LETTER OF INTENT

1. 1. Parties

This Letter of Intent (the "Letter") is dated [EFFECTIVE DATE] and is delivered by [BUYER NAME], a [ENTITY TYPE] with its principal office at [BUYER ADDRESS] (the "Buyer"), to [SELLER NAME], a [ENTITY TYPE] with its principal office at [SELLER ADDRESS] (the "Seller"). The Buyer and the Seller are referred to individually as a "Party" and together as the "Parties." This Letter sets out the principal terms on which the Buyer proposes to acquire the business or assets described in Section 2 (the "Proposed Transaction") and states which of those terms are binding. Each Party represents that the individual signing below has authority to sign on its behalf. Notices are effective when delivered in writing to the addresses above and to [BUYER EMAIL] and [SELLER EMAIL].

2. 2. Proposed Transaction and Structure

The Buyer proposes to acquire [DESCRIPTION OF TARGET, e.g., all of the issued and outstanding equity interests of TARGET NAME / substantially all of the assets used in the BUSINESS NAME business], structured as [STRUCTURE, e.g., an asset purchase / a stock purchase / a merger] (the "Proposed Transaction"). The acquired assets are expected to include [INCLUDED ASSETS, e.g., equipment, inventory, customer contracts, intellectual property, goodwill, and the trade name] and to exclude [EXCLUDED ASSETS, e.g., cash, accounts receivable, personal vehicles, and the real property at ADDRESS]. The Buyer expects to assume only [ASSUMED LIABILITIES, e.g., obligations arising after closing under the assigned contracts listed in a schedule], with all other liabilities retained by the Seller. The Proposed Transaction is expected to be completed on a cash-free, debt-free basis with a normalized working capital target of [WORKING CAPITAL TARGET].

3. 3. Proposed Purchase Price and Payment

The Buyer proposes a total purchase price of [PURCHASE PRICE], subject to the adjustments and diligence described in this Letter. The Buyer expects to pay [CASH AT CLOSING] in cash at closing, to place [ESCROW AMOUNT] in escrow for [ESCROW PERIOD, e.g., 12 months] to secure indemnification claims, and to pay the balance as [SELLER NOTE OR EARNOUT TERMS, e.g., a seller note of AMOUNT bearing interest at RATE over TERM, or an earnout of up to AMOUNT tied to MILESTONE]. The purchase price assumes that the financial statements and operating data provided to date are accurate in all material respects and will be adjusted at closing for working capital, indebtedness, transaction expenses, and any liabilities discovered in diligence. The Buyer expects to fund the Proposed Transaction with [FUNDING SOURCES, e.g., cash on hand and a senior credit facility from LENDER].

4. 4. Due Diligence and Access

Beginning on the date of this Letter, the Seller will give the Buyer and its representatives reasonable access during normal business hours to the books, records, contracts, financial statements, tax returns, insurance policies, customer and supplier information, employee data, permits, and facilities relating to the business, and will respond to diligence requests promptly. The Buyer expects to complete diligence within [DILIGENCE PERIOD, e.g., 45 days] after the date of this Letter. Access will be arranged through [SELLER DILIGENCE CONTACT] so that the process does not disrupt operations, and the Buyer will not contact employees, customers, or suppliers without prior written consent from the Seller. All information provided is Confidential Information under Section 6 and under any prior confidentiality agreement between the Parties, which remains in full force.

5. 5. Exclusivity and No-Shop

From the date of this Letter until [EXCLUSIVITY END DATE, e.g., 60 days later] (the "Exclusivity Period"), the Seller will not, and will cause its owners, officers, employees, and advisors not to, directly or indirectly solicit, initiate, encourage, entertain, negotiate, or accept any offer or inquiry from any person other than the Buyer relating to the sale of the business, any material part of its assets, or any equity interest in it, or to any merger, recapitalization, or similar transaction. The Seller will immediately stop all existing discussions of that kind and will notify the Buyer in writing within [NOTICE PERIOD, e.g., two business days] if any third party makes such an approach, including the identity of the party and the material terms proposed. The Exclusivity Period ends early if the Buyer notifies the Seller in writing that it is withdrawing from the Proposed Transaction. This section is intended to be binding.

6. 6. Confidentiality and Public Announcements

Each Party will keep confidential the existence and contents of this Letter, the fact that discussions are taking place, and all non-public information received from the other Party in connection with the Proposed Transaction, and will use that information only to evaluate and negotiate the Proposed Transaction. Disclosure is permitted only to directors, officers, employees, lenders, accountants, and attorneys who need the information and are bound by comparable duties, and to the extent required by law or stock exchange rule after reasonable prior notice to the other Party. Neither Party will issue a press release or make any public statement about the Proposed Transaction without the prior written consent of the other. If the Proposed Transaction is abandoned, each Party will, on request, return or destroy the confidential material of the other except for one archival copy retained for compliance purposes. This section is intended to be binding and survives termination of this Letter.

7. 7. Conditions to a Definitive Agreement and Timeline

Any obligation to complete the Proposed Transaction will arise only under a definitive purchase agreement negotiated and signed by both Parties (the "Definitive Agreement"), and only if the conditions in it are met. The Buyer expects those conditions to include satisfactory completion of business, financial, tax, legal, and environmental diligence; customary representations, warranties, covenants, and indemnities from the Seller; receipt of the financing described in Section 3; consent of landlords, lenders, and key customers where required; delivery of audited or reviewed financial statements for [FINANCIAL STATEMENT PERIODS]; agreed non-competition and non-solicitation covenants from [RESTRICTED PERSONS] for [RESTRICTED PERIOD]; and employment or transition arrangements with [KEY EMPLOYEES]. The Parties intend to sign the Definitive Agreement by [SIGNING TARGET DATE] and to close by [CLOSING TARGET DATE], subject to diligence and to the approvals described above.

8. 8. Expenses

Each Party will pay its own costs and expenses in connection with the Proposed Transaction, including the fees of its attorneys, accountants, investment bankers, brokers, consultants, and other advisors, whether or not a Definitive Agreement is signed or the Proposed Transaction closes. Neither Party is responsible for any fee or expense of the other, and no break fee, reimbursement, or termination payment is owed by either Party if the Proposed Transaction is abandoned. Each Party represents that it has not engaged any broker or finder whose fee would be payable by the other Party, except for [DISCLOSED BROKER, IF ANY], whose fee will be paid by [PAYING PARTY]. This section is intended to be binding.

9. 9. Binding and Non-Binding Provisions

The Parties intend that only the following provisions of this Letter are legally binding and enforceable: Section 5

(Exclusivity and No-Shop), Section 6 (Confidentiality and Public Announcements), Section 8 (Expenses), Section 10 (Governing Law and General Provisions), and this Section 9. All other provisions, including Section 2 (Proposed Transaction and Structure), Section 3 (Proposed Purchase Price and Payment), Section 4 (Due Diligence and Access), and Section 7 (Conditions and Timeline), state the current intentions of the Parties only and create no obligation of any kind. Neither Party is obligated to negotiate, to continue negotiating, to sign a Definitive Agreement, or to complete the Proposed Transaction, and either Party may withdraw at any time for any reason without liability. No obligation to buy or sell arises unless and until both Parties sign a Definitive Agreement.

10. 10. Governing Law and General Provisions

This Letter is governed by the laws of the State of [GOVERNING STATE], without regard to its conflict of laws rules, and any proceeding to enforce the binding provisions of this Letter will be brought exclusively in the state or federal courts located in [VENUE COUNTY AND STATE], to whose jurisdiction each Party consents. The Parties agree that a breach of Section 5 or Section 6 would cause harm not adequately remedied by money damages, and that the non-breaching Party may seek injunctive relief in addition to any other remedy. This Letter may be amended only in a writing signed by both Parties and may not be assigned without written consent, except that the Buyer may assign it to an affiliate formed to complete the Proposed Transaction. If any provision is unenforceable, the remainder stays in effect.

11. 11. Signatures and Expiration of this Offer

This Letter expires and is withdrawn automatically if it is not signed and returned by the Seller before [OFFER EXPIRATION DATE AND TIME]. By signing below, each Party confirms that it has read this Letter, that it understands which provisions bind and which do not, and that the individual signing has authority to do so. BUYER: [BUYER NAME]. Signature: ______________________. Printed Name: [BUYER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. ACCEPTED AND AGREED, SELLER: [SELLER NAME]. Signature: ______________________. Printed Name: [SELLER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. This Letter may be signed in counterparts, and electronic or scanned signatures have the same effect as originals.

12. Disclaimer

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