

Letter of Intent to Purchase
Email this Completed Form to: info@prudencestreet.com

Date: _____

Dear Seller;

This letter confirms our mutual intentions with respect to the potential transaction described herein between _____ (“Buyer”) and _____ (“Seller”).

1. **Prices and Terms.** We envisage that the principal terms of the proposed transaction would be substantially as follows:
 - (a) **Business to be Acquired; Liabilities to be Assumed.** We would acquire all of the assets, tangible and intangible, owned by Seller that are used in, or necessary for the conduct of, its software (if any), including, without limitation: (i) the billing software, subject to any obligations contained in disclosed license agreements and all related intellectual property; (ii) the fixed assets of Seller, (iii) any and all customer lists; and (iv) the goodwill associated therewith, all free and clear of any security interests, mortgages or other encumbrances.
 - (b) **Consideration.** The aggregate consideration for the assets and business to be purchased would be \$ _____; provided, however, that the (current assets less current liabilities) of the business to be purchased equals or exceeds the proposed value in accordance with generally accepted accounting principles.
 - (c) **Due Diligence Review.** Promptly following the execution of this letter of intent, you will allow us to complete our examination of your financial, accounting and business records and the contracts and other legal documents and generally to complete due diligence. Any information obtained by us as a result thereof will be maintained by us in confidence subject to the terms of the Confidentiality Agreement executed by the parties and dated _____ (the “Confidentiality Agreement”). The parties will cooperate to complete due diligence expeditiously.
 - (d) **Conduct in Ordinary Course.** In addition to the conditions discussed herein and any others to be contained in a definitive written purchase agreement (the “Purchase Agreement”), consummation of the acquisition would be subject to having conducted your business in the ordinary course during the period between the date hereof and the date of closing and there having been no material adverse change in your business, financial condition or prospects.

- (e) **Definitive Purchase Agreement.** All of the terms and conditions of the proposed transaction would be stated in the Purchase Agreement, to be negotiated, agreed and executed by you and us. Neither party intends to be bound by any oral or written statements or correspondence concerning the Purchase Agreement arising during the course of negotiations, notwithstanding that the same may be expressed in terms signifying a partial, preliminary or interim agreement between the parties.
- (f) **Employment Agreement.** Simultaneously with the execution of the Purchase Agreement, we would like the option to enter into employment agreements with key staff on such terms and conditions as would be negotiated and agreed by them and us, including mutually agreeable provisions regarding term, base and incentive compensation, confidentiality, assignment to us of intellectual property rights in past and future work product and restrictions on competition. We would also offer employment to substantially all of Seller's employees and would expect the management team to use its reasonable best efforts to assist us to employ these individuals.
- (g) **Timing.** We and you would use all reasonable efforts to complete and sign the Purchase Agreement within 30 days of the date above.

- 2. **Expenses.** You and we will pay our respective closing cost incident to this letter of intent, the Purchase Agreement and the transactions contemplated hereby and thereby.
- 3. **Public Announcements.** Neither you nor we will make any announcement of the proposed transaction contemplated by this letter of intent prior to the execution of the Purchase Agreement without the prior written approval of the other, which approval will not be unreasonably withheld or delayed. The foregoing shall not restrict in any respect your or our ability to communicate information concerning this letter of intent and the transactions contemplated hereby to your and our, and your and our respective affiliates', officers, directors, employees and professional advisers, and, to the extent relevant, to third parties whose consent is required in connection with the transaction contemplated by this letter of intent.
- 4. **Broker's Fees.** You and we have the option to be represented by brokers or finders and will be responsible independently to pay their broker of finders fees by reason of the transaction contemplated by this letter of intent.
- 5. **Exclusive Negotiating Rights.** In order to induce us to commit the resources, forego other potential opportunities, and incur the legal, accounting and incidental expenses necessary properly to evaluate the possibility of acquiring the assets and business described above, and to negotiate the terms of, and consummate, the transaction contemplated hereby, you agree that for a period of [5] days after the date hereof, you, your affiliates and your and their respective officers, directors, employees and agents shall not initiate, solicit, encourage, directly or indirectly, or accept any offer

or proposal, regarding the possible acquisition by any person other than us, including, without limitation, by way of a purchase of shares, purchase of assets or merger, of all or any substantial part of your equity securities or assets, and shall not (other than in the ordinary course of business as heretofore conducted) provide any confidential information regarding your assets or business to any person other than us and our representatives.

6. **Miscellaneous.** This letter shall be governed by the substantive laws of the State of Texas without regard to conflict of law principles. This letter constitutes the entire understanding and agreement between the parties hereto and their affiliates with respect to its subject matter and supersedes all prior or contemporaneous agreements, representations, warranties and understandings of such parties (whether oral or written). No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the parties hereto. This letter may be amended only by written agreement, signed by the parties to be bound by the amendment. Evidence shall be inadmissible to show agreement by and between such parties to any term or condition contrary to or in addition to the terms and conditions contained in this letter. This letter shall be construed according to its fair meaning and not strictly for or against either party.

7. **No Binding Obligation.** Except for Sections 1(c) and 2 through 6, **THIS LETTER OF INTENT DOES NOT CONSTITUTE OR CREATE, AND SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE, ANY LEGALLY BINDING OR ENFORCEABLE OBLIGATION ON THE PART OF EITHER PARTY TO THIS LETTER OF INTENT. NO SUCH OBLIGATION SHALL BE CREATED, EXCEPT BY THE EXECUTION AND DELIVERY OF THE PURCHASE AGREEMENT CONTAINING SUCH TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION AS SHALL BE AGREED UPON BY THE PARTIES, AND THEN ONLY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF SUCH PURCHASE AGREEMENT.** The Confidentiality Agreement is hereby ratified and confirmed as a separate agreement between the parties thereto.

If the foregoing terms and conditions are acceptable to you, please so indicate by signing the enclosed copy of this letter and returning it to the attention of the undersigned.

Very truly yours,

[Buyer]

Signature: _____
Title: _____

Buyer's Broker:(if any)

ACCEPTED AND AGREED

[Seller Rep]

Signature: _____
Title: _____

Seller's Broker: (if any)

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (the "Agreement") made this

The effective day of this agreement by and between the aforementioned parties is:

_____, an interested party and

PRUDENCE STREET CONSULTING GROUP, LLC a Texas Broker of For the Sale Companies

(collectively, the "Parties" and each individually a "Party").

The Parties are exploring the possibility of the BUY AND SELL OF A LICENSED HOME CARE AGENCY AS RESPESENTED AND BROKERED BY "PRUDENCE STREET CONSULTING GROUP, LLC". The Parties recognize that in the course of their discussions to further the Business Relationship, it will be necessary for each Party to disclose to the other certain Confidential Information (as defined below). Each Party desires to set forth the terms that apply to such Confidential Information.

NOW, THEREFORE, for and in consideration of the foregoing, of the promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. The Parties shall (i) use reasonable efforts to maintain the confidentiality of the information and materials, whether oral, written or in any form whatsoever, of the other that may be reasonably understood, from legends, the nature of such information itself and/or the circumstances of such information's disclosure, to be confidential and/or proprietary thereto or to third parties to which either of them owes a duty of nondisclosure (collectively, "Confidential Information"); (ii) take reasonable action in connection therewith, including without limitation at least the action that each takes to protect the confidentiality of its comparable proprietary assets; (iii) to the extent within their respective possession and/or control, upon termination of this Agreement for any reason, immediately return to the provider thereof all Confidential Information not licensed or authorized to be used or enjoyed after termination or expiration hereof, and (iv) with respect to any person to which disclosure is contemplated, require such person to execute an agreement providing for the treatment of Confidential Information set forth in clauses (i) through (iii). The foregoing shall not require separate written agreements with employees and agents already subject to written agreements substantially conforming to the requirements of this Section nor with legal counsel, certified public accountants, or other professional advisers under a professional obligation to maintain the confidences of clients.

2. Notwithstanding the foregoing, the obligation of a person to protect the confidentiality of any information or materials shall terminate as to any information or materials which: (i) are, or become, public knowledge through no act or failure to act of such person; (ii) are publicly disclosed by the proprietor thereof; (iii) are lawfully obtained without obligations of confidentiality by such person from a third party after reasonable inquiry regarding the authority of such third party to possess and divulge the same; (iv) are independently developed by such person from sources or through persons that such person can demonstrate had no access to Confidential Information; or (v) are lawfully known by such person at the time of disclosure other than by reason of discussions with or disclosures by the Parties.

3. All Confidential Information delivered pursuant to this Agreement shall be and remain the property of the disclosing Party, and any documents containing or reflecting the Confidential Information, and all copies thereof, shall be promptly returned to the disclosing Party upon written request, or destroyed at the disclosing Party's option. Nothing herein shall be construed as granting or conferring any rights by license or otherwise, express or implied, regarding any idea made, conceived or acquired prior to or after the Effective Date, nor as granting any right with respect to the use or marketing of any product or service. The Parties shall use the Confidential Information only for the Business Relationship.

The obligations of the Parties under this Agreement shall continue and survive the completion or abandonment of the Business Relationship and shall remain binding for a period of two (2) years from the Effective Date.

4. As a violation by either Party of this Agreement could cause irreparable injury to the other Party and as there is no adequate remedy at law for such violation, the non-breaching Party may, in addition to any other remedies available to it at law or in equity, enjoin the breaching Party in a court of equity for violating or threatening to violate this Agreement. In the event either Party is required to enforce this Agreement through legal action, then it will be entitled to recover from the other Party all costs incurred thereby, including without limitation, reasonable attorney's fees.

5. Neither Party makes any representation or warranty with respect to any Confidential Information disclosed by it, nor shall either Party or any of their respective representatives have any liability hereunder with respect to the accuracy or completeness of any Confidential Information or the use thereof.

6. Any provision of this Agreement held or determined by a court (or other legal authority) of competent jurisdiction to be illegal, invalid, or unenforceable in any jurisdiction shall be deemed separate, distinct and independent, and shall be ineffective to the extent of such holding or determination without (i) invalidating the remaining provisions of this Agreement in that jurisdiction or (ii) affecting the legality, validity or enforceability of such provision in any other jurisdiction.

7. Any notice required or permitted to be given hereunder shall be (a) in writing, (b) effective on the first business day following the date of receipt, and (c) delivered by one of the following means: (i) by personal delivery; (ii) by prepaid, overnight package delivery or courier service; or (iii) by the United States Postal Service, first class, certified mail, return receipt requested, postage prepaid. All notices given under this Agreement shall be addressed to the addresses stated at the outset of this Agreement, or to new or additional addresses as the Parties may be advised in writing.

8. This Agreement is to be governed by and construed in accordance with the laws of the state of TEXAS. Neither Party shall be deemed to waive any of its rights, powers or remedies hereunder unless such waiver is in writing and signed by said Party. This Agreement is binding upon and inure to the benefit of the Parties and their successor and assigns.

9. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof, and is intended as the Parties' final expression and complete and exclusive statement of the terms thereof, superseding all prior or contemporaneous agreements, representations, promises and understandings, whether written or oral. Neither Party is to be bound by any pre-printed terms appearing in the other Party's form documents, tariffs, purchase orders, quotations, acknowledgments, invoices, or other instruments. This Agreement may be amended or modified only by an instrument in writing signed by both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

By: _____
Signature Interested Party

Name: _____

Title: _____

By:  _____
Signature of Broker

Name: BERTRAM TURNER

Title: PRESIDENT

THE BUSINESS BUY/SALE PROCESS

1. AN INTERESTED BUYER SIGNS A LETTER OF INTEREST (LOI) , A NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT, AND THIS IS PRESENTED TO SELLER VIA THE BROKER.
2. UPON SELLERS ACCEPTANCE OF THE PROPOSED OFFER: A MEMORANDUM OF UNDERSTANDING (MOU) IS DRAFTED BY THE CLOSING ATTORNEY AND SUBMITTED TO BOTH FOR SIGNATURES
3. EARNEST MONEY IN THE AMOUNT OF(\$1,500.00) SHALL BE SUBMITTED BY SELLER TO CLOSING ATTORNEY ESCROW ACCOUNT WITH THE SIGNED MEMORANDUM OF UNDERSTANDING (MOU) FOR CONSIDERATION OF THE VALIDITY OF THE SALE.
4. ALL COMPANY RECORDS ARE RELEASED TO BUYER FROM THE SELLER'S BROKER , AND THE BUYER IS GIVEN A PERIOD OF 10 DAYS OF DUE DILIGENCE FOR REVIEW.
5. UPON BUYERS ACCEPTANCE OF THE SELL AND THE SALE PRICE: A CLOSING DATE IS SET AND A BUY/ SELL AGREEMENT IS DRAFTED BY THE CLOSING ATTORNEY FOR CONSIDERATION OF THE FINAL CLOSING (*A PERIOD OF 7 DAYS IS GIVEN TO BOTH PARTIES FOR REVIEW PRIOR TO THE CLOSING DATE*)
6. UPON ACCEPTANCE OF THE BUY SALE AGREEMENT BY BOTH PARTIES: FULL PAYMENT SHALL BE WIRED TO THE CLOSING ATTORNEY'S ESCROW ACCOUNT 24 HOURS BEFORE CLOSING DATE.
7. AT THE CLOSING: ATTORNEY FEE IS PAID BY BOTH THE BUYER AND SELLER(\$750.00 EACH), THE BUY/SELL AGREEMENT IS SIGNED BY BOTH PARTIES, AND THE FUNDS IS RELEASED FROM THE ESCROW ACCOUNT OF THE CLOSING ATTORNEY TO SELLER AND THE SELLER'S BROKER.
8. COPIES ARE GIVEN TO ALL PARTIES AND THE BUY SALE PROCESS IS COMPLETE.

ESTIMATED CLOSING FEES

BUYER

- ❖ ATTORNEY FEE & PURCHASE AGREEMENT: \$750.00
 - ❖ AMENDMENT + (STATE FILING FEE):\$275
 - ❖ TEXAS HEALTH AND HUMAN SERVICE CHANGE OF OWNERSHIP PROCESSING:
\$1,750.00 + (STATE FILING FEE)
 - ❖ MEDICARE/MEDICAID CHANGE OF OWNERSHIP:\$1175.00 (*IF APPLICABLE*)
 - ❖ HHSC PHC CONTRCT CHANGE OF OWNERSHIP:\$975 (IF APPLICABLE)
 - ❖ PRIVATE INSURANCE CONTRACTS CHANGE OF OWNERSHIP:\$75.00 (PER
CONTRACT) (*IF APPLICABLE*)
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****Not All Fees will apply in every case, it is solely dependent upon the assets of the company**

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