**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (referred to as the "**MOU**"), dated [DATE], sets forth the key terms and conditions between [BUYER NAME], a [STATE] [ENTITY TYPE] (the "**Buyer**"), and [SELLER NAME], a [STATE] [ENTITY TYPE] (the "**Seller**") regarding the proposed [sale of [DESCRIPTION OF GOODS]] and/or [provision of [DESCRIPTION OF SERVICES]] (the "**Proposed Transaction**"). The Buyer and the Seller are each referred to individually as a "**Party**" and collectively as the "**Parties**".

1. **NONBINDING NATURE**

This MOU is for discussion purposes only and does not create a legally binding or enforceable agreement between the Parties, except for Section 3, which shall be binding on the Parties in accordance with its terms. The Parties acknowledge that any definitive rights and obligations regarding the Proposed Transaction will be subject to the execution of a formal written agreement ("**Definitive Agreement**").

1. **UNDERSTANDING OF PROPOSED TRANSACTION**
	1. This Section 2 sets forth the nonbinding understandings of the Parties regarding the Proposed Transaction. The Parties currently intend for the Buyer to purchase, and the Seller to [sell/provide] the [products/services] under terms and conditions [[substantially] similar to those] outlined in this Section 2. These terms are based on information presently available and do not represent all material terms of the Proposed Transaction but serve as a framework for negotiating the Definitive Agreement.
	2. The Parties intend to negotiate a formal written agreement (the "**Definitive Agreement**") to govern the Proposed Transaction. No binding obligations shall arise unless and until the Definitive Agreement is executed by both Parties.
	3. [Price. The anticipated price for the [goods/services] is $[PRICE].]
	4. [Quantity. The estimated quantity of goods to be purchased is [QUANTITY].]
	5. [Specifications. The proposed specifications for the goods are [SPECIFICATIONS].]
	6. The Definitive Agreement will include customary covenants, conditions, indemnities, representations, and warranties, as mutually agreed by the Parties.
2. **BINDING AGREEMENTS**
	1. This Section 3 constitutes a legally binding and enforceable agreement between the Parties. In recognition of the time and expenses involved in pursuing the Proposed Transaction and negotiating the Definitive Agreement, the Parties agree as follows:
		1. the Parties shall negotiate in good faith and use their [reasonable/best] efforts to finalize and execute the Definitive Agreement as soon as practicable;
		2. the Proposed Transaction is subject to the [Buyer’s/Parties’] completion of a due diligence investigation. [The Seller/Each Party] agrees to provide reasonable access to relevant information and personnel as requested by [the Buyer/other Party] to facilitate the investigation. The [Buyer/Parties] shall complete [its/their] due diligence within [NUMBER] [days/months] from the date of this MOU; and
		3. each Party shall bear its own costs and expenses incurred in connection with the Proposed Transaction, including but not limited to: (i) fulfilling its obligations under this MOU; [(ii) conducting due diligence, and (iii)/ and (ii)] negotiating and drafting the Definitive Agreement.
3. **CONFIDENTIALITY**
	1. During the term of this MOU, [the Seller/either Party] (the "**Disclosing Party**") may provide the [Buyer/other Party] (the "**Receiving Party**") with access to confidential or proprietary information, including business operations, products, services, intellectual property, trade secrets, third party confidential information, and other sensitive materials, whether disclosed orally, in writing, electronically, or in any other form (collectively, "**Confidential Information**").
	2. Confidential Information does not include information that, as demonstrated by documentary evidence:
		1. is or becomes publicly available other than due to a breach of this Section by the Receiving Party or its representatives;
		2. is lawfully obtained by the Receiving Party from a third party without restriction on disclosure;
		3. was known to or in the Receiving Party’s possession prior to disclosure by the Disclosing Party;
		4. is independently developed by the Receiving Party without reference to or use of the Disclosing Party’s Confidential Information; or
		5. must be disclosed under applicable law, regulation, or a valid court or governmental order, provided the Receiving Party gives prompt notice and cooperates to limit the disclosure to the extent legally permissible.
	3. The Receiving Party shall:
		1. protect the confidentiality of the Disclosing Party’s Confidential Information using at least the same degree of care as it uses for its own similar information, but no less than a commercially reasonable level of care;
		2. use the Confidential Information solely for purposes of exercising its rights or fulfilling its obligations under this MOU; and
		3. restrict disclosure to its representatives who need access to perform obligations under this MOU, ensuring they comply with the confidentiality obligations herein. The Receiving Party is responsible for any breach of this Section by its representatives.
4. **TERM AND TERMINATION**

This MOU shall remain in effect until the execution of the Definitive Agreement. Either Party may terminate this MOU after [NUMBER] [months/days] from the date of this MOU without any obligation or liability to the other Party. However, Section 4 (Confidentiality), Section 6 (Governing Law), Section 7 (No Third Party Beneficiaries), Section 8 (Assignment) and Section 9 (Counterparts) shall survive termination and remain in full force and effect.

1. **GOVERNING LAW**

This MOU shall be governed by and construed in accordance with the internal laws of the State of Iowa, without regard to any choice or conflict of law provisions that would result in the application of the laws of another jurisdiction.

1. **NO** **THIRD PARTY BENEFICIARIES**

This MOU is for the sole benefit of the Parties and their respective successors and assigns. Nothing in this MOU shall be construed to grant any rights or remedies to any third party.

1. **ASSIGNMENT**

Neither Party may assign, delegate, or transfer any rights or obligations under this MOU without the prior written consent of the other Party. Any attempted assignment in violation of this provision shall be null and void.

1. **COUNTERPARTS**

This MOU may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**[**SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties have executed this MOU as of the date first written above.

[BUYER NAME]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[SELLER NAME]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_