

Let's Make A Deal – What You Should Know About Letters Of Intent

Whether you are leasing real estate or buying or selling a business or real estate, the letter of intent (LOI) is the usual and practical initial step, writes **Bernard B. Kolodner** for **Kleinbard LLC**.

“An LOI or term sheet is how you find out if you are likely to have a deal before you spend a lot of time or legal fees on the deal. The details included in an LOI will be largely dependent on whether the deal proposed is a lease, sale or purchase of real estate or a business,” he writes.

“For a lease, an LOI will often specify the space, rent, security deposit, term, extensions, and commencement. In addition it might include provisions covering work to be done on the space, who will be responsible for the work (landlord or tenant) and the amount of any tenant improvement allowance. Reviewing the LOI is the quick and easy way to gauge the interest of the person on the other side of the deal as well as identifying whether there are unbridgeable business issues that need to be addressed prior to drafting the lease.”

Read the article.