

# [Robert you will not open a similar store](https://assignbuster.com/robert-you-will-not-open-a-similar-store/)

Robert Tower, PresidentThe Tower Mart Inc. 25 Glen Blvd. Arlington Heights, ILDear Bob: Thanks for meeting with me again last week. I continue to be interested in purchasing the assets of Tower Mart, Inc. If we reach an agreement regarding my purchase, I plan to transfer these assets to a new corporation that I am forming.

My new company would then run a convenience store similar to what you are currently operating. I am interested in purchasing the following assets: the inventory, fixtures, equipment, leasehold improvements, and business name. In addition, I will need all necessary licenses and permits transferred to me. I will expect you to give me a covenant not to compete stating that for three years, you will not open a similar store in our city. The purchase price for all of the assets as well as the good will and your covenant not to compete would be $150, 000, as we have already discussed. As an indication of my good faith in pursuing this matter, I am enclosing a check for $1, 000 as earnest money.

I would pay an additional $49, 000 in cash at closing. The balance of $100, 000 would be amortized in equal monthly installments over a period of 10 years with interest at the rate of 10% per annum. Regarding the inventory, we will check this at the time of closing. If the inventory is valued at less than $45, 000, the purchase price would be reduced accordingly.

Also, as we already discussed, your corporation would remain responsible for all liabilities of the present business and these would not be assumed by my new corporation. Before I have my lawyer draft a sales agreement, there are some things I need to investigate: 1. I want to meet with your landlord to make sure that I can take over the existing lease and that I can get an option to extend it for another five years. 2. I need to have my accountant review all of your tax returns and business records for the past five years so that I can satisfy myself regarding the financial condition of your business.

3. I want to make sure that the state liquor board will approve a transfer of the beer and wine retail license to my new corporation. Assuming that I am satisfied with these items and all other aspects of the proposed purchase, I will have my lawyer draft a sales agreement and then we can close approximately 45 days from now. This letter states my intent but it is not a legally binding contract or commitment on either my part or yours. Upon further investigation I may change my mind. If the deal does not go through for any reason, I would be entitled to my earnest money back.

If my letter has captured the essence of what we talked about and you are still interested in pursuing the sale, please let me know. I believe that we are moving toward a transaction that can be advantageous to both of us. Sincerely,