

“Offer Negotiations”

Offer to Purchase Agreement

An offer to purchase agreement is a binding contract encompassing all rights and obligations for both buyer and seller as presenting all the terms and conditions of the transaction.

Letter of Intent (LOI)

Similar to written contracts, but are typically brief in structure containing a provision asserting that the letter is non-binding for both parties.

Main items within an agreement:

Asking Price: The total amount you will offer to the seller.

Earnest Money: A security deposit made to a seller within the offer that represents a buyer's good faith to purchase.

Financing: The section where you address in detail your desired financial approach.

Contingencies: A future event or circumstance which is possible but cannot be predicted with certainty.

Deadlines: Time you will need from acceptance to due diligence and closing.

Inventory: Clarify an inventory amount for the time of closing that will be transferred with the business.

Equipment: Clarify what equipment is included and what is the total value.

Training Period: Where you are asking for a period of time for the seller to train during the transferring of the business.