

Non-Binding Letter of Intent

- 🔊 You can use this sample letter if you are the acquirer – a statement of your intention to negotiate in good faith to acquire another company or small business.
- 🔊 Use it as your initial draft to clarify your ideas and have your attorney review.



From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔴 **Do Not Use This Agreement 'As-Is.'**
- 🔴 **This Agreement Is Not Legal Advice.**
- 🔴 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔴 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔴 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

Free Access to Attorneys, Accountants & Consultants in Your Area

We're building a network of business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.

- Please visit our website under [Expert Referral Network](#).

Ongoing Update Service Keeps You Current

Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).
- Remember to bookmark our website: www.JIAN.com

Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

[Company Legal Name]

[Address] * [City], [State] [Zip Code]
[Telephone] * [WebSite Address]

[Date]

[Board of Directors / Officer]

[Company Name]

[Address]

[City, State and Zip]

Dear [x],

Re: Non-Binding Letter of Intent

This non-binding Letter of Intent  (“Letter of Intent”) shall confirm our mutual intentions to engage in exclusive negotiations toward a formal purchase agreement (“Purchase Agreement”) by which (“Purchaser”) would purchase, and and/or its undersigned shareholders (“[name]”) would purchase, a majority of the common stock of [Company] for a contemplated purchase price of \$xxx per share (the “Purchase Price”). While we anticipate that all of the terms and conditions will be fully set forth in a later Purchase Agreement, we confirm our current mutual agreement to be as follows:

1. Negotiation of Definitive Agreements

We shall proceed to engage in negotiations in an attempt to agree upon and execute the Purchase Agreement at the Purchase Price.

2. Confidentiality: Public Announcements

Each of Purchaser and shall maintain the confidentiality of and shall not disclose any of the terms of this Letter of Intent (including its existence or the fact that the parties are in negotiations) and any other information related to the other party or its representatives or affiliates except to the extent required by law (provided that any party so required shall provide the other party with the contents of such disclosure as soon as reasonably practicable prior to making such disclosure). It is understood that all press releases or other public communications of any sort relating to this Letter of Intent or the transactions contemplated herein, including the method of release for publication thereof, shall be subject to the approval of each of the parties hereto; provided, however, that the parties shall be entitled to make such disclosures as may be required pursuant to applicable law or the lawful requirements of any governmental agency or by order of a court of competent jurisdiction.

3. Exclusivity

[Company] agrees that it shall not negotiate with any parties other than Purchaser and/or affiliates thereof with respect to a purchase of common stock of for a period of thirty (30) days from and after the execution of this Letter of Intent by and its delivery to Purchaser.

4. Loan

Concurrently with the execution therewith, Purchaser shall issue a loan of \$00,000,000 (“Loan”) to be made to [Company] on the terms and conditions set forth on Exhibit A to this Letter of Intent. [Company] agrees to promptly execute and deliver such documentation, including without limitation a Promissory Note and Security Agreement, as Purchaser may in its discretion deem advisable to evidence and secure the Loan.

5. Employee Contract Terms

After the closing of the transaction set forth in the Purchase Agreement, Purchaser shall consent to entering into employment contracts with the individuals identified on Exhibit B to this Letter of Intent, with the salary levels, durations and severance provisions respectively set forth on Exhibit B for each such individual. The foregoing employment contracts shall have such other reasonable and customary provisions as may be approved by Purchaser.

6. Board Seats

If it elects to consummate its purchase of a controlling interest in [Company], Purchaser shall promptly cause the holder of such interest or their designated representative to collectively hold one (1) seat on the Board of Directors of for a period of not less than two (2) years from the date of the closing of the purchase.

7. Effect of this Letter of Intent

This Letter of Intent is intended merely as a guide in the negotiations and preparation of the Purchase Agreement on terms and conditions satisfactory to the parties hereto, and nothing contained herein shall be construed to preclude other provisions from being included in the Purchase Agreement, provided that such other provisions are consistent with the content of this Letter of Intent and otherwise satisfactory to the parties hereto. While the []ies intend to proceed promptly to complete and execute the Purchase Agreement, it is expressly understood that this is a Letter of Intent only, and no liability or obligation of any nature whatsoever is intended to be created between either of the parties hereto except as set forth in Paragraphs 2 (confidentiality) and 3 (exclusivity) hereof, together with the obligation to repay the Loan in accordance with its terms.

8. Termination

This Letter of Intent may be terminated at any time, by mutual consent of the parties, and (if) by Purchaser on notice to [Company]. Upon such termination, this Letter of Intent shall have no force and effect other than under Paragraph 2.

Please acknowledge that this Letter of Intent correctly sets forth non-binding intentions at this point by countersigning the enclosed duplicate original of this Letter of Intent in the space provided below and returning one fully executed original to Purchaser.

Understood, Agreed & Accepted:

[Owner/Founder] [Director/Officer]

Exhibit A

Loan Terms & Conditions

- Xxx
- Xxx
- xxx



Exhibit B

Continued Employment

Name	Salary	Shares	Term (Months)
▪ [Name]	\$xxx	xxx	xx
▪ [Name]	\$xxx	xxx	xx
▪ [Name]	\$xxx	xxx	xx

