

Accelerated Innovations, Inc

P.O. Box 121815 Fort Worth, TX 76121 Phone: 817-732-1793

Date

Company
Company Address
City, State, Zip

Dear _____:

This letter of intent sets forth our proposal relating to a possible business combination (the "**Proposed Transaction**") among

1. Company
2. Company 2

The Proposed Transaction will be subject to the terms stated in this letter of intent and in the definitive transaction agreement providing for the Proposed Transaction ("**Agreement**"), which will be negotiated, and (if agreed upon) entered into, by and between _____ and _____. The Proposed Transaction also will be subject to the satisfactory completion of a due diligence review by _____ and ***is subject to complete confidentiality and nondisclosure by the parties to the Proposed Transaction, including their agents, servants, and attorneys.***

Summary of the Proposed Transaction

1. BASIC TRANSACTION. The parties are considering that the Proposed Transaction would take the form of an acquisition (the “**Acquisition**”) between _____ and _____. In the Acquisition, cash and stock in _____ would be exchanged for all the assets of _____ and that any stock issued by _____ to _____ stockholders will be one-year restricted stock under SEC Rule 144.

If a binding agreement is reached with respect to the Proposed Transaction, then, to the extent required by law, the Agreement will be submitted to the partners or stockholders of _____ and must be approved by the requisite vote. Completion of the Acquisition must be subject to _____ being able to make employment agreements and other contracts with employees, officers, or directors on terms satisfactory to _____, including without limitation, a 3-year employment agreement with _____ to serve as an officer of _____. The Agreement will contain other provisions, conditions, representations, warranties, and covenants of both parties as are customary and usual in transactions of this nature. As a part of the Proposed Transaction, _____ and _____ partners or principal stockholders will enter into a noncompetition agreement by which they each agree not to compete with the business acquired under the Agreement for two (2) years following the closing.

2. PROPOSED PURCHASE PRICE. Based on the information known to _____ on the date of this letter of intent, the Purchase Price is to be determined and agreed by the parties after due diligence has been completed to the satisfaction of the parties.

3. INITIAL PROCEDURES. Within ten days of the signing of this letter of intent by all parties (the “**Signing Date**”), _____ will begin its due diligence investigation of _____. At the end of the due diligence period, on or before the 45th day immediately following the Signing Date (the “**Due Diligence Period**”), if the parties have satisfied themselves with regard to the financial and other conditions of one another, the parties will begin negotiating a written Agreement containing representations, warranties, covenants, and conditions as may be agreed to by the parties, subject to the approval of the parties’ respective boards of directors.

4. NO-SHOPPING COVENANT. In consideration of _____ entering into this letter of intent, undertaking the expense of investigating _____ and its business, _____ and the undersigned partners or stockholders of _____ (the “**Principal Selling Stockholders**”) agree that, from and after the date of this letter and for a period of ninety (90) days, they (alone or in conjunction with others) will not

- (i) directly or indirectly solicit, initiate, or participate in any way in discussions or negotiations with, provide any assistance or nonpublic information to, or enter into any agreement with, any person, group of persons (other than the Company or Representatives) or entity concerning (a) any acquisition of _____ or any securities issued by _____, (b) any acquisition of any asset or property of _____ outside of the ordinary course of business of

_____, or (c) any merger, consolidation, liquidation, dissolution, or similar transaction involving _____; or

- (ii) assist or participate in, facilitate, or encourage any effort or attempt by any other person or entity to do or seek to do any of the foregoing.

_____ and Principal Selling Partners or Stockholders must promptly inform _____ if BR or Principal Selling Partners or Stockholders are approached with respect to, or in any way made aware of, any such solicitation, discussions, or inquiries. In addition, during such 45-day period, _____ will use its best efforts to preserve intact its business organization and goodwill of its subscribers, suppliers, and other having business relations with it.

All duties and obligations under this Section 4 will terminate immediately on the earliest of:

- (i) the 45th day from the signature date of this Letter of Intent.
- (ii) the signing of a binding agreement to the proposed transaction.

Further, while negotiations or preparations for the Proposed Transaction are in progress, _____ agrees that it will not, without the written consent of _____:

- (i) issue any shares, warrants, or convertible securities, grant any options, declare or pay any dividends, repurchase or reclassify any of _____ outstanding stock,
- (ii) sell or dispose of a material amount of assets, or
- (iii) enter into any transaction outside of the usual and ordinary course of business.

5. COVENANT OF CONFIDENTIALITY. Except for those employees of _____ representing _____ in the negotiation of the Agreement or assisting _____ in its due diligence review, _____ agrees:

- (i) not to discuss any aspect of the contents or topics discussed in this letter of intent with any employee of _____ and
- (ii) not to reveal to any employee of _____ that _____ is seeking to sell its business or that _____ is seeking to acquire _____ business. _____ agrees that its due diligence review will be conducted with the least disturbance to _____ business as reasonably practical.
- (iii) From and after the date of this letter of intent and during Due Diligence Period or until the Agreement is fully signed by all intended parties, _____ will

- permit _____ and its Representatives access during normal working hours to the books, records, and properties of _____. _____ represents and promises to _____ and the Principal Selling Partners or Stockholders that _____ will use all written and oral information concerning _____ or the business of _____ supplied to _____ by _____ or any person acting on behalf of _____ (collectively, the "**Confidential Information**") solely for _____ evaluation and negotiation of the Proposed Transaction and will not use any Confidential Information directly or indirectly in any way detrimental to _____ or its business.
- (iv) Unless and until _____ and _____ complete a transaction under the Agreement, _____ will keep and will cause its employees and advisors to keep the Confidential Information strictly confidential and will not use the Confidential Information in any manner detrimental to _____ or competitive to _____ business. If the parties do not close the Proposed Transaction, _____ must promptly return to _____ on the request of _____ all written materials and copies, notes, analyses, or other documents in _____ possession relating to or comprising the Confidential Information.
- (v) Confidential Information does not include information that is:
- (a) public or becomes in the public domain absent _____ violation of this letter of intent;
 - (b) known to _____ through written records, prior to disclosure to _____ by _____;
 - (c) received by _____ for a third party having no obligation of confidentiality to _____ or Principal Selling Stockholders; or
 - (d) required by court order or other legal mandate to be disclosed by _____.
- (vi) No license under any patent, copyright, or other intellectual property or proprietary information is granted or implied to _____ by this letter of intent or the disclosure of Confidential Information under this letter of intent.
- (vii) _____ may disclose Confidential Information to any of its directors, officers, financiers, attorneys, appraisers, accountants, consultants, employees, or other representatives (collectively, the "**Representatives**") who (a) need to know the Confidential Information to evaluate the Proposed Transaction, (b) are informed by _____ of the confidential nature of the Confidential Information, and (c) agree to be bound by the terms and conditions of this letter of intent.

6. EXPENSES. If the Proposed Transaction is not completed, the parties to this letter of intent will each pay their own expenses, including all fees of their respective agents, representatives, legal counsel, and accountants who may be involved.
7. UNITED STATES SECURITIES LAWS. _____ and the Principal Selling Partners or Stockholders acknowledge that:
- (i) they are each aware that the United States securities laws prohibit any person who has material, nonpublic information about a company from purchasing or selling securities of that company, or from communicating that information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell those securities and
 - (ii) they are familiar with the Securities Exchange Act of 1934 (the “**Exchange Act**”) and its rules and regulations, and agree that they will neither use, nor cause any third party to use, any Confidential Information in contravention of the Exchange Act or any of its rules and regulations, including SEC Rules 10b-5 and 14e-3. Unless agreed by the parties in writing, the details of the Acquisition contemplated by this letter of intent or in the Agreement, as well as any information or documents exchanged between the parties under this letter of intent or the Agreement, must be and remain confidential and must not be disclosed to any third party, other than attorneys, accountants, agents, and other advisors employed by a party with respect to the Acquisition. The parties signing this letter and their affiliates must not make any public announcements regarding the Acquisition (except that necessary to comply with any governmental requirements) unless both parties have agreed in writing to such announcements.
8. LEGAL EFFECT. Except for paragraphs 4, 5, and 7 above, and the last two sentences of this paragraph “8,” which shall be contractually binding upon the parties, this letter of intent is not intended to be, and does not constitute, a legally binding contract between the parties for the Acquisition, nor does this letter of intent create any rights with respect to any third parties. Rather, this letter of intent is only intended to express the parties’ current proposal to proceed immediately to conduct a due diligence investigation and to negotiate, prepare and, if acceptable to each party, sign the Agreement which, if signed, will entirely supersede and replace this letter of intent. The Agreement will be binding only when and if it is properly signed and delivered by the parties intended to be bound by it. The parties to this letter of intent acknowledge that there are material terms and conditions that are not included in this letter of intent, but are expected to be the subject of further negotiation in connection with the Agreement. If, after 45 days from the date of this letter, the Agreement has not been executed by all parties for any reason, then no party will have any further obligation to the other hereunder, and this letter of intent will be of no further force and effect, except for the confidentiality provisions of paragraph 5 above, which shall remain effective for a period

of one year. The provisions of this letter of intent constituting binding contractual obligations (i) are governed by the laws of the State of _____ (without regard to choice of law principles thereunder) and (ii) will inure to the benefit of the respective parties and their respective affiliates, successors, and assigns. If any action, suit, or other proceeding is necessary to enforce or interpret the terms of this letter of intent, the prevailing party may recover its reasonable attorney's fees and expenses, in addition to any other remedy it may have.

The maximum total liability, if any, of each member of _____ for damages, attorney's or other fees, costs, and expenses, for breach of this Letter of Intent, is limited to an amount not to exceed that member's share of the Net Worth of _____.

9. COUNTERPARTS. This letter of intent may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

10. MISCELLANEOUS. Any invalidity or unenforceability of any part or provision of this letter of intent will not affect the validity or enforceability of the other parts or provisions of this letter of intent considered to be contractually binding ("**Contractual Provisions**"), and the other Contractual Provisions remain in full force and effect. If any of the Contractual Provisions are found to be unenforceable by reason of extent, duration, scope, or otherwise, then the remaining Contractual Provisions will reduce such extent, duration, or scope contemplated by this letter of intent.

Please indicate your approval of this letter of intent by signing in the space provided below on the enclosed copy of this letter and returning it to me.

Very truly yours,

Company

By: _____

The foregoing is hereby agreed to on _____,

Company 2

By: _____ Date: _____

Principal Selling Partners or Shareholders:

_____ Date: _____

_____ Date: _____