

OFF. ID _____ DATE: _____ OFF. ID _____ MLS# _____
SELLING BROKER _____ LISTING BROKER _____
SELLING AGENT _____ ID# _____ LISTING AGENT _____ ID# _____
EMAIL _____ P _____ EMAIL _____ P _____

This correspondence shall serve as a Non-Binding Letter of Intent to purchase commercial property pursuant to the basic terms and conditions set forth under which the Purchaser, _____, as an agent on behalf of an entity to possibly be formed, or its assigns as may be determined by purchaser's attorney, is prepared to purchase the property described below:

1. **Scope of Transaction (Check One):** This Letter of Intent pertains to:

☐ **A. Purchase of Business Only;** Purchaser intends to acquire the business itself as a going concern (select one): ☐ Equity Purchase (e.g., all issued and outstanding ownership interests of Seller, or ☐ Asset Purchase (e.g., specified business assets). The Business Purchase shall include, to the extent applicable: trade name; goodwill; furniture/fixtures/equipment; machinery and tools; inventory at closing (per mutually agreed count/valuation); customer and vendor lists; books and records; assignable contracts and warranties; licenses and permits; intellectual property (domains, URLs, social media, phone numbers); and other intangible rights used in the business. Excluded: cash/cash equivalents, accounts receivable, personal effects, and any assets not expressly included. Assumed liabilities: only those expressly assumed in the definitive agreement; all others remain with Seller. Conditions to closing include (i) delivery and Purchaser's review of financial statements and tax returns for the prior three (3) fiscal years, AR/AP agings, payroll reports, and material contracts; (ii) assignment/transfer (or re-issuance) of key contracts, licenses, and permits; (iii) UCC lien searches and releases; (iv) customary non-compete and non-solicit covenants from Seller/principals; and (v) transition/training by Seller for up to _____ hours over _____ days post-closing. Purchase Price allocation (and, if applicable, IRS Form 8594) to be agreed during diligence and reflected in the definitive agreement. Seller shall operate in the ordinary course through closing.

☐ **B. Purchase of Real Estate Only;** Transfer of fee simple title to the land and improvements described in this LOI, together with appurtenances and fixtures (excluding Seller's removable personal property not otherwise included), per a definitive Commercial Real Estate Purchase Agreement.

☐ **C. Purchase of Both Business and Real Estate;** The parties contemplate concurrent execution of an Asset/Equity Purchase Agreement (for the Business) and a Commercial Real Estate Purchase Agreement (for the Real Estate), coordinated closings, and a mutually agreed allocation of the Purchase Price between Business and Real Estate during diligence.

Non-binding to the extent consistent with the non-binding nature of this LOI; any binding obligations (e.g., confidentiality, exclusivity, access, governing law) shall be as expressly stated elsewhere herein.

2. **Property Address:** _____
3. **Legal Description:** _____
4. **Purchase Price:** _____ Dollars (\$ _____)
5. **Earnest Money Deposit:** Purchaser is tendering with offer \$ _____ in the form of a cashier's check, or a wire transfer. An additional \$ _____ shall be deposited with Broker/Designated Escrow Agent by Purchaser within _____ days after Purchaser's receipt of an accepted offer making total earnest money on deposit \$ _____. All monies shall be held by Broker/Designated Escrow Agent in accordance with rules and regulations of the Michigan Department of Labor and Economic Growth, Act No. 112, P.A. of 1960 Sect. 13 (j), and applied to purchase price at closing. If offer made is not acceptable by Seller, earnest money shall be refunded to Purchaser. Broker, by signing below, hereby acknowledges receipt of earnest money. All earnest monies shall be disbursed according to terms and conditions contained herein, or according to the terms in a mutual release agreement, when signed by all parties to this Agreement, or by court order.

6. **Contingencies:** The Purchaser's obligation to purchase the Property shall be subject to satisfactory due diligence. The due diligence period shall be [redacted] days. The contingencies shall include, but not be limited to, the following:

- | | |
|---|--|
| <input type="checkbox"/> Financial Feasibility | <input type="checkbox"/> Cash |
| <input type="checkbox"/> Environmental Reports | <input type="checkbox"/> Property condition report and City inspection |
| <input type="checkbox"/> Clear Title | <input type="checkbox"/> Survey |
| <input type="checkbox"/> Lease Review and Tenant Estoppel | <input type="checkbox"/> Other: _____ |

7. **Investigations:** The Seller shall provide the Purchaser with copies of all existing (i) engineering, environmental and other reports pertaining to the physical or legal condition of the property; (ii) currently effective leases encumbering the Property; (iii) service and maintenance contracts pertaining to the operation of the Property; and (iv) licenses and permits necessary for the operation of the property. The seller shall make available all documents pertaining to the operation and maintenance of the Property including, but not limited to, surveys, title policies, warranties, leases, tax bills and income and expense statements. The Purchaser shall have the right to access the Property for the purpose of conducting such physical and environmental inspections and testing as we deem appropriate.
8. **Lease Inquires:** The Seller and its agents shall direct all lease inquiries or proposals pertaining to the Property to the Purchaser. No further lease or amendments or modifications to the existing leases shall be entered into without the mutual approval of the Seller and the Buyer.
9. **Closing:** Closing shall occur within [redacted] days after the expiration of the due diligence period. Unencumbered fee simple title to the Property shall be transferred by Warranty Deed. Title insurance, the expense of a survey, transfers taxes, any special assessments and real estate taxes that have become a lien on the Property, shall be paid for by the Seller. Current real estate taxes will be prorated on fiscal year basis. Seller will provide warranties of title as to the environmental condition of the Property.
10. **Brokers:** The Purchaser discloses he ☐ is / ☐ is not a licensed real estate salesperson in the State of Michigan. The Purchaser is not participating in this transaction in any Brokerage capacity.
11. **Agency Relationship:** Purchaser(s) and Seller(s) acknowledge that they have received the Disclosure regarding Real Estate Agency Relationships. All parties to this agreement have been made aware of the agency relationships with the real estate Broker(s) involved in this transaction.
12. **Compensation:** Seller agrees and shall pay the real estate Broker(s) involved in this transactions a combined broker commission of \$ [redacted], with \$ [redacted] paid to [redacted] and \$ [redacted] paid to [redacted] at closing. The parties acknowledge that other than the parties' real estate agents disclosed herein this Commercial Contract to Purchase, no other real estate brokers, salespersons, or agents are involved in this transaction and the parties hereby indemnify and hold each other harmless from any and all such claims for broker commission fees. All brokers and their agents specifically disclaim responsibility for the condition of the Property and performance of this Agreement. The parties each hereby, and by closing shall be deemed to, waive, and release any and all claims and causes of action against all named brokers, their officers, directors, managers, member, employees and agents. The parties each hereby grant all named brokers the right to record a lien against the property to secure a payment of their commission including, without limitation, the right to record the lien under Michigan's Commercial Real Estate Broker Lien Act. All named brokers are third party beneficiaries of this agreement. Broker commissions are not set by law and are fully negotiable.

If the foregoing is acceptable, please so signify by signing a duplicate copy of this letter at your earliest convenience. Upon receipt of an acknowledged counterpart of this letter, we may instruct our attorney to review the Purchase Agreement for your review and approval, within [redacted] days.

Acknowledged and agreed to by:

Purchaser: _____ Date _____

Seller: _____ Date _____

Purchaser: _____ Date _____

Seller: _____ Date _____

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