

MEMORANDUM OF UNDERSTANDING

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This Memorandum of Understanding (this "MOU") is entered into as of [EFFECTIVE DATE] (the "Effective Date") by and between:

[PARTY A LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [PARTY A ADDRESS] ("Party A"); and

[PARTY B LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [PARTY B ADDRESS] ("Party B").

Party A and Party B are each a "Party" and together the "Parties."

Recitals. The Parties have been discussing a potential [DESCRIBE THE PROPOSED COLLABORATION, TRANSACTION, OR RELATIONSHIP, e.g. joint marketing program, pilot project, or strategic partnership] (the "Proposed Transaction"). The Parties wish to record their mutual understanding of the goals, intended roles, and next steps relating to the Proposed Transaction without creating binding commitments to proceed, except for the limited provisions expressly identified below as binding. In consideration of the mutual understandings set out here, the Parties agree as follows.

1. Purpose and Background

1.1 Purpose. This MOU records the Parties' shared intentions regarding the Proposed Transaction and establishes a framework for good-faith discussions. It is intended to facilitate, not to replace, a definitive written agreement (a "Definitive Agreement") that the Parties may later negotiate and sign.

1.2 Background. Each Party brings distinct resources and capabilities to the Proposed Transaction, described generally as: for Party A, [DESCRIBE PARTY A's EXPECTED CONTRIBUTION]; and for Party B, [DESCRIBE PARTY B's EXPECTED CONTRIBUTION].

1.3 Aspirational nature. The descriptions in this MOU reflect current expectations and may change as discussions progress. Nothing here obligates either Party to reach agreement on, or to enter into, any Definitive Agreement.

2. Scope of the Proposed Understanding

2.1 Anticipated objectives. The Parties presently intend to pursue the following objectives: [LIST KEY OBJECTIVES, e.g. launch a co-branded pilot, evaluate technical compatibility, and assess commercial viability].

2.2 Anticipated roles. Without creating binding obligations, the Parties anticipate that Party A will be primarily responsible for [ROLE/TASKS] and that Party B will be primarily responsible for [ROLE/TASKS].

2.3 Exclusions. Unless a Definitive Agreement states otherwise, the Proposed Transaction does not include [ANYTHING EXPRESSLY OUT OF SCOPE].

2.4 Resources and costs. Unless otherwise agreed in writing, each Party will bear its own costs and expenses incurred in connection with the discussions and activities contemplated by this MOU.

3. Non-Binding Effect

3.1 No binding obligation to proceed. Except for Sections 4, 5, 6, 7, and 9, which the Parties intend to be legally binding, this MOU is a statement of intent only. It does not create any legally binding obligation on either Party to proceed with, fund, perform, or complete the Proposed Transaction.

3.2 No reliance. Neither Party may rely on this MOU as a commitment to enter into a Definitive Agreement, and neither Party will have any liability to the other for deciding not to proceed, for any reason or no reason.

3.3 Definitive Agreement required. Any binding commitment regarding the Proposed Transaction will arise only upon execution of a Definitive Agreement signed by authorized representatives of both Parties. Until then, either Party may discontinue discussions at any time.

4. Confidentiality

4.1 Definition. "Confidential Information" means non-public information disclosed by one Party (the "Disclosing Party") to the other (the "Receiving Party") in connection with the Proposed Transaction that is marked confidential or that a reasonable person would understand to be confidential given its nature and the circumstances of disclosure, including the existence and terms of these discussions.

4.2 Obligations. The Receiving Party will: (a) use Confidential Information only to evaluate and pursue the Proposed Transaction; (b) protect it using at least the same care it uses for its own confidential information, and no less than reasonable care; and (c) disclose it only to its personnel and advisors who need it and are bound by confidentiality obligations at least as protective as these.

4.3 Exclusions. Confidentiality obligations do not apply to information that: (a) is or becomes public through no fault of the Receiving Party; (b) was rightfully known to the Receiving Party without restriction before disclosure; (c) is rightfully obtained from a third party without restriction; or (d) is independently developed without use of the Confidential Information.

4.4 Compelled disclosure. The Receiving Party may disclose Confidential Information to the extent required by law or court order, provided it gives the Disclosing Party prompt written notice (where legally permitted) and reasonable cooperation to seek protective treatment.

5. Exclusivity

5.1 Exclusive negotiation period. From the Effective Date until [NUMBER, e.g. 60] days after it (the "Exclusivity Period"), each Party will negotiate the Proposed Transaction exclusively with the other and will not solicit, encourage, or enter into discussions with any third party regarding a competing transaction of substantially the same nature.

5.2 Optional provision. If the Parties do not want an exclusivity commitment, delete this Section 5 and remove the reference to it in Section 3.1. If retained, the Parties may extend the Exclusivity Period only by written agreement.

6. Term and Termination

6.1 Term. This MOU begins on the Effective Date and continues until the earliest of: (a) execution of a Definitive Agreement; (b) [NUMBER, e.g. 90] days after the Effective Date; or (c) termination under Section 6.2.

6.2 Termination. Either Party may terminate this MOU at any time on written notice to the other. Termination does not create liability for the discontinued discussions.

6.3 Survival. Sections 4 (Confidentiality), 7 (Public Statements), and 9 (General Provisions) survive termination of this MOU, along with any other provision that by its nature should survive.

7. Public Statements

7.1 No announcements. Neither Party will issue a press release or public statement about the Proposed Transaction or this MOU without the other Party's prior written consent, except as required by law.

7.2 Use of names and marks. Neither Party may use the other Party's name, logos, or trademarks in marketing or promotional materials without prior written consent.

8. Good-Faith Discussions

8.1 Cooperation. The Parties will discuss the Proposed Transaction in good faith, share information reasonably necessary to evaluate it, and designate points of contact to coordinate next steps.

8.2 No guarantee of outcome. Good-faith discussion does not obligate either Party to agree to any particular term or to reach a Definitive Agreement.

9. General Provisions

9.1 Relationship of the Parties. The Parties are independent. Nothing in this MOU creates a partnership, joint venture, agency, or employment relationship, and neither Party may bind or incur obligations on behalf of the other.

9.2 Governing law and venue. This MOU is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

9.3 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

9.4 Entire understanding; amendment. This MOU is the entire understanding of the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

9.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

9.6 Counterparts and electronic signature. This MOU may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one document.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the Effective Date.

PARTY A

PARTY B

Signature: _____

Signature: _____

Printed name: [NAME]

Printed name: [NAME]

Title: **[TITLE]**

Title: **[TITLE]**

Date: _____

Date: _____

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