



Sample Letter of Intent

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This sample Letter of Intent is to be used only as a reference. A well-written letter of intent will enable a buyer to negotiate terms of purchase with a seller without incurring large legal fees during the negotiation process. Once the terms of a letter of intent have been ratified by both buyer and seller, a legal professional should be engaged to draft all legal documents, including the Purchase and Sale Agreement and ancillary documents.

This sample letter describes a property that is not yet zoned for self-storage. Upon Request, BKB Properties and StorageStudy.com may provide additional sample Letters of Intent that may apply in alternate situations, such as in cases of a conversion project, an acquisition of an existing business, or the purchase of a property already zoned for the intended use of Self-Storage.

This reference piece does not constitute legal advice.

February 1, 2009

Joe Developer
P.O. Box 24
AnyTown, USA

Letter of Intent to Purchase

RE: Proposed Business Terms to purchase approximately 3.4 acres at 123 Big Road, in Anytown, Any County; site known as Any County Parcel #B12-345-6789-0-1,2,3

Dear Seller:

This letter will serve as the letter of intent for Joe Developer, LLC and/or assigns (“Purchaser”) to purchase the above referenced property under the following terms & conditions:

- Property:** 3.4. acres at 123 Big Road, Anytown, Any County
- Purchase Price:** \$120,000 per acre. Acreage to be determined by final survey.
- Development Rights:** Purchaser to rezone to I-1, for high quality self storage facility.
- Earnest Money:** \$10,000 upon execution. All earnest money is applicable and refundable until the end of the Feasibility Period. If Purchaser does not cancel the Purchase and Sale Agreement at the end of the Feasibility Period, the deposit(s) will be applicable and **non-refundable** unless Seller defaults, in which case deposit(s) will be refundable.
- Terms:** All Cash At Settlement
- Feasibility Period:** For a period 60 days after receipt of a signed Purchaser and Sale Agreement (the “Feasibility Period”) Purchaser shall review the suitability of the property for his intended use. If Purchaser at his sole discretion deems the property not acceptable for his intended use he may void the Purchase and Sale Agreement without penalty and his deposit will be returned in full. Seller shall provide to Purchaser within five (5) business days copies of its most current title insurance policy, survey and any hazardous material audits (if any) relating to the Property.
- Zoning Approval:** Purchaser, at Purchaser’s expense, will file with Any County for rezoning to I-1. Seller will fully cooperate with Purchaser’s efforts to rezone the Property.
- Closing:** 60 days from Zoning Approval. Purchaser may extend the closing date for two additional 30 day periods by paying Sellers \$5,000 per 30 day extension period in advance of each period and by notifying Seller prior to the expected closing date, in writing, of his intention to extend for

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each additional 30 days. If Purchaser extends closing each \$5000 paid will be applicable and non-refundable.

Closing Costs: Purchaser shall bear the costs of any survey, title policy, audits, inspections, customary Purchaser recording fees and legal fees of the Purchaser. Seller shall bear the cost of customary Seller transfer taxes and legal fees of the Seller.

Agency: It is understood that name of Purchaser's broker is representing the interest of the Purchaser and name of Seller's broker is representing the Seller. The Seller shall be responsible for the commission to Seller's broker in the amount of five (5%) percent of the Purchase Price. The Seller shall be responsible for paying the commission which will be split between buyer's broker and seller's broker.

Documentation: Buyer's counsel will draft the Purchase and Sale Agreement at Purchaser's expense. A Purchase and Sale Agreement executed by Purchaser will be delivered to Seller no later than February 15, 2009.

Non Binding: Nothing contained herein shall be binding on either party unless and until a Purchase Agreement is fully executed and exchanged by both parties.

If the foregoing terms and conditions are acceptable to the Seller, kindly have them sign this letter where indicated below and return it to me.

Sincerely,

Joe Developer,
Joe Developer, LLC

*Acknowledged and agreed this _____ day
of _____ 2009:*

Joe Developer, LLC and/or Assigns

By:

Purchaser, Managing Member

*Acknowledged and agreed this _____ day of
_____ 2009:*

Seller LLC

By:

Seller

Note and Disclaimer: All Legal Documents should be reviewed by a legal professional prior to use. This Letter of Intent does not constitute legal advice. BKB Properties and StorageStudy.com is not a legal firm, and does not provide legal advice. This document is to be used only as a reference and example of a Letter of Intent.