



## Non-Compete Agreement

### The Seller Needs Flexibility Too

It is understandable that the buyer does not want the seller to compete when the business is being transferred, but there is still room to negotiate a non-competitive agreement.

**Distance** – the seller can negotiate the distance or radius from the business being sold. For example, three miles, not the whole county.

**Scope** – the seller can negotiate the scope of business they are restrained from doing. For example, cannot open Italian restaurant but can open a Thai restaurant.

## GOODWIN LAW

*Your Ally in the Deal*

A Business transaction can have many moving parts. You can trust Goodwin Law to be on top of the situation and make sure that you get the best possible price, ensure payment of the seller-financed premiums, and make sure that the non-competitive agreement is not unduly restrictive.



## SELLING YOUR BUSINESS



- Getting the Best Price
- Negotiating the Non-Compete Agreement
- Securing the Promissory Note

GOODWIN LAW

45 Broadway, 27<sup>th</sup> Floor  
New York, NY 10006  
(212) 233-1233  
[www.albertgoodwin.com](http://www.albertgoodwin.com)

# Promissory Note

Part of the sale of a business is often financed by the seller, typically with a repayment period of about five years and at an interest rate of about 6%.

To be as secure as possible in getting those monthly payments, the seller needs to do some or all of the following:

- run a credit check on the buyer
- make sure that the buyer provides a personal guarantee on the loan
- possibly have a mortgage against the buyer's residence or other real property
- possibly make the non-compete contingent on the promissory note



These few simple steps will help you get the best possible price for your business.

**Have a Prospectus** – the prospectus should highlight the strong points of your business, as well as be interesting and engaging to potential buyers.

**Have a Financial Pack** – have three years of financial statements ready. The financial pack should include copies of filed tax returns, balance sheet, profit and loss statements. This will help you get the best offer, and will also help you provide the due diligence and close faster.

## GET THE BEST PRICE FOR YOUR BUSINESS

A Few Simple Tips to Maximize Your Selling Price

After Getting a Business Valuation

