

Memorandum of Understanding between two Companies on Use of a Particular Facility

This is an agreement between two independent companies seeking to use the same facility. Thus, the two parties have to reach an agreement which will be acceptable to the owner of the facility.

The Agreement

The two parties, DEF and WXY, seek to use the facility owned by The Building Company.

The assumption is being made that The Building Company has no opposition to having the building used by the two companies. However, The Building Company is desirous of knowing if one or both companies are going to provide insurance and assurance that upon the at the end of the and use of the building that it will be left in same condition as it was at the time the lease agreement was executed.

Either of the parties, renting the building can provide insurance for the operations, or the two and secure a bond that would cover damages and excessive wear and tear on the building.

The owner of the building shall have the right to state the limits of insurance his desires and how it is to be obtained. Regardless of any of these issues, both DEF and WXY will be equality liable for any damage to the building, surrounding property and any nearby structures, whether or not they are owned by The Building Company.

The two companies agree, by virtue of this document that they wish to rent the exclusive use of the building for _____ (90 days, six months, or one year, etc.).

The two companies agree to sign a separate rental agreement setting forth terms regarding how the building may be used, the amount of insurance required and the number of people that will be working in the building, and he anticipated hours of operation.

By virtue of this provision stated in this document the two companies, acknowledge and agree to comply with all local laws regarding activities close to the building, such as traffic issues, and waste disposal.

Utilities, such as electricity, water, and sewerage and trash collection will be stated in the rental agreement regarding whether the owner will continue to provide such services and pass on the cost to the tenants, or require the tenants to have the utility services transferred to their name for the duration of the rental period.

Failure of the tenants to comply will all appropriate laws and making timely payments of rent, shall be subject to eviction with notice not to exceed 10 days.

It shall be noted in the actual rental agreement; no structural or ascetic changes will be made to the building without the written consent of the owner.

A lease prepared by the owner should be attached to this document, and both documents should be signed in the presence of a notary public or an attorney with notary privileges.

By doing so the owner of the property and the two companies will be aware of all previsions, limitations and time factors associated with the temporary use of the building.

Signed:

Representative of ABC Company

Representative of XYZ Company