by Purchaser or its lender.
11. All third party engineering and environmental reports and assessments (both draft and final), action and/or work plans, contracts for remediation, soil and groundwater sampling reports and results;
12. All appraisals in Seller’s possession or control;
13. All termite, radon, mold, asbestos and/or lead paint studies or reports;
14. A copy of all plans and specifications in the possession or control of Seller relating to improvements to the Property;
15. A list of all personal property;
16. Copies of all permits, warranties, and unexpired guaranties;
17. Copies of all existing insurance policies, a summary of all claims submitted in the past three (3) years, and any pending claims relating to the Property or evidence of self-insurance;
18. A schedule of pending litigation affecting the Property;
19. Evidence of the zoning classification of the Property;
20. Flood elevations and flood insurance certificates; and
21. Any and all other contracts, agreements, documentation or evidence relating to the ownership, zoning, financing, value, income, expense, operation, leasing, construction, maintenance, or repair of the property.