

Letter of Intent

Subject: Letter of Intent

Dear

1) The purpose of this letter is to inform you of our interest in acquiring the _____ of your company. We intend to purchase your business via a formal purchase agreement, incorporating the key elements listed below:

2) Price to be \$ _____ consisting of \$ _____ cash in certified funds at closing as a down payment and a \$ _____ note payable over _____ years at _____ percent interest.

3) The intent is to acquire all assets and assume _____ liabilities listed on the balance sheet at the time of closing. The specific assets and liabilities will be listed in detail and included as part of the formal purchase agreement. Certain assets and liabilities may not be included as part of the sale.

4) Purchaser reserves the right to obtain a portion of the down payment from outside financing sources and to obtain these funds by using the company's assets as collateral.

5) The offer is contingent upon a complete and satisfactory due diligence review of the company's books, records, and operations, with such review expected to be finished within _____ days. The formal purchase offer will contain standard seller warranties and representations concerning the business. In order to draft such a formal offer, we are requesting access to the following information to be reviewed by our advisers:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

6) Seller agrees to continue operating business in a normal fashion by meeting all financial obligations and maintaining the cash balances and net worth amount within fifteen percent of the levels as of the day this letter of intent is signed by seller. Seller promises to notify buyer if there are any material changes, current or anticipated, to company's financial and operating position.

