

[Date]

[Escrow Agent Name]

[Financial Institution]

[Address]

[City, State, Zip Code]

Re: Letter of Intent - Escrow Agreement for the Acquisition of [Target Company Name]

Dear [Contact Person Name],

This Letter of Intent ("Letter") outlines the preliminary understanding between [Buyer Name] ("Buyer") and [Seller Name] ("Seller") regarding the appointment of [Escrow Agent Name] as the escrow agent in connection with the proposed acquisition of [Target Company Name].

1. Purpose of Escrow: The parties intend to establish an escrow account to hold a portion of the purchase price ("Escrow Amount") to secure potential indemnification claims and post-closing adjustments arising from the definitive Purchase Agreement.

2. Escrow Amount: The sum of \$[Dollar Amount] shall be deposited into the escrow account on the closing date of the acquisition.

3. Duration: The Escrow Amount shall be held for a period of [Number] months following the closing date, unless released earlier or extended pursuant to the terms of a formal Escrow Agreement.

4. Terms of Release: Funds shall be released to the Seller upon the expiration of the escrow period, less any amounts subject to pending claims by the Buyer. Specific procedures for claim notification and dispute resolution will be detailed in the formal Escrow Agreement.

5. Fees: All fees and expenses charged by the Escrow Agent shall be [paid by Buyer / paid by Seller / split equally between Buyer and Seller].

6. Non-Binding Nature: This Letter is a statement of intent only and does not create a binding legal obligation upon any party to enter into an Escrow Agreement. A binding commitment will only arise upon the execution of a formal written Escrow Agreement signed by the Buyer, Seller, and Escrow Agent.

Please acknowledge your interest in acting as the Escrow Agent under these preliminary terms by signing below.

Sincerely,

[Name of Buyer Representative]

[Title]
[Buyer Company Name]

[Name of Seller Representative]
[Title]
[Seller Company Name]

Agreed and Accepted:

[Name of Escrow Agent Representative]
[Title]
[Escrow Agent Institution]