

Worksheet 5: A letter of intent

1 Discuss the questions in pairs.

- 1 When your company reaches a business agreement with another company, how does it confirm the agreement?
- 2 Is it written down in a contract or a letter of agreement?
- 3 What information is included?

2 Read this letter of intent and answer these questions *yes or no*.

- 1 Have Mr Reese and Mr Greenall finished negotiating?
- 2 Does Mr Greenall plan to use the services of Mr Reese's company?
- 3 Has Mr Greenall given Mr Reese any money yet?
- 4 Does he plan to pay all the money in one payment?
- 5 Has the final contract been written yet?

Carrington Structures

Carrington Square, Forestville, CT 20753

R Reese
304 Redlands Road
Kettering

Dear Mr Reese

RE: Letter of intent for shopping mall construction project

Following our final meeting last Wednesday, on behalf of my company, I am delighted to offer your company the contract for the Bremner Shopping Mall.

As agreed in our negotiations, we will provide you with an initial funding of \$750,000. On this basis, you are authorised to carry out your services without exceeding \$1,200,000.

It is the intent of our company, Carrington Structures, to enter into a formal agreement with your company, Reese Construction, and the funding will be transferred into your bank account in two weeks.

We look forward to collaborating with your company on this key project. I am asking my Director of Finance to finalise the details of this contract and send it for your approval.

Yours sincerely

Jim Greenall

J M Greenall
Managing Director

3 What is the exact purpose of this letter? At this point, can the writer still change his mind? Tell the class your opinion.

4 Find the words and phrases in the letter that have similar meanings to these phrases.

1 to do something as a representative of a company or organisation

2 first payment _____

3 given permission _____

4 going over _____

5 to become bound by _____

6 working together _____

7 confirm the last parts _____

8 permission _____

5 Complete these sentences with words from Exercises 4.

1 As a gesture of our goodwill, we are willing to offer you an _____ payment of £2000, in advance of the full amount.

2 In order to give your _____, please sign the attached document and return a copy to me.

3 Unfortunately I am not _____ to refund the purchase price so will pass on your request to my manager.

4 I'm writing to you on _____ of my manager.

5 Thank you for your enquiry but we are _____ with another company on this project.

6 In order to _____ into a formal agreement, we would request a signed letter of intent from your managing director.

6 Imagine your company is going to work with an English language school to provide English language training for its staff. Write a letter of intent to the owner of the language school and confirm your intent.

I CAN

write a letter of intent

give details about payments and contracts