

**TERM SHEET
(Joint Venture)**

This Term Sheet relates to the formation and operation of ABC Company, an Indiana limited liability company (the “Company”). The owners of the Company will be [_____] (together, the “Members”). This term sheet is non-binding except as set forth below and does not constitute a commitment by any party hereto to consummate the transactions contemplated hereby. Such an obligation will exist only upon execution and acceptance of a final, definitive agreement (the “Definitive Agreement”) and then only in accordance with the terms and conditions thereof, which terms and conditions may differ in certain respects from those described herein. Any party may terminate negotiations at any point for any reason.

Transaction Objective	
Company Ownership	
Distributions/Tax Distributions	
Job Descriptions/ Titles/Salaries/ Benefits	
Voting Rights	
Information Rights	
Buy-Sell/Drag- Along/Tag-Along Rights	
Preemptive Rights	
Confidentiality	
Governing Law	

**Letter of Intent
(For Asset Purchase)**

Re: Proposed Acquisition of _____

Dear _____:

This letter sets forth the present intentions of the parties regarding the proposed acquisition by _____, a/an _____ corporation, or its affiliate ("Buyer"), of substantially all of the assets of _____, a/an _____ corporation (the "Company").

Except for paragraphs 7, 9, 10, 11 and 12 below (the "Binding Provisions"), which are legally binding agreements under Indiana law, this letter is not a legally binding agreement and no party will be bound unless and until a definitive Asset Purchase Agreement (the "Agreement") providing for the acquisition is authorized and executed by Buyer, Company and the shareholders of the Company. Subject to the terms and conditions of the Agreement, the principal terms and conditions of the proposed acquisition would be as follows:

1. Sale and Purchase of Assets.

On the closing date of the acquisition (the "Closing Date"), Buyer will purchase, and the Company will sell, free and clear of all claims, liens, restrictions, encumbrances or security interests of any nature, all of the Company's right, title and interest in and to all of the rights, properties, contracts and other assets of the Company of every kind, character and description, whether tangible or intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, except for such assets that may be excluded pursuant to the Agreement.

2. Assumption of Certain Liabilities.

On the Closing Date, Buyer will assume only those liabilities and obligations specifically identified by Buyer and only to the extent arising out of Buyer's ownership and operation of the Assets from and after the Closing Date. All other debts, obligations, rent, taxes, operating expenses, utilities and other liabilities of any character or description that arise prior to or relate to any date before the Closing Date will not be assumed by Buyer and will be retained by the Company, even if they are unknown or contingent.

3. Purchase Price; Post-Closing Adjustments.

(a) The aggregate purchase price for the Assets (the "Purchase Price") will be equal to _____ Dollars (\$_____). _____ percent (___%) of the Purchase Price shall be payable to the Company at the closing of the acquisition (the "Closing") by the wire transfer of immediately available funds to an account(s) designated by the Company. The remainder of the Purchase Price will be paid as an earnout pursuant to a formula mutually agreed upon by the parties in the Agreement.

(b) The Purchase Price assumes that, at the Closing, the Company will be lien-free and debt-free. Thus, the Company will assure that any long term debt or other obligations for borrowed money or capital leases of the Company, and any related liens, are satisfied in full at or prior to the Closing. In addition, the Purchase Price will be subject to a customary working capital adjustment based upon a target working capital amount consistent with historical levels and mutually agreed upon by the parties.

4. Covenant Not to Compete.

Buyer and _____ will enter into an independent contractor agreement whereby _____ will provide agent/producer services and such agreement will contain customary non-competition and non-solicitation provisions. In addition, Buyer's employment agreements with the individuals referenced in paragraph 6(e) below will contain standard non-competition and non-solicitation covenants.

5. Indemnification.

In the Agreement, in addition to other representations, warranties and covenants customary to transactions of this type, the Company and its shareholders will agree to indemnify Buyer for any liabilities of the Company not expressly assumed by Buyer in the Agreement, and for any losses incurred by Buyer due to a breach by the Company of any of their respective representations, warranties and covenants in the Agreement.

6. Material Conditions.

The acquisition will be subject to (a) satisfactory completion by Buyer of its due diligence investigation of the Company; (b) the execution of an Agreement reflecting the matters set forth herein (and which will contain representations and warranties, covenants, indemnification provisions and conditions customary to transactions of this type); (c) receipt of all required regulatory and other approvals and consents required to execute the Agreement and consummate the acquisition; (d) approval of the transactions contemplated by the Agreement by the Company's shareholders and board of directors; (e) receipt of executed employment agreements by all of the Company's key employees, in each case, containing terms and conditions acceptable to Buyer in its sole discretion (unless this condition is waived by Buyer); and (f) third-party consents to assignment of material agreements of the Company and the Company will use its best efforts to assist in procuring such consents to assignment. The Agreement and all other material documentation relating to the acquisition will be drafted by counsel for Buyer.

7. No Acquisition Proposals.

In order to induce Buyer to incur the expense of completing its due diligence investigation and to otherwise pursue the acquisition, the Company agrees that, prior to _____, the Company and its shareholders will not, and the Company will cause its directors, officers, employees, affiliates and representatives (including, without limitation, any investment banker, attorney or accountant) not to, directly or indirectly, initiate or solicit any inquiries or the making of any proposal with respect to a merger, consolidation or similar transaction involving, or any purchase of all or any significant portion of the assets of, or any equity interest in, the Company (an "Acquisition Proposal") or engage in any negotiations concerning, or provide any information or data to, or have any discussions with, any person relating to any Acquisition Proposal, or otherwise facilitate any effort or attempt to make or implement any Acquisition Proposal. The Company will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any persons conducted heretofore with respect to any of the foregoing. The Company will notify Buyer immediately if any such inquiries or proposals are received, any such information is requested, or any such negotiations or discussions are sought to be initiated or continued.

8. [Interim Conduct of Business; Access.

(a) From and after the date hereof through the Closing Date, the Company will operate only in the ordinary and usual course of business diligently and in good faith, consistent with past practice.

(b) The Company will provide Buyer and its authorized representatives reasonable access during regular business hours and upon reasonable notice to the assets, properties, contracts, commitments, books and records of the Company for the purpose of making such investigations concerning the affairs of the Company as Buyer may desire, and the Company will furnish Buyer such information as Buyer may from time to time reasonably request with respect to the Company. The Company will cause the officers and employees of the Company to assist Buyer in making any such investigation and will cause the counsel, accountants, consultants and other non-employee representatives of the Company to be reasonably available to Buyer for such purposes. Without limitation of the foregoing, the Company will promptly upon request, (i) permit interviews of such Company employees as Buyer designates, (ii) permit Buyer to conduct an on-site due diligence investigation of the Company's properties and facilities, and (iii) assist the Company in contacting and arranging meetings with such customers, vendors, suppliers and other business relations of the Company as Buyer may reasonably request.]

9. Confidentiality.

(a) The terms and existence of this letter will remain confidential and neither the Company, Buyer nor any of their respective affiliates or representatives will disclose to any third party that the Company and Buyer are involved in discussions or negotiations regarding a proposed transaction, without the prior written consent of the other, unless required, in the opinion of legal counsel, to be disclosed by law, in which case the parties will discuss the terms of such disclosure prior to its release. Any press release or other public announcement regarding this letter or the transactions contemplated hereby will be jointly approved in advance by Buyer and the Company.

(b) Pending the Closing, all information and documents obtained by Buyer and its representatives pursuant to Section 8(b) above shall be subject to the terms and conditions of the letter agreement, dated _____ (the "Confidentiality Agreement"), executed by Buyer.

10. Expenses.

Whether or not the transactions contemplated hereby are consummated, each party hereto will pay its own expenses incident to preparing for, entering into and carrying out the transactions contemplated hereby.

11. Governing Law.

This letter shall be governed by _____ law without regard to the choice or its conflicts of law principles of that jurisdiction.

12. Termination.

If the acquisition has not been consummated by _____, this letter will automatically terminate. Further, this letter may be terminated earlier upon written notice by either party to the other party unilaterally, for any reason or no reason, with or without cause; provided, however, that the termination of this letter of intent will not affect the liability of a party for breach of any of the Binding Provisions, including the obligations of Company and its shareholders under paragraph 7.

If this letter correctly sets forth our intentions, please execute this letter in the space provided below and return it to me by email no later than _____. This letter may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Very truly yours,

By: _____

Name: _____

Title: _____

Accepted as of: _____ [date]

_____ [Company]

By: _____

Name: _____

Title: _____