

Letter of Intent for Purchase of Business

- 🔊 Use this sample “Letter of Intent” to establish the basic terms for entering into negotiations to acquire a business.
- 🔊 The first part of the Memorandum should be completed and distributed to the Board of Directors or a Senior Officer of the Seller along with a copy of the Letter of Intent for Purchase of Business.

Date: **[Month, Day, Year]**

To: **[Board of Directors or Senior Officer of Seller]**

From: **[Owner/Founder]**
[Company]

Subject: **Letter of Intent for Sale of Business**

Attached is a “Letter of Intent for Sale of Business” In order to establish the mutual intention of the Seller and the Buyer.

I believe that it embodies everything we discussed.
Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.
Thank you very much!

From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🚫 **Do Not Use This Agreement 'As-Is.'**
- 🚫 **This Agreement Is Not Legal Advice.**
- 🚫 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🚫 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🚫 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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
Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).


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Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.

[Company Legal Name]

[Address] * [City], [State] [Zip Code]
[Telephone] * [WebSite Address]

☞ This letter of intent should be addressed to the Board of Directors or a Senior Officer of the Seller.

[Date]

[Board of Directors / Officer]

[Company Name]

[Address)

[City, State and Zip)

Dear [Name],

Re: Letter of Intent for Sale of Business

☞ The introductory sentence states the general intention of the parties. Two originals of this letter should be sent to the Purchaser.

This letter of intent executed in duplicate, establishes the mutual intention of [Company Name] the (“Seller”), and [Company Legal Name] the (“Buyer”), that the Buyer acquire the Seller’s business under the following terms:

☞ There are various ways one corporation can acquire another. In the following section, the parties agree that the corporations will be merged and that the parties will decide upon the type of merger at a later date. Take note that there are several different types of mergers, each of which is subject to special rules. You should discuss these rules with an attorney if you intend to engage in a corporate merger.

1. The parties intend to accomplish the acquisition through a merger of the two corporations. The type of merger will be determined by mutual Agreement between the parties.

☞ In Section 2, the Purchaser places conditions on its obligation to complete the transaction. The Purchaser will require: (1) a complete written Agreement; (2) approval by the Board of Directors of both companies; (3) verification of the Seller's financial statements; (4) compliance with all laws and regulations; and (5) an opinion from counsel of the Seller that the Seller's securities have been issued in compliance with state and federal laws.

2. Closing of the transaction will be subject to certain conditions, including the following:

- the preparation and execution of a definitive Agreement setting forth the terms of the transaction;
- the approval of that Agreement by the Board of Directors of both the Buyer and the Seller;
- (the purchaser’s verification and approval of the Seller’s financial statements. The Purchaser may elect to have third party consultants perform a confidential audit of the Seller’s financial records;
- compliance with all applicable laws and regulations; and
- An opinion from the Seller’s counsel that issuance of securities of the Seller has been made in compliance with state and federal laws.

☞ The Seller is prepared to forestall negotiations with other potential purchasers while this deal is being negotiated.

3. The Seller agrees that it will not negotiate or agree to negotiate, whether directly or indirectly, with any other party concerning the sale of its business.

☞ The Seller agrees not to do anything that would significantly decrease the value of the Seller's business.

4. The Seller agrees that it will not engage in any practices or transactions during the period of negotiating and consummating the transaction contemplated herein that would adversely affect the value of the Seller's business on assets.

☞ In the following section, the parties agree to keep their deal confidential unless they are required by law to disclose their involvement.

5. The parties agree that any information concerning the transaction contemplated within this Agreement shall remain confidential; provided, however, that the parties may disclose information concerning the transaction to the public or governmental agencies if, in the judgment of their respective legal counsels, such disclosure is necessary to comply with applicable law.

☞ In this next section the parties agree that this is not an agreement for the sale of the Seller's business, but a non-binding discussion of some of the particulars of the contemplated transaction. However, the parties agree that the provisions concerning confidentiality and restriction on the Seller's power to negotiate with other potential purchasers are binding to the parties through this document.

6. The parties agree to be bound by Sections 3 and 4 above. However, the parties are not bound or otherwise obligated by any other term herein and that no such term creates any rights or obligations whatsoever.

☞ In this last section, the Purchaser requests that the Seller sign this letter if the Seller agrees with its terms.

Please sign where indicated on each copy of this Letter of Intent and return one copy to us.

Very truly yours,

[Owner/Founder], [Title]

[Company]

Understood, Agreed & Accepted

[Seller Corporation]

[Name]

[Date]