



RED KITE

INTERNATIONAL



Delivering International Business Solutions

SAMPLE LETTER OF INTENT

Dear (*name of prospective licensee*):

This letter of intent sets forth the terms and conditions under which (*prospective licensee*) and (*licensor*) will seek to negotiate a definitive agreement for a partnership between the parties. Both parties share the belief that such a relationship will create significant opportunities for each other.

TERMS AND CONDITIONS. The terms of the contemplated transaction would be as follows:

- (*List of tentative terms and conditions, including operational and financial terms*)
- (*more terms and conditions*)

DEFINITIVE AGREEMENT. The specific terms of the transaction shall be set forth in a definitive agreement by and between (*prospective licensee*) and (*licensor*). The definitive agreement shall contain representations, warranties, covenants and indemnifications typical to an agreement as described in this letter.

GOOD FAITH NEGOTIATIONS. The parties shall negotiate in good faith towards a mutually acceptable definitive agreement with the goal of executing such an agreement by (*future date*). During the (*number of reasonable*) days following the signing of this letter of intent, (*licensor*), (*prospective licensee*) and their directors, officers, employees and shareholders agree not to solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other person relating to a transaction substantially similar to that described in this letter of intent. Furthermore, except as required by law, (*licensor*), (*prospective licensee*) and their directors, officers, employees and shareholders agree not to disclose the existence of this letter of intent or the terms hereof to any party without the consent of the other.

DUE DILIGENCE. During the negotiation of the definitive agreement, the parties shall fully cooperate in the provision of complete due diligence information, to the extent reasonably requested by the other.

CONFIDENTIALITY. (*Prospective licensee*) and (*licensor*) agree to maintain, and to require their respective predecessors, transferees, successors, agents, subsidiaries, assigns, attorneys, advisors, officers, directors and/or employees to maintain the confidentiality of any such information, as well as the terms of this letter of intent and the terms of the proposed transaction, and shall not disclose the same without the prior written consent of the other, except that each may disclose such matters to their respective attorneys, tax advisers, lenders, accountants, and as otherwise required by law. The parties agree that any remedy at law will be inadequate for any breach of the foregoing obligation, and that therefore, a party shall be entitled to preliminary and final injunctive relief and any other appropriate equitable relief to enforce its rights hereunder.

PUBLIC ANNOUNCEMENTS. No party shall make or issue any public statement or announcement with respect to the proposed transaction or this letter of intent without the prior written consent of the other parties, except to the extent required by law.

EXPENSES. All expenses (including but not limited to attorneys' fees, accountants' fees, and costs) incident to this letter of intent and the transactions contemplated hereby, whether or not the proposed transaction is consummated, will be borne exclusively by the party making such expenditure.

NON-BINDING AGREEMENT. It is mutually understood that this letter of intent expresses the present intent of the parties and does not constitute a binding agreement between them, except with respect to those paragraphs entitled "Good Faith Negotiations", "Confidentiality", "Public Announcements", and "Expenses", the provisions of which will be binding upon and inure to the benefit of the parties and their respective successors and assigns.

If this letter accurately sets forth your understanding, please so indicate by executing the enclosed copy of this letter where indicated and returning to the undersigned.

Yours sincerely,

Red Kite International

