

Capital MoU Structure for Joint Venture Agreements

This Memorandum of Understanding ("MoU") is entered into as of [Date], by and between [Party A Name], with its principal place of business at [Address], and [Party B Name], with its principal place of business at [Address]. The parties intend this MoU to outline the framework for a potential joint venture agreement and related capital commitments.

1. Purpose

The primary purpose of this MoU is to establish the basis upon which the parties will collaborate to form a joint venture, providing clarity regarding intended contributions, roles, responsibilities, and the capital structure to be agreed upon in the definitive joint venture agreement.

2. Capital Commitments

1. Each party agrees in principle to provide initial capital contributions as follows:
 - o [Party A]: [Amount/Percentage]
 - o [Party B]: [Amount/Percentage]
2. The proportion of ownership and profit/loss sharing in the joint venture will be based on the final agreed capital contributions of the parties.
3. Any subsequent capital requirements will be negotiated and documented in the definitive agreement.

3. Roles and Responsibilities

1. Each party shall undertake responsibilities as may be outlined in further detail in the final agreement, subject to mutual consent.
2. Key management, decision-making processes, and governance mechanisms will be included in the final joint venture agreement.

4. Confidentiality

The parties agree to maintain confidentiality regarding any proprietary information disclosed during discussions and negotiations. This obligation will remain binding, whether or not the joint venture is ultimately formed.

5. Non-Binding Effect

This MoU is intended as a statement of mutual understanding and is not legally binding except for the confidentiality and exclusivity provisions. The joint venture will not be created until a definitive agreement is executed by both parties.

6. Timeline

The parties aim to negotiate and execute the definitive joint venture agreement within [Timeframe] from the date of this MoU.

7. Governing Law

This MoU shall be governed by and construed in accordance with the laws of [Jurisdiction].

Signatures

[Party A Name & Title]

[Party B Name & Title]

Important Notes:

- A Capital MoU is typically non-binding, except for confidentiality and exclusivity clauses.
- Detailed terms, including capital structure and governance, will be finalized in the definitive agreement.
- Ensure that all capital contributions and ownership percentages are clearly discussed before signing the MoU.
- Always consult legal counsel when drafting or entering into MoUs or joint venture agreements.