Basics and Issues with Selling and Purchasing Real Property, Mineral Leases and Cell Tower Leases

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### Acknowledgements

- Ken Mills, Top Ten Issues When Negotiating Earnest Money Contracts
- Patrick Rouse, Cell Tower Leases from the Landlord Perspective



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# What is a LOI?

A Letter of Intent (LOI) is an agreement between parties that outlines general business and/or legal terms, prior to drafting the formal, complete documents to effectuate the transaction.

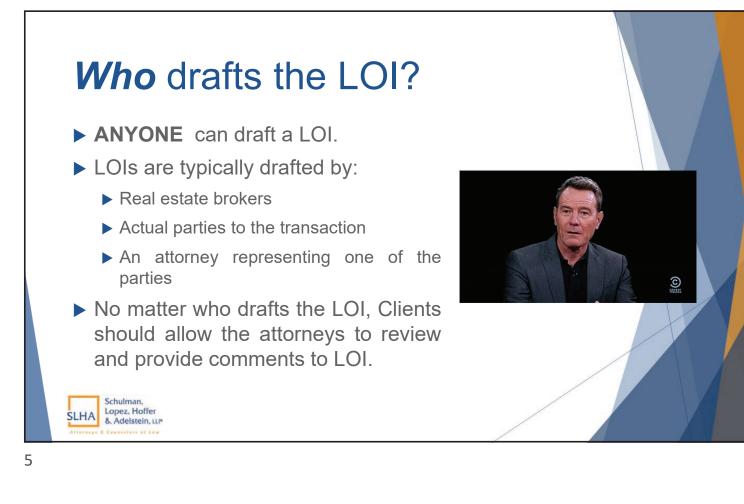
- Detail and comprehensiveness varies widely
- Can be binding, non-binding, or a combination of the two
- LOI by another name: Memorandum of Understanding, Gentlemen's Agreement, Agreement in Principle, Letter of Understanding, Term Sheet, Transaction Outline

## Why do we use LOIs?

- LOIs can save parties both time and money.
- LOIs can help determine the likelihood of consensus on larger points of possible contention in a transaction.
- A well drafted LOI should streamline the drafting and negotiation of formal, complete transaction documents.



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## Considerations in drafting a LOI:

- 1. Be specific, precise and complete.
  - a. Consider the purpose of your LOI
  - b. Be clear, complete, and organized in drafting the terms
  - c. Include an expiration date on the offer, and perhaps an expiration date to finalize formal agreements between parties



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