

A Letter of Intent (LOI) to buy a business should include the following key elements:

1

Purpose and Scope

The LOI should outline the purpose of the agreement and the intent of the parties to enter a formal agreement.

2

Specific Terms and Conditions

The LOI should detail terms and conditions to guide the transaction process, such as the purchase price, equity distribution, and roles. As outline if it is an Asset Deal or ect

3

Timelines for Completion

The LOI should set clear timelines to ensure all parties agree on deadlines.

4

Confidentiality & Non Competes

The LOI should include a confidentiality clause that prohibits both parties from disclosing sensitive business information to unauthorized third parties.

5

Exclusivity

The LOI may include an exclusivity clause that specifies a period during which the seller agrees not to negotiate with other potential buyers or investors. A deposit will be required for this.

6

Due Diligence

The LOI should include a provision addressing due diligence, which requires the parties to provide information in good faith. List any contingencies.

7

Termination

The LOI may specify circumstances under which the LOI will terminate or expire. While an LOI is not legally binding in every aspect, certain provisions within it can be enforced.

A LOI is a non-binding agreement and does require signatures from both parties to be considered accepted