

LETTER OF INTENT

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This Letter of Intent (this "LOI") is entered into as of [EFFECTIVE DATE] (the "Effective Date") by and between:

[BUYER/INVESTOR LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. corporation] with its principal place of business at [BUYER ADDRESS] ("Buyer"); and

[SELLER/COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [SELLER ADDRESS] ("Seller").

Buyer and Seller are each a "Party" and together the "Parties."

Recitals. Buyer is interested in [DESCRIBE THE PROPOSED TRANSACTION, e.g. acquiring substantially all of the assets of Seller's business, purchasing equity in Seller, or entering into a strategic investment] (the "Proposed Transaction"). This LOI sets out the principal terms on which the Parties are willing to continue negotiations toward a definitive agreement, and identifies which provisions are binding and which are not. In consideration of the mutual understandings set out here, the Parties agree as follows.

1. Proposed Transaction

1.1 Structure. The Parties presently contemplate that the Proposed Transaction will take the form of [ASSET PURCHASE / STOCK OR MEMBERSHIP-INTEREST PURCHASE / MERGER / INVESTMENT], on terms to be set out in a definitive written agreement (the "Definitive Agreement").

1.2 Subject matter. The Proposed Transaction concerns [DESCRIBE THE BUSINESS, ASSETS, OR EQUITY INVOLVED] (collectively, the "Subject").

1.3 Non-binding outline. The terms in Sections 2 through 4 describe the Parties' current intentions and are not binding. They are subject to completion of due diligence, negotiation of a Definitive Agreement, and the conditions in Section 5.

2. Proposed Price and Payment

2.1 Purchase price. The Parties presently contemplate a total purchase price of approximately [AMOUNT] in [CURRENCY, e.g. US dollars] (the "Purchase Price"), subject to adjustment based on due diligence and customary closing adjustments.

2.2 Payment structure. The Purchase Price is expected to be paid as follows: [e.g. cash at closing of [AMOUNT]]; a promissory note of [AMOUNT]; and an earn-out of up to [AMOUNT] tied to [METRICS]].

2.3 Holdback or escrow. The Parties anticipate that [AMOUNT or PERCENTAGE] of the Purchase Price may be held in escrow for [PERIOD] to secure indemnification obligations, on terms to be negotiated.

2.4 Working capital and adjustments. The Definitive Agreement is expected to include customary adjustments for working capital, debt, and similar items as of closing.

3. Proposed Key Terms

3.1 Representations and warranties. The Definitive Agreement is expected to contain customary representations and warranties from Seller regarding the Subject, and from Buyer regarding its authority and ability to close.

3.2 Covenants. Pending closing, Seller is expected to operate its business in the ordinary course and to refrain from extraordinary transactions outside the ordinary course without Buyer's consent.

3.3 Conditions to closing. Closing is expected to be conditioned on, among other things, satisfactory due diligence, required third-party and governmental consents, and accuracy of representations at closing.

3.4 Employees and transition. The Parties expect to discuss treatment of **[KEY EMPLOYEES]**, transition services, and any non-competition or non-solicitation commitments as part of the Definitive Agreement.

4. Due Diligence

4.1 Access. Following execution of this LOI, Seller will provide Buyer and its advisors reasonable access during normal business hours to the books, records, contracts, personnel, and facilities reasonably necessary to evaluate the Proposed Transaction, subject to Section 7.

4.2 Cooperation. Seller will cooperate in good faith with reasonable due diligence requests and will provide accurate and complete information.

5. Conditions and Timeline

5.1 Conditions to proceeding. Buyer's willingness to proceed is subject to: (a) satisfactory completion of due diligence; (b) approval by Buyer's **[BOARD / INVESTMENT COMMITTEE / LENDER]**; and (c) negotiation and execution of a mutually acceptable Definitive Agreement.

5.2 Target timeline. The Parties will use good-faith efforts to execute a Definitive Agreement by **[TARGET DATE]** and to close by **[TARGET CLOSING DATE]**, recognizing these dates are estimates and not commitments.

6. Exclusivity (Binding)

6.1 No-shop. From the Effective Date until **[NUMBER, e.g. 60]** days after it (the "**Exclusivity Period**"), Seller will not, and will direct its representatives not to, solicit, initiate, encourage, or engage in discussions with any third party regarding a sale, financing, or similar transaction involving the Subject.

6.2 Notice of inquiries. During the Exclusivity Period, Seller will promptly notify Buyer of any unsolicited third-party inquiry concerning a competing transaction.

6.3 Binding effect. This Section 6 is binding and survives termination of the non-binding provisions of this LOI for the duration of the Exclusivity Period.

7. Confidentiality (Binding)

7.1 Confidential Information. "**Confidential Information**" means non-public information disclosed by one Party to the other in connection with the Proposed Transaction, including the existence and terms of this LOI and any due-diligence materials.

7.2 Obligations. Each Party will use Confidential Information only to evaluate and pursue the Proposed Transaction, protect it with at least reasonable care, and disclose it only to representatives who need it and are

bound by confidentiality obligations at least as protective as these.

7.3 **Existing NDA.** If the Parties have signed a separate non-disclosure agreement, that agreement remains in effect and governs in the event of any conflict with this Section. **[CONFIRM OR DELETE.]**

8. Non-Binding Nature

8.1 **Generally non-binding.** Except for Sections 6 (Exclusivity), 7 (Confidentiality), 9 (Expenses), and 10 (General Provisions), which are binding, this LOI is a statement of intent only and does not obligate either Party to proceed with or complete the Proposed Transaction.

8.2 **Definitive Agreement controls.** No binding obligation to consummate the Proposed Transaction arises unless and until the Parties execute a Definitive Agreement. Either Party may terminate discussions at any time, for any reason, without liability, subject to the binding sections.

9. Expenses (Binding)

9.1 **Each Party bears its own costs.** Each Party will pay its own legal, accounting, advisory, and other expenses in connection with the Proposed Transaction, whether or not it is completed, unless the Definitive Agreement provides otherwise.

10. General Provisions (Binding)

10.1 **Governing law and venue.** This LOI is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

10.2 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

10.3 **Entire understanding; amendment.** This LOI is the entire understanding of the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

10.4 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

10.5 **Counterparts and electronic signature.** This LOI may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one document.

IN WITNESS WHEREOF, the Parties have executed this Letter of Intent as of the Effective Date.

BUYER	SELLER
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]
Title: [TITLE]	Title: [TITLE]
Date: _____	Date: _____

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