



**COMMERCIAL BROKERS ASSOCIATION  
LETTER OF INTENT**

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

VIA HAND DELIVERY

[Seller's or Brokers Name & Address]

\_\_\_\_\_  
\_\_\_\_\_

Re: Letter of Intent to Purchase [description of property]

Dear [Seller/Broker]:

We represent [Buyer] ("Buyer"). Buyer proposes to enter into a definitive agreement for the purchase of the property described on attached Exhibit A (the "Property") on the following terms:

1. Purchase Price. The purchase price shall be \_\_\_\_\_ Dollars (\$\_\_\_\_\_) payable as follows:
2. Earnest Money. Buyer will deposit \_\_\_\_\_ Dollars (\$\_\_\_\_\_) as earnest money with the  listing broker;  closing agent. The earnest money shall be paid by (select one):
  - wire/electronic transfer;
  - check;
  - promissory note; or
  - other: \_\_\_\_\_.

3. Contingencies. Buyer's obligation to purchase the Property shall be contingent upon the following (select all that apply):

Feasibility. Buyer shall have until \_\_\_\_\_, which may be extended by \_\_\_\_\_ (\_\_\_\_\_) days upon notice to Seller, to determine in its sole discretion whether the Property is feasible for Buyer's purposes. In the event any environmental remedial work being performed by Seller is not completed at least \_\_\_\_\_ (\_\_\_\_\_) days prior to the expiration of the contingency period, then the contingency period shall be extended to the extent necessary to allow Buyer to examine the Property for \_\_\_\_\_ (\_\_\_\_\_) days following the completion of Seller's remedial work to determine that the Property continues to be feasible for Buyer's intended purpose. Buyer  may;  may not (may not, if unchecked) extend the expiration date of the Feasibility Contingency for up to \_\_\_\_\_ periods of \_\_\_\_\_ days each (each an "Extension Period") upon payment of an extension fee of \$\_\_\_\_\_ for each Extension Period, which shall be nonrefundable when paid and applied towards the purchase price. Buyer shall be permitted to enter the Property during the contingency period for inspection.

New Financing. Buyer's obligations shall be contingent on Buyer obtaining financing. Buyer shall submit a complete written application for financing for the Property within five (5) days after waiver or satisfaction of the Feasibility Contingency and shall not reject a commitment which provide for a loan amount of at least \$\_\_\_\_\_ or \_\_\_\_\_% of the purchase price, interest not to exceed \_\_\_\_\_% per annum, a



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term of \_\_\_\_\_ months, a payment schedule calling for monthly payments amortized over not less than \_\_\_\_\_ years, and total placement fees and points of not more than \_\_\_\_\_% of the loan amount.

Seller Financing. Seller shall provide financing in the amount of \$\_\_\_\_\_ or \_\_\_\_\_% of the purchase price, with interest of \_\_\_\_\_% per annum, a term of \_\_\_\_\_ months, and a payment schedule calling for monthly payments amortized over not less than \_\_\_\_\_ years.

Approval of Remedial Work. Seller is currently remediating certain known contamination on the Property and expects to complete these efforts by \_\_\_\_\_. Buyer's obligations shall be contingent upon: (i) the State of Washington, Department of Ecology issuing prior to closing a "no further action" letter with a compliance monitoring period of not more than one (1) year; and (ii) Buyer's satisfaction with the remediation to be determined in Buyer's sole discretion within \_\_\_\_\_ (\_\_\_\_\_) days after notice from Seller that the remediation is complete. Seller shall deliver to Buyer all documentation as soon as it is available and shall assign to Buyer at closing all warranties regarding the remedial work. Buyer may engage its own environmental consultant to examine the Property and Seller's remediation, and Seller shall pay one-half of the cost of such consultant up to \_\_\_\_\_ Dollars (\$\_\_\_\_\_).]

4. Title Insurance and Title. Seller shall obtain and deliver to Buyer a preliminary commitment for standard/extended coverage title insurance from \_\_\_\_\_ Title Insurance Company Buyer shall notify Seller of any objectionable matters in the title commitment or any supplemental report within twenty (20) days after receipt of such commitment or supplement. Within five (5) days of Buyer's notice of such objections, Seller shall remove all objectionable provisions. If Seller fails to give timely notice that it will clear all disapproved objections, the purchase agreement shall terminate and Buyer shall receive a refund of the earnest money unless Buyer notifies Seller within three (3) days that Buyer waives any objections which Seller does not agree to remove. Seller shall transfer title to Buyer by (select one)  statutory warranty deed;  bargain and sale deed; and shall provide an owners standard coverage or, if selected and paid for by Buyer, an extended coverage policy of title insurance to Buyer.

Buyer shall also be permitted to commission an ALTA survey of the Property.

5. Hazardous Substances. Prior to closing, Seller shall remediate all contamination by Hazardous Substances (as defined below) on, in or under the Property identified by Seller's environmental consultant as being in excess of the levels permitted by Model Toxics Control Act and the regulations adopted pursuant thereto and shall obtain from the State of Washington, Department of Ecology a "no further action" letter with a compliance monitoring period of not more than one (1) year. Seller shall remediate any Hazardous Substances discovered on, in or under the Property during the compliance monitoring period stated in the State of Washington, Department of Ecology's no further action letter.

Seller shall warrant that the Property is free from contamination by Hazardous Substances at the time of closing and Seller shall indemnify, hold harmless and defend Buyer from all liability, costs, expenses, including attorneys', experts' and consultants' fees, penalties, and investigation, monitoring and remedial costs relating to any release or contamination of the Property with Hazardous Substances which were present on the Property as of closing.

The term "Hazardous Substances" shall be defined broadly to include all substances that are regulated by federal, state, or local laws due their harm or potential harm to human health or the



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environment.

6. Removal of Structures. Prior to closing, Seller shall remove all structures, brush, and debris with the exception of fencing, and will leave the Property in a cleared and level condition.

7. Closing. Closing shall occur on or before thirty (30) days from the removal of those contingencies stated in Section 3. Buyer  may;  may not (may not, if unchecked) extend the Closing Date for up to \_\_\_\_\_ periods of \_\_\_\_\_ days each (each a "Closing Extension") upon payment of an extension fee of \$\_\_\_\_\_ for each Closing Extension, which shall be nonrefundable when paid and applied to the purchase price.

8. Representations and Warranties. The purchase agreement shall contain the customary representations and warranties found in the Commercial Brokers Association CBA Form PS\_1A, including that Seller has authority to enter into and perform its obligations under the purchase agreement, there are no actions, investigations, or assessments pending or threatened which would affect Buyer or Buyer's interests in the Property after closing, there is no pending or threatened condemnation or other legal action affecting the Property, there are no underground storage tanks on the Property, and all studies, reports, and other information provided by Seller to Buyer in connection with the purchase of the Property are true, accurate and complete. These representations and warranties shall be true as of the time made and as of closing and Seller's liability for breach of these representations and warranties shall survive closing.

9. Default. Buyer's liability in the event it fails to close the purchase agreement without legal excuse shall be limited to forfeiture of the earnest money.

10. Assignment. Buyer's rights and obligations under the purchase agreement may be assigned.

11. Other Matters. The purchase agreement shall address other matters customary for real estate transactions of this nature in the jurisdiction in which the Property is located.

12. Agency Disclosure. \_\_\_\_\_ ("Buyer Broker") of \_\_\_\_\_ ("Buyer Brokerage Firm"), Buyer Brokerage Firm's Designated Broker, Buyer Brokerage Firm's Branch Manager (if any) and any of Buyer Brokerage's Firm's Managing Brokers who supervise Buyer Broker represent Buyer. \_\_\_\_\_ ("Listing Broker") of \_\_\_\_\_ ("Listing Firm"), Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and any of Listing Firm's Managing Brokers who supervise Listing Broker represent Seller. All parties acknowledge receipt of the pamphlet entitled "Real Estate Brokerage in Washington."

13. Brokerage Compensation.

- a. From Seller: Seller agrees to pay Buyer Brokerage Firm compensation equal to \$\_\_\_\_\_ or \_\_\_\_\_% of the purchase price for the Property.
- b. From Listing Firm: Listing Firm agrees to pay Buyer Brokerage Firm compensation equal to \$\_\_\_\_\_ or \_\_\_\_\_% of the purchase price for the Property.

The above compensation is due and payable on the earlier of (i) the date of closing of the sale of the Property to Buyer or an affiliate of Buyer, or (ii) the date that Seller breaches its



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obligations under the definitive purchase and sale agreement. The Property is commercial real estate. Buyer Brokerage Firm is an intended beneficiary of this compensation obligation and it cannot be cancelled or changed without Buyer Brokerage Firm's written consent. Seller and Buyer consent to Listing Firm and Buyer Brokerage Firm receiving compensation from more than one party and to the sharing of compensation between firms.

14. Confidentiality and No Shop. The information that will be made available to Buyer with respect to the Property is confidential. In consideration of such information being made available to Buyer, it is understood and agreed that Buyer will treat the information confidentially and will use such information solely for the purposes of the acquisition of the Property. Accordingly, the purchase and sale agreement shall provide that Seller shall not market or offer for sale the Property (or any part thereof), or deal or negotiate with, or accept offers or back-up offers from, any persons for the purchase of the Property (or any part thereof) from the date hereof through closing of the definitive agreement or its earlier termination .

We propose that the parties bind themselves to negotiate exclusively and in good faith with each other for (\_\_\_\_\_) weeks from the date this letter of intent is accepted.

This letter of intent does not address all essential terms of the transaction and a binding contract shall not exist between Buyer and Seller until Buyer and Seller execute a definitive purchase and sale agreement, except the above obligations of exclusivity, good faith, and confidentiality.

If the parties are willing to proceed with negotiations for the sale of the Property on these terms and conditions, please sign this letter of intent where indicated below and return it to our offices.

Very truly yours,

[Broker]

By: \_\_\_\_\_  
Print Name and Title: \_\_\_\_\_

cc: [client]

APPROVED AND AGREED:

BUYER:

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_



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(CONTINUED)**

Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SELLER:**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_