

# LETTER OF INTENT TO PURCHASE SHARES BUT NOT DEBT

[on letterhead]

September 3, 2008

[name of seller]  
[street address]  
[city, state, zip code]

Dear Sirs:

**Re:**     *[name of business] (the "Business")*

Please accept this letter as a sincere expression of my intent to negotiate in good faith for purchase of all of the assets and shares of the Business upon the following terms:

Part A will not be legally binding, but will be made into a legal agreement of purchase and sale as reasonably required by our attorneys (the "Legal Agreement"). Part B will be legally binding once we both sign this document.

## Part A – Business Terms

- 1       The closing date will *[insert closing date]*; the transaction will be effective as of 12:01 a.m. that day.
- 2       The Purchased Assets will be all the assets and shares of the Business of any kind whatsoever, including all client files, records and goodwill, but not including cash on hand or accounts receivable, all structured as a share purchase transaction for tax purposes.
- 3       The Purchase Price will be as follows:
  - (a)     Inventory: current inventory only to be purchased at Seller's cost based upon an inventory to be conducted by the Buyer and the Seller immediately before closing; to be paid in full by *[insert date]*, without interest.
  - (b)     \$####.## for all other purchased assets.
- 4       The Buyer will not assume any liabilities or obligations of the Business of any kind whatsoever.
- 5       The Seller will be responsible for completing the closing financial statements and filing the closing tax return after closing at the Seller's expense, subject to the reasonable prior approval of the Buyer's accountants.
- 6       The Seller will terminate all employees on or before closing and will pay all termination costs. The Buyer will make offers of employment to all employees to re-hire them on closing, on the same terms and conditions.
- 7       The Legal Agreement will include a mechanism for all pre-closing debts of the Business to be paid in full by the Seller, including all corporate taxes required by the closing tax return, and will include a holdback in the amount of \$####.## without interest for six months following closing to ensure that this is completed.

**THIS IS A 3-PAGE DOCUMENT.**