

Letter of Intent (LOI)

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LETTER OF INTENT

This Letter of Intent ("LOI") is made and entered into as of [EFFECTIVE DATE], by and between [PARTY A NAME], a [ENTITY TYPE] organized under the laws of [STATE], with its principal place of business at [ADDRESS] ("Party A"), and [PARTY B NAME], a [ENTITY TYPE] organized under the laws of [STATE], with its principal place of business at [ADDRESS] ("Party B"). Party A and Party B are sometimes referred to individually as a "Party" and collectively as the "Parties."

1. Purpose

1.1 This LOI sets forth the principal terms and conditions under which the Parties intend to negotiate and, if mutually agreed, enter into a definitive agreement(s) (the "Definitive Agreement") regarding the proposed transaction described below (the "Transaction"). Except for the limited provisions expressly stated as binding below, the Parties acknowledge that this LOI is non-binding and subject to the negotiation, execution and delivery of the Definitive Agreement.

2. Proposed Transaction

2.1 Transaction Description: Subject to the terms set forth herein and the execution of the Definitive Agreement, Party A proposes to [ACQUIRE / SELL / INVEST IN / MERGE WITH / OTHER TRANSACTION DESCRIPTION] the business/assets/equity described as follows: [TRANSACTION DESCRIPTION].

2.2 Structure: The anticipated structure of the Transaction is: [STRUCTURE DESCRIPTION] (e.g., asset purchase, stock purchase, merger, investment).

3. Key Economic Terms

3.1 Purchase Price: The preliminary purchase price and consideration for the Transaction is [PURCHASE PRICE] payable as follows: [PAYMENT TERMS, DEPOSIT, ESCROW, EARN-OUT].

3.2 Allocation: The parties will agree on an allocation of the purchase price for tax and accounting purposes in the Definitive Agreement.

4. Due Diligence

4.1 Due Diligence Access: Upon execution of this LOI, the Parties shall cooperate in good faith to permit access to relevant financial, legal, operational and other information reasonably requested by the other Party or its advisors ("Due Diligence").

4.2 Due Diligence Period: Due Diligence shall be completed within [DUE DILIGENCE PERIOD] days of the Effective Date, unless extended by mutual written agreement of the Parties.

5. Confidentiality (Binding)

5.1 Confidentiality Obligation: The Parties agree to keep confidential all non-public information exchanged in connection with the Transaction and to use such information solely for the purpose of evaluating and negotiating the Transaction. The confidentiality obligations shall be governed by the terms of the Confidentiality Agreement dated [DATE] between the Parties, or if no such agreement exists, by the following: each Party shall not disclose Confidential Information to any third party except as permitted herein and shall take reasonable measures to protect such information.

5.2 Duration: The confidentiality obligations set forth in this Section 5 shall remain in effect for [CONFIDENTIALITY PERIOD] years from the Effective Date.

6. Exclusivity / No-Shop (Binding)

6.1 Exclusivity: In consideration of the resources to be expended in connection with the Due Diligence and negotiation of the Definitive Agreement, Party [A/B] shall have an exclusive period during which [IT/HE/SHE/THEY] shall be the sole party authorized to negotiate the Transaction on the terms contemplated by this LOI. The exclusivity period shall commence on the Effective Date and continue for [EXCLUSIVITY PERIOD] days (the "Exclusivity Period").

6.2 No-Shop: During the Exclusivity Period, [PARTY NAME] shall not, directly or indirectly, solicit, initiate, encourage or engage in discussions or negotiations with any third party regarding any transaction similar to the Transaction.

7. Non-Binding Nature of Certain Provisions

7.1 Except for Sections 5 (Confidentiality), 6 (Exclusivity / No-Shop), 12 (Governing Law), 13 (Notices), 14 (Expenses) and 16 (Counterparts; Electronic Signatures), which are intended to be binding, this LOI is non-binding and neither Party shall be legally bound to consummate the Transaction until the execution and delivery of the Definitive Agreement.

7.2 Neither Party shall have any liability to the other for failing to enter into the Definitive Agreement unless and until such Definitive Agreement is executed and delivered by both Parties, except as expressly provided in the binding sections of this LOI.

8. Conditions to Closing

8.1 The obligations of each Party to consummate the Transaction shall be subject to customary closing conditions to be set forth in the Definitive Agreement, including but not limited to: (a) completion of Due Diligence to each Party's reasonable satisfaction; (b) receipt of all necessary corporate and third-party approvals and consents; (c) accuracy of representations and warranties; and (d) no material adverse change in the business, assets or financial condition of the target.

9. Representations and Warranties; Covenants

9.1 Each Party represents and warrants to the other that it has the authority to enter into this LOI and to carry out its obligations hereunder.

9.2 The Parties agree to negotiate in good faith and use reasonable efforts to prepare, finalize and execute the Definitive Agreement within [NEGOTIATION PERIOD] days following the Effective Date.

10. Expenses

10.1 Each Party shall bear its own fees and expenses (including attorneys', accountants' and advisors' fees) incurred in connection with the negotiation and preparation of this LOI and the Definitive Agreement, except as otherwise agreed in writing or as provided in the Definitive Agreement.

11. Taxes and Adjustments

11.1 Any tax liabilities, allocations or adjustments arising from the Transaction shall be addressed in the Definitive Agreement, and the Parties agree to cooperate in good faith to minimize adverse tax consequences to the extent reasonably possible.

12. Governing Law (Binding)

12.1 This LOI shall be governed by and construed in accordance with the laws of the State of [GOVERNING STATE], without regard to conflict of law principles.

13. Notices (Binding)

13.1 All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered to the Parties at the addresses set forth below (or at such other address as either Party may specify in writing) by personal delivery, nationally recognized overnight courier, certified mail (return receipt requested) or email with confirmation of receipt:

If to Party A:
[PARTY A NAME]
Attention: [CONTACT PERSON]
[NOTICE ADDRESS A]
Email: [EMAIL A]

If to Party B:
[PARTY B NAME]
Attention: [CONTACT PERSON]
[NOTICE ADDRESS B]
Email: [EMAIL B]

Notices shall be effective upon receipt.

14. Termination

14.1 This LOI shall terminate upon the earliest of: (a) the execution of the Definitive Agreement by the Parties; (b) mutual written agreement of the Parties to terminate this LOI; (c) expiration of the Exclusivity Period; or (d) [TERMINATION DATE] unless extended in writing by the Parties.

14.2 Termination of this LOI shall not relieve the Parties of any liability for breach of any binding provision that accrued prior to termination.

15. Survival

15.1 The provisions of Sections 5, 6, 10, 12, 13, 14 and 16 shall survive termination of this LOI.

16. Counterparts; Electronic Signatures (Binding)

16.1 This LOI may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures transmitted by facsimile or electronic transmission (including PDF) shall be deemed original signatures for all purposes.

17. Miscellaneous

17.1 Entire Agreement: This LOI constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings and negotiations, whether written or oral, relating thereto, except for any prior executed confidentiality agreement.

17.2 Amendments: Any amendment or modification to this LOI must be in writing and signed by the Parties.

17.3 Severability: If any provision of this LOI is held invalid or unenforceable, the remaining provisions shall continue in full force and effect to the maximum extent permitted by law.

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

PARTY A:

[PARTY A NAME]

By: _____

Name: [NAME]

Title: [TITLE]

Date: [DATE SIGNED]

Address: [ADDRESS]

PARTY B:

[PARTY B NAME]

By: _____

Name: [NAME]

Title: [TITLE]

Date: [DATE SIGNED]

Address: [ADDRESS]

EXHIBIT A — INITIAL SCHEDULE / TIMELINE (Optional)

- Effective Date: [EFFECTIVE DATE]
- Due Diligence Period Ends: [DUE DILIGENCE PERIOD END DATE]
- Target Execution of Definitive Agreement: [TARGET DATE]
- Anticipated Closing Date: [CLOSING DATE]

EXHIBIT B — LIST OF MATERIALS TO BE PROVIDED DURING DUE DILIGENCE (Optional)

- Financial statements for [NUMBER] fiscal years
- Tax returns for [NUMBER] years
- Material contracts and agreements
- Employee and benefit plan information
- Intellectual property documentation
- Litigation and claims information

This LOI is intended as a template and may be modified to reflect the Parties' negotiated intentions and the specific facts of the Transaction. Parties should consult legal counsel before relying on or executing this LOI.

This template is provided for informational purposes only and does not constitute legal advice. Consult a licensed attorney before signing any legal document.