

Letter of Intent

From: [Party A name], [Company or name] ("Party A") **To:** [Party B name], [Company or name] ("Party B") **Date:** [Date]

This letter sets out the main terms on which the parties intend to negotiate [describe the transaction — e.g., "Party A's purchase of the assets of [business name] from Party B", "a lease of [property]", "a distribution partnership for [product]"] (the "Transaction"). Except for the provisions listed in Section 8, it is not a binding agreement.

1. Proposed Transaction

[Describe what is being bought, sold, leased, licensed, or agreed, in a few sentences.]

2. Price and Key Terms

[e.g., "A purchase price of [Amount], paid [Amount] at closing and [Amount] over [Number] months," or the main commercial terms of the deal.]

3. Due Diligence

After signing, [Party B / each party] will give the other reasonable access to [records, financial statements, contracts, premises] so it can evaluate the Transaction, for [Number] days.

4. Conditions

Completing the Transaction depends on [e.g., "satisfactory due diligence, financing, the landlord's consent to assign the lease, and a signed definitive agreement"].

5. Definitive Agreement and Timeline

The parties will negotiate in good faith toward a definitive written agreement, targeting signing by [Date] and closing by [Date]. The Transaction happens only if and when both parties sign that agreement.

6. Exclusivity

[Optional:] Until [Date] (the "Exclusivity Period"), Party B will not solicit, negotiate, or accept any offer from anyone else for [the same transaction or assets].

7. Costs

Each party pays its own costs, including lawyers' and advisers' fees, whether or not the Transaction closes.

8. Binding Provisions

Only the following provisions are legally binding: Section 6 (Exclusivity), Section 7 (Costs), this Section 8, Section 9 (Confidentiality), and Section 10 (Ending This Letter and Governing Law). Nothing else in this letter obliges either party to complete the Transaction or to keep negotiating.

9. Confidentiality

Each party will keep confidential the terms of this letter and any non-public information it receives about the other, and use it only to evaluate the Transaction, [unless a separate confidentiality agreement between the parties already covers this].

10. Ending This Letter and Governing Law

Either party may end negotiations at any time by written notice; the binding provisions survive as stated. If no definitive agreement is signed by [Date], this letter ends automatically. It is governed by the laws of the State of [State].

Signatures

By signing below, each party agrees to these terms.

[Party A name] ("Party A")

Signature: _____ Printed name: _____ Date: _____

[Party B name] ("Party B")

Signature: _____ Printed name: _____ Date: _____

This template is a general starting point, not legal advice — customize it and have it reviewed for your situation.