

Standard Terms Format for Recapitalization Agreements

1. Parties

This Recapitalization Agreement ("Agreement") is made and entered into as of [Date], by and between:

1. **[Company Name]**, a [State] corporation ("Company"); and
2. **[Investor Name]**, a [State] [entity type] ("Investor").

2. Recitals

WHEREAS, the Company and the Investor desire to enter into this Agreement to restructure the capital structure of the Company as set forth herein;

3. Definitions

Unless otherwise indicated, capitalized terms shall have the meanings assigned in this Agreement.

4. Terms of Recapitalization

1. **Restructuring of Equity:** Details of new classes of stock, any stock splits/consolidations, or conversions.
2. **Capital Injection:** Amount and form of new capital to be contributed by the Investor.
3. **Debt Adjustment:** Any conversion or modification of existing Company debt.
4. **Warrants/Options:** Issuance of new warrants or options (if any).
5. **Closing Conditions:** Any conditions precedent to effectiveness.

5. Representations and Warranties

1. **Corporate Authority:** Each party has full power and authority to enter into this Agreement.
2. **No Conflict:** The execution and performance will not breach any other agreements.
3. **Valid Issuance:** Any securities to be issued shall be duly and validly issued.

6. Covenants

1. **Conduct of Business:** The Company shall operate in the ordinary course pending completion.
2. **Confidentiality:** Both parties shall maintain confidentiality regarding this transaction.

7. Indemnification

Each party shall indemnify and hold harmless the other for any breach of representations, warranties, or covenants in this Agreement.

8. Miscellaneous

1. **Governing Law:** This Agreement shall be governed by the laws of [State].
2. **Entire Agreement:** This document constitutes the entire agreement among the parties.
3. **Amendment:** Any amendment must be in writing and signed by all parties.
4. **Counterparts:** This Agreement may be executed in counterparts.

Signatures

[Company Name]

By: _____

Name:

Title:

[Investor Name]

By: _____

Name:

Title:

Important Notes

- This document is a template and should be customized for each transaction.
- Legal counsel should review prior to execution to ensure compliance with applicable laws.
- Recapitalization agreements often have tax implications; consult appropriate advisors.
- Accurate disclosure of all material terms is essential to avoid future disputes.