
Letter of Intent (LOI)

A non-binding letter of intent outlining preliminary terms for a proposed business transaction. Based on the Common Paper standard agreement framework, licensed under CC BY 4.0.

LETTER OF INTENT

[Date of Letter]

Beta Inc.
456 Oak Avenue, City, State 67890

Re: Letter of Intent Regarding Proposed Transaction

Dear Beta Inc.:

This Letter of Intent (this "LOI") sets forth the principal terms under which Acme Corporation (the "Proposing Party"), with its principal place of business at 123 Main Street, Suite 100, City, State 12345, proposes to enter into a transaction with Beta Inc. (the "Receiving Party"). The Proposing Party and the Receiving Party may be referred to individually as a "Party" and collectively as the "Parties."

1. Proposed Transaction

1.1 Description. The Parties are considering the following proposed transaction (the "Transaction"): The acquisition of all outstanding shares of Beta Inc. by Acme Corporation / A strategic partnership for joint product development.

1.2 Key Terms. The principal terms of the proposed Transaction are as follows: Purchase price of \$5,000,000, subject to customary adjustments / Revenue sharing arrangement of 60/40.

1.3 Definitive Agreement. The Transaction will be subject to the negotiation, execution, and delivery of a mutually acceptable definitive agreement (the "Definitive Agreement") containing terms and conditions customary for transactions of this type, including representations and warranties, covenants, conditions to closing, and indemnification provisions. This LOI is intended to facilitate the negotiation of the Definitive Agreement and does not represent all of the terms that will be included therein.

2. Due Diligence

2.1 Due Diligence Period. Following the execution of this LOI, the Parties will have a period of 45 days (the "Due Diligence Period") during which each Party may conduct reasonable due diligence regarding the other

Party and the proposed Transaction.

2.2 Access. During the Due Diligence Period, each Party will provide the other Party and its authorized representatives with reasonable access to such information, documents, records, personnel, and facilities as may be reasonably requested for the purpose of conducting due diligence, subject to applicable confidentiality obligations.

2.3 Cooperation. Each Party will cooperate in good faith with the other Party's reasonable due diligence requests and will use commercially reasonable efforts to make available all information material to evaluating the proposed Transaction.

3. Exclusivity

3.1 Exclusivity Period. For a period of 60 days from the date of this LOI (the "Exclusivity Period"), the Receiving Party agrees that it will not, and will cause its officers, directors, employees, agents, and representatives not to, directly or indirectly: (a) solicit, initiate, or encourage any proposals or offers from any third party relating to any acquisition, merger, sale, or similar transaction involving the Receiving Party or its business (an "Alternative Transaction"); (b) participate in any discussions or negotiations with any third party regarding an Alternative Transaction; or (c) provide any non-public information to any third party in connection with an Alternative Transaction.

3.2 Notification. During the Exclusivity Period, if the Receiving Party receives any unsolicited proposal or inquiry regarding an Alternative Transaction, the Receiving Party will promptly notify the Proposing Party of the identity of the third party and the material terms of such proposal or inquiry.

This Section 3 is intended to be binding upon the Parties.

4. Confidentiality

4.1 Confidential Information. Each Party acknowledges that, in connection with the evaluation of the proposed Transaction, it may receive confidential and proprietary information of the other Party ("Confidential Information"). Each Party agrees to: (a) use Confidential Information solely for the purpose of evaluating and negotiating the proposed Transaction; (b) not disclose Confidential Information to any third party without the prior written consent of the disclosing Party, except to its employees, agents, advisors, and representatives with a need to know who are bound by confidentiality obligations; and (c) protect Confidential Information using at least the same standard of care it uses for its own similar information, but no less than a reasonable standard of care.

4.2 Exceptions. Confidential Information does not include information that: (a) is or becomes publicly available through no fault of the receiving Party; (b) was known prior to disclosure; (c) is received from a third party without restriction; or (d) is independently developed.

This Section 4 is intended to be binding upon the Parties and will survive termination or expiration of this LOI for a period of two (2) years.

5. Conditions to Closing

The consummation of the proposed Transaction will be subject to the satisfaction or waiver of customary conditions, which may include but are not limited to:

- (a) Satisfactory completion of due diligence by both Parties;
- (b) Negotiation, execution, and delivery of a mutually acceptable Definitive Agreement;
- (c) Obtaining all necessary governmental, regulatory, and third-party approvals and consents;
- (d) Accuracy of representations and warranties as of the closing date;
- (e) Absence of any material adverse change in the business, operations, assets, or financial condition of either Party;
- (f) Such other conditions as may be mutually agreed upon by the Parties in the Definitive Agreement.

6. Expenses

Each Party will bear its own costs and expenses (including legal, accounting, and advisory fees) incurred in connection with the evaluation and negotiation of the proposed Transaction and the preparation of the Definitive Agreement. Neither Party will have any obligation to reimburse the other Party for any such costs or expenses, regardless of whether the Transaction is consummated.

7. Non-Binding Nature

7.1 Non-Binding. Except for the provisions specifically identified as binding (Sections 3 (Exclusivity, if included), 4 (Confidentiality), 6 (Expenses, if included), 7 (Non-Binding Nature), 8 (Governing Law), and 9 (General Provisions)), this LOI is intended to be non-binding and does not create any legally binding obligation on either Party to consummate the proposed Transaction or to enter into a Definitive Agreement.

7.2 No Obligation. Neither Party will have any liability to the other Party if the proposed Transaction is not consummated for any reason, except for breach of the binding provisions identified above.

7.3 Good Faith. Notwithstanding the non-binding nature of this LOI, each Party agrees to negotiate in good faith toward the execution of a Definitive Agreement on terms consistent with this LOI.

8. Governing Law

This LOI shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws provisions. Any legal suit, action, or proceeding relating to the binding provisions of this LOI must be instituted in the federal or state courts located in New Castle County, Delaware. Each Party irrevocably submits to the exclusive jurisdiction of such courts.

9. General Provisions

9.1 Expiration. This LOI will expire if not signed by both Parties within 30 days from date of letter, unless extended by mutual written agreement.

9.2 Assignment. Neither Party may assign this LOI or any rights or obligations hereunder without the prior written consent of the other Party.

9.3 Entire Understanding. This LOI, together with any confidentiality agreement between the Parties, constitutes the entire understanding of the Parties with respect to the proposed Transaction and supersedes all prior discussions, negotiations, and agreements.

9.4 Amendment. This LOI may only be amended by a written instrument signed by both Parties.

9.5 Notices. All notices must be in writing and sent to the addresses set forth above.

9.6 Counterparts. This LOI may be executed in counterparts, including electronic copies, each of which is deemed an original and which together form the same agreement.

If the foregoing accurately reflects your understanding, please sign and return a copy of this LOI.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

Proposing Party

Signature: _____

Printed Name: _____

Date: _____

Receiving Party

Signature: _____

Printed Name: _____

Date: _____

Title: _____

Title: _____