

LETTER OF INTENT

TO PURCHASE BUSINESS

Date: _____ (the "Effective Date")

RE: Purchase of a Business Entity

This Business Purchase Letter of Intent (the "Letter") sets forth the proposed terms and conditions of the Purchase described hereunder and shall govern the relationship between the Buyer and Seller (the "Parties") until replaced by a definitive, formal agreement addressing the same purchase and subject matter (the "Definitive Agreement"). The Purchase considered in this Letter and in the Definitive Agreement is subject in all respects to the following:

1. **THE BUYER.** _____ (the "Buyer") with a mailing address of _____.
2. **THE SELLER.** _____ (the "Seller") with a mailing address of _____.
3. **THE BUSINESS.** _____ (the "Business").
4. **THE PURCHASE.** Unless otherwise agreed to by the Parties, the Buyer agrees to pay the Seller the amount of \$_____ (the "Purchase Price") in exchange for ____% ownership interest in the Business (the "Purchase").
5. **REAL ESTATE.** Unless otherwise agreed to by the Parties, the Purchase will:
 - Include Real Estate. The Seller agrees to include in the Purchase the real estate located at _____ and with a legal description of:

for the price of \$_____.

- NOT Include Real Estate. Real estate will not be included in the Purchase.

6. PAYMENT. Payment shall be made: (check one)

- Upon Closing. The Purchase Price must be paid at the time of closing the Purchase, either by executing the Definitive Agreement or as otherwise agreed by both Parties.
- Owner Financing. The Purchase Price will be paid through financing using the following payment plan:
 - i) Down Payment: \$ _____
 - ii) Interest Rate: _____%
 - iii) Term: _____ Months
 - iv) Payment Due: The _____ day of every month
- As Stated in the Definitive Agreement. The Purchase Price must be paid as stated in the Definitive Agreement between the Parties.
- Other. _____.

7. DEPOSIT. The Parties agree that a: (check one)

- Refundable Deposit is Required. The Buyer shall remit to the Seller, together with this Letter, payment in the amount of \$ _____ (the "Deposit"). The Deposit shall be REFUNDABLE under the following terms:
_____.
- Non-Refundable Deposit is Required. The Buyer shall remit to the Seller, together with this Letter, payment in the amount of \$ _____ (the "Deposit"). The Deposit shall be NON-REFUNDABLE.
- Deposit is NOT Required. The Buyer shall not be required to make a deposit payment at the time of signing this Letter.

8. FINANCING. The Letter is: (check one)

- Conditional Upon Financing. This Letter is conditional on the Buyer's ability to obtain financing. Financing shall be under the following terms:
_____.
- NOT Conditional Upon Financing. This Letter is not conditional on the Buyer's ability to obtain financing.

9. BANK ACCOUNTS. The Seller would agree to leave \$ _____ in the Business's financial accounts to maintain the accounts operational for the Buyer.

10. SELLER'S CONDUCT. Until the closing date of the Purchase, the Seller must continue to uphold their fiduciary duty in the best interests of the Business and shall not engage in any conduct that would adversely affect the Business and its respective operations.

11. CLOSING COSTS. The expenses associated with closing the Purchase will be paid in the following manner: (check one)

- The Seller will be responsible for all expenses.
- The Buyer will be responsible for all expenses.
- Each party will be responsible for their own expenses.

12. TERMINATION. This Letter will terminate unless a Definitive Agreement is signed or the closing is completed within ___ days from the Effective Date.

13. ACCESS TO INFORMATION. The Buyer and their advisors shall have full access to the Business's information, and they will be held to a fiduciary duty of confidentiality and must not misappropriate or disclose the information to any third (3rd) parties without the Seller's authorization.

14. RETURN OF MATERIALS. The Buyer shall return to the Seller any information or materials concerning the Business if a Definitive Agreement is not completed within the timeframe specified under Section 12.

15. CONDITIONS. The Buyer shall be obligated to perform the following, upon which they shall decide whether to proceed with the Purchase:

- 1) Review materials relating to the Business;
- 2) Perform their due diligence to their satisfaction;
- 3) Communicate with clients, employees, customers, vendors, or other third (3rd) parties as necessary; and
- 4) _____.

16. CONFIDENTIALITY. The Parties shall maintain the negotiations and pertinent information confidential and limited only to the Parties' advisors, internal staff, or other necessary third (3rd) parties. Press or public releases are prohibited without prior mutual written authorization from the Parties or as required by law.

17. GOOD FAITH NEGOTIATIONS. The Parties are expected to negotiate the terms of the Purchase herein in good faith.

18. EXCLUSIVE OPPORTUNITY. The Parties shall refrain from entering into negotiations or discussions concerning the Business with any other party unless another agreement (e.g., option to purchase, first right of refusal, etc.) is already in place.

19. STANDSTILL AGREEMENT. The Seller is prohibited from selling any portion of the Business to a third (3rd) party unless the Purchase is not completed within the timeframe indicated in Section 12.

20. INTENTION OF THE PARTIES. This Letter sets forth the intentions of the Parties to use reasonable efforts to negotiate, in good faith, a Definitive Agreement with respect to all matters herein. Notwithstanding Sections 7, 8, and 10 through 24, which shall be legally binding, any legal obligations with respect to all other matters shall only arise if and when the Parties execute and deliver a Definitive Agreement.

21. GOVERNING LAW. This Letter shall be governed under the laws of the State of _____.

22. SEVERABILITY. This Letter shall remain in effect in the event a section or provision is unenforceable or invalid. All remaining sections and provisions shall be deemed legally binding unless a court rules that any such provision or section is invalid or unenforceable, thus, limiting the effect of another provision or section. In such case, the affected provision or section shall be enforced as so limited.

23. SIGNATURES.

Seller Signature: _____ **Date:** _____

Print Name: _____

Buyer Signature: _____ **Date:** _____

Print Name: _____