Key:

- *Blue italic* text gives context to provisions of the LOI by outlining a fictional transaction
- *Black italic* text is a placeholder for information you will insert (such as the date of the LOI)
- ***Red bold/italic*** text inside a red box provides the author's comments and notes regarding particular provisions of the LOI

LETTER OF INTENT

Date

PARTIES:

FROM ("Buyer"):	**TO ("Seller"):**
MEATBALLS TO GO, INC.	*AMALGAMATED MEATBALL, LLC*
123 Main Street, Suite 900	*1000 Tagliatelle Lane*
Marinara, TX 78212	*Pasta, FL 12345*
Attention: Ms. Nevaeh Dooly, Pres.	*Attention: Ms. Josephine Schmuckatelli*
Tel: 555-989-1234	*Tel: 555-867-5309*
E/M: Nevaeh@MTG.com	*E/M: jschmuck@meatballs.com*

If the LOI is on a party's letterhead, (1) delete "LETTER OF INTENT," and (2) if the letterhead (or first page footer) includes the party's address, there is no need to repeat that party's name and address above.

RE: Enforceable Letter of Intent, containing unenforceable topics to be discussed during negotiations to *purchase 100% of the assets of Amalgamated Meatball, LLC (the "Assets")*

Dear *Ms. Schmuckatelli*:

This Letter of Intent (this "LOI") expresses the interest of Meatballs To Go, Inc. ("Buyer") to acquire from Amalgamated Meatball, LLC ("Seller") Assets (the "Transaction"). The Assets are further described in Section 8 and Exhibit A.

The next two paragraphs reinforce that certain provisions of this Agreement are unenforceable, thereby reducing the risk that this Agreement could be used, understood or held to be an enforceable contract and basis to close the Transaction on the basis of this Agreement.

Once you (Buyer) have signed this LOI, it will express our agreements and mutual intent regarding the Transaction. The terms of this LOI are enforceable between us**. However, the terms described in Exhibit B are entirely UNENFORCEABLE between us, and they are included in Exhibit B solely as an outline for discussion and negotiation of a Definitive Agreement**. "Definitive Agreement" means a contract signed by and enforceable against Buyer and Seller (collectively, the "Parties" and, each, a "Party") to govern the Parties rights and obligations prior to, during and after Closing.

Even though some terms of the Transaction are described in this LOI (and not on Exhibit B), the Parties agree and represent to each other that the enforceable terms of this Agreement do not represent sufficient essential terms required for an agreement to close the Transaction. The Parties do not intend

to, and will not, consummate the Transaction (to "Close") based upon the terms of this LOI. The Parties intend to enter into a written and signed Definitive Agreement (and probably other related agreements) to effectuate a Closing of the Transaction if the Parties' negotiations are successful. We agree that one or more electronic communications cannot be a Definitive Agreement.

1. **LOI Conditions Precedent**. Neither Party has agreed to Close the Transaction. Neither Party has any obligation to Close the Transaction until each of the following Conditions Precedent have been wholly fulfilled:

(a) Due Diligence is completed to the satisfaction of Buyer, as determined at the sole discretion of the Buyer.

(b) Representations and Warranties by each Party described in a Definitive Agreement, are agreed in writing to be acceptable to the other Party as determined at the sole discretion of each Party.

(c) Delivery by each Party of a written and signed resolution by each Party formally approving the Definitive Agreement, and authorizing a Party representative to sign the Definitive Agreement.

(d) The terms and conditions of the Definitive Agreement are approved by each of the Parties, at the sole discretion of the Buyer and Seller.

(e) Seller's actual receipt of the Closing Consideration.

(f) The form and substance of the Definitive Agreement and all related documents are approved by counsel for Buyer and counsel for Seller, at the sole discretion of each of them.

(g) All Executive Employment Agreements are signed by the Buyer and by each Executive.

The LOI does not require the parties to negotiate in good faith to further emphasize the difference between an LOI and a contract. In Texas, the Duty of Good Faith and Fair Dealing is not implied in every contract. But it does arise in contracts for goods subject to the UCC, and where a "Special Relationship" exists.

2. **Negotiations**. While this Agreement is in effect, the Buyer and Seller agree to discuss and negotiate a Definitive Agreement (and all reasonably necessary related agreements) for the completion and Closing of the Transaction. Exhibit B to this Agreement lists some of the topics that the Parties will consider and negotiate in preparing the Definitive Agreement. However, neither party is obligated to enter into a Definitive Agreement for the Transaction. Either Party can terminate this Agreement upon notice to the other Party at any time, which will immediately terminate all negotiations for a Definitive Agreement.

3. **Pre-Closing Operations of Seller**. After the Effective Date until the earlier to occur of (a) termination of this Agreement or (b) the Closing of the Transaction, Seller shall continue to operate in the ordinary course of business, consistent with its past practices. "Effective Date" means the first calendar day after this Agreement has been signed by Seller.

Title search: Letter of Intent

First appeared as part of the conference materials for the
59th Annual William W. Gibson, Jr. Mortgage Lending Institute session
"7 Deadly Sins of Pre-Deal Documents (LOI, MOU, Term Sheets, etc.) OR Enforcing Unenforceability"