

LETTER OF INTENT TO ACQUIRE CAPITAL STOCK OF [COMPANY]

To: The Shareholders of [Company]
[address]

PERSONAL & CONFIDENTIAL

Dear Sirs:

[Purchaser] (the "Purchaser"), a corporation incorporated under the laws of the State of _____, is pleased to submit this letter of intent (the "Letter of Intent") setting out the terms of Purchaser's proposed acquisition of 100% of the capital stock of [Company] (the "Company") from the shareholders of the Company.

This Letter of Intent outlines the proposed transaction based on each party's present understanding of the current status of the assets and business operations of the Company. It is Purchaser's understanding that the Company owns all of the land, buildings, equipment, rolling stock and other assets comprising the Company's facility and operations in _____ [city], _____ [state], and that the shareholders of the Company as of _____ [date] are as set out in the attached Schedule A (the "Shareholders"), and that the Shareholders collectively own 100% of the outstanding shares of capital stock of the Company.

PART I - THE ACQUISITION

1. DEFINITIVE AGREEMENTS

The terms of the acquisition will be more particularly set out in a purchase agreement and one or more definitive agreements (the "Definitive Agreements") which shall include the terms below and such other provisions as may be mutually agreed upon by the parties. To the extent appropriate for a transaction of this nature, the Definitive Agreements will contain customary representations, warranties, covenants, indemnities and other agreements of the parties, including but not limited to:

- (a) representations and warranties related to each party's power and authority to enter into the Definitive Agreements and perform its obligations thereunder;
- (b) representation and warranty by the Shareholders that the accounts receivable plus cash, less accounts payable, of the Company will be equal to or greater than \$_____ on the day prior to the date of acquisition (the "Closing");
- (c) ownership and title to the capital stock of the Company (and representations by the Shareholders that such interest will be conveyed free and clear of all encumbrances);
- (d) representations and warranties regarding due organization, good standing, no violation of other agreements or laws, accuracy of financial information, and other matters customary for transactions of this sort;
- (e) indemnities from the Shareholders in favor of Purchaser against all claims and liabilities with respect to a breach of any of their representations and warranties;
- (f) environmental indemnities from the Shareholders in favor of Purchaser up to the Closing, and an environmental indemnity from Purchaser in favor of the Shareholders after the date of Closing; and
- (g) indemnities from Purchaser in favor of the Shareholders against all claims and liabilities with respect to any breach of Purchaser's representations and warranties.

The Definitive Agreements will include, in addition to a Purchase and Sale Agreement, any and all other agreements and documents necessary or desirable in connection with any of the foregoing arrangements or any of the transactions contemplated herein.

THIS IS A 5-PAGE DOCUMENT.