

[Date]

[Seller Name]

[Seller Address]

[City, State, Zip Code]

**Re: Non-Binding Letter of Intent for the Leveraged Management Buyout of [Target Company Name]**

Dear [Name of Seller/Board Representative],

This Letter of Intent ("LOI") outlines the preliminary terms and conditions under which a newly formed entity ("Buyer"), organized by the current management team of [Target Company Name] (the "Management Group"), proposes to acquire 100% of the equity interests of [Target Company Name] (the "Company").

**1. Acquisition Structure:** The transaction is intended to be a leveraged management buyout (LMBO). The Management Group will form a new acquisition vehicle to purchase all outstanding shares/assets of the Company.

**2. Purchase Price:** The proposed aggregate purchase price for the Company is \$[Amount] (the "Purchase Price"). This valuation assumes a cash-free, debt-free balance sheet with a normalized level of working capital.

**3. Financing:** The Purchase Price will be funded through a combination of:

- Equity contribution from the Management Group;
- Senior debt financing from [Bank/Lender Name];
- Subordinated debt or mezzanine financing; and
- [Optional: A Seller Note in the amount of \$\_\_\_\_\_].

**4. Due Diligence:** Following the execution of this LOI, the Management Group and its financial advisors will require [Number] days to complete customary business, financial, and legal due diligence.

**5. Management Continuity:** As a management-led buyout, the existing key executives intend to remain in their current roles to ensure operational stability and long-term growth.

**6. Exclusivity:** In consideration of the resources committed by the Management Group, the Seller agrees to an exclusivity period of [Number] days during which it will not negotiate with other potential buyers.

**7. Conditions Precedent:** The closing of the transaction is subject to the execution of a definitive Purchase Agreement, procurement of final financing commitments, and any necessary regulatory approvals.

**8. Confidentiality:** Both parties agree to keep the existence and terms of this LOI strictly confidential, except as required by law.

**9. Non-Binding Nature:** Except for the provisions regarding Exclusivity and Confidentiality, this letter is a statement of intent and does not create a legally binding obligation on either party.

If these terms are acceptable, please sign and return a copy of this letter by [Expiration Date].

Sincerely,

[Name]  
Representative of the Management Group

**Agreed and Accepted:**

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[Seller Signature]  
[Title]  
[Date]