**TERM SHEET**

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| --- | --- |
| **Company:** | Insert the name of the selling company including the mailing address here.Describe the business in a short statement. |
| **Seller:** | Insert the name of the selling company (same as above) and the principal point of contact for the transaction together with snail mail address, email address and cell phone number. |
| **Buyer:** | Insert the name of the buying company and the principal point of contact for the transaction together with snail mail address, email address andcell phone number. |
| **Authority:** | The Seller and the Buyer have full authority, subject to the provisions of this Letter of Intent, to enter into these negotiations and to execute this Letter ofIntent. |
| **Purchase price:** | The Purchase Price shall be $x00,000,000 togetherwith the cash on hand plus the difference betweennet receivables and net payables at the time of theclosing of the transaction. |
| **Payment terms:** | The Purchase Price shall be paid in accordance withthe following schedule. |
| **Cash downpayment** | $x00,000,000 |
| **Promissory note** | The delivery of a Promissory Note in the initial balance of the Purchase Price minus he Cash Down payment. |
| **Term of the Promissory** **Note:** | X years  |
| **Interest rate** | X% per annum |
| **Amortization period** | X years |
| **Payment frequency** | Monthly/Quarterly/Annually |
| **Payment** | $X |
| **Collateral, guaranty** | Describe the collateral or guaranty of the Promissory Note here. |
| **Asset Sale and Purchase Agreement:** | The parties will enter into a binding Asset Sale andPurchase Agreement incorporating the terms of thisLetter of Intent.Nothing in this Letter of Intent shall be bindingexcept for the Confidentiality provision. |
| **Due diligence materials** | The Seller will deliver to the Buyer a completepackage of due diligence materials as enumerated inthe Asset Sale and Purchase Agreement within seven (7) days of the effective date of the agreement  |
| **Due diligence period** | 30 days from the receipt of the last due diligencematerials |
| **Closing date** | 30 days after the conclusion of the due diligenceperiod |
| **Earnest money deposit** | 5% of the Purchase Price |
| **Employment agreements:** | As a condition to closing, the Buyer will enter intoEmployment Agreements with critical personnelincluding, but not limited to, the CEO, COO, CFOof the Seller.The terms of these Employment Agreements will beas summarized on Exhibit A --- EmploymentAgreement terms. |
| **Contingency:** | This Letter of Intent is an offer to sell by the Sellerand shall be accepted, if desired, by the Buyer. ThisLetter of Intent is intended only to outline thebusiness terms of the Asset Sale and PurchaseAgreement referred to in this document.Other than the Confidentiality provision, nothing inthis Letter of Intent is binding upon the parties. |
| **Confidentiality:** | The parties agree to maintain the strictconfidentiality of this Letter of Intent including itsvery existence except that its existence and contentmay be revealed to the Board of Directors, legaladvisers, financial advisers and senior managementof their respective companies.This provision of this Letter of Intent shall bebinding upon the parties for one year from the dateof its offering by the Seller. |
| **Expiration:** | This Letter of Intent expires seven (7) calendar daysfrom the date entered by the Seller on the executionpage; and, if accepted by the Buyer, shall expireautomatically if no binding Asset Sale and PurchaseAgreement is entered into by the parties withinthirty (30) calendar days of the date upon which theSeller signed this Letter of Intent. |
| **Termination:** | Either party may terminate this Agreement bysimple written notice, including email notice, beforea binding Asset Sale and Purchase Agreement isentered into between the parties. |
| **Governing law:** | This Letter of Intent shall be governed by the lawsof the State of  |
| **Dispute resolution:** | In the event that any dispute should arise during thependency of this Letter of Intent, the sole andexclusive remedy to the parties shall be to terminatethe Letter of Intent. |

**AGREED:**

**Seller:** **Buyer:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Name** **Name**

**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **Date:** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Exhibit A**

**Employment Agreements**

As part of the Asset Sale and Purchase Agreement, the Buyer desires to procure the services of the following individual on the following terms. This is an outline only and the Employment Agreement shall be drafted by the Buyer subject to these terms.

**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Description of the position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Term: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Compensation:**

**Salary \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Benefits \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Short term incentive compensation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Long term incentive compensation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Special considerations \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Severance package: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Binding effect: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**