

NON-BINDING LETTER OF INTENT

Date

Seller's Company
Street Address
City, State Zip Code

Attn: President

Dear Sirs:

This letter of intent sets forth the basic terms and conditions under which Buyer's Company. (the "Buyer") will enter into a definitive purchase agreement (the "Purchase Agreement") with Seller's Company (the "Company"). It is anticipated that the consummation of the Sale will occur on or before _____, 20(), or on such other date to which the parties may agree.

Purchase Price

Pursuant to the Purchase Agreement, upon consummation of the Sale, the Seller will receive _____ Dollars (\$ _____) in cash.

Conditions To Closing

The consummation of the Sale shall be subject to the satisfaction of the following conditions:

- (a) the parties shall have received all required approvals and consents from governmental authorities and agencies and third parties;
- (b) the Buyer and the Company shall have executed on or prior to _____, 20() a definitive Purchase Agreement containing mutually acceptable provisions relating to, among other things, representations, warranties, conditions and indemnification;
- (c) the truth and accuracy of all representations and warranties and the satisfaction of all conditions;
- (d) the consummation of the Sale on or prior to _____, 20();
- (e) Buyer and certain members of management of the Company designated by Buyer having entered into mutually satisfactory employment contracts simultaneously with the execution of the Purchase Agreement;
- (f) Since _____, 20(), [date of last audited balance sheet] the business of the Company and

its subsidiary shall have been conducted in the ordinary course, and there shall have been no material adverse change in the business, prospects, operations, earnings, assets, or financial condition of the Company and its subsidiaries; and

- (g) Buyer shall have obtained financing in an amount and upon terms satisfactory to it to consummate the Sale.

General

After executing this letter and until _____, 20(), the Company agrees, and shall use its best efforts to cause its officers, directors, employees, agents and stockholders, not to solicit or encourage, directly or indirectly, in any manner any discussion with, or furnish or cause to be furnished any information to, any person other than Buyer in connection with, or negotiate for or otherwise pursue, the sale of the Company or the capital stock of its subsidiaries, all or substantially all of the assets for the Company or its subsidiaries or any portion of all of its business or that of its subsidiaries or any business combination or merger of the Company or its subsidiaries with any other party. You will promptly inform Buyer of any inquiries or proposals with respect to the foregoing. In the event that the agreements in this paragraph are violated by the Company or its officers, directors, employees, agents or stockholders, and Buyer does not consummate the Sale, then, in addition to other remedies available to Buyer, Buyer shall be entitled to receive from the Company all out-of-pocket expenses (including reasonable attorneys' fees and expenses relating to the financing), which Buyer has incurred.

Neither of the parties to this letter shall disclose to the public or to any third party the existence of this letter or the proposed sale described herein other than with the express prior written consent of the other party, except as may be required by law.

From and after the date hereof, upon reasonable prior notice and during normal business hours, the Company will grant to each of the Buyer and its agents, employees and designees full and complete access to the books and records and personnel of the Company and its subsidiaries. Except as may be required by law or court order, all information so obtained, not otherwise already public, will be held in confidence.

Except as provided herein, each party will be responsible for its own expenses in connection with all matters relating to the transaction herein proposed. If this proposed transaction shall not be consummated for any reason other than a violation of the agreement not to solicit other offers or negotiate with other purchasers, neither party will be responsible for any of the other's expenses.

Each party will indemnify, defend and hold harmless the other against the claims of any brokers or finders claiming by, through or under the indemnifying party.

Except for matters relating to (i) the confidentiality of this proposal and the business operations of the Company and its subsidiary (ii) the agreement not to negotiate with others for or

otherwise pursue the sale of the Company or its subsidiary, and (iii) the agreement that each party will bear its own expenses in connection herewith, this letter does not create a binding, legal obligation on any party but merely represents the present intentions of the parties.

In the event that for any reason the definitive Purchase Agreement is not executed by _____, 20(____), any party may discontinue negotiations and terminate this letter without liability to any other party.

Your signature below shall indicate your agreement with the foregoing letter of intent. We look forward to working with you on this transaction.

Very Truly Yours,

Buyer's Company

(Buyer)

(Buyer)

(Title)

Agreed to and Accepted
this _____ day of _____, 20(____);

Seller's Company

(Seller)

(Seller)

(Title)