



# NOCTURNALS SOFTWARE SOLUTIONS

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## INTELLECTUAL PROPERTY AGREEMENT

### 1. PARTIES

This Intellectual Property Agreement ("Agreement") is entered into on \_\_\_\_\_ ("Effective Date") between:

**Developer:** Nocturnals Software Solutions, a company incorporated in Kenya, with its principal place of business at Prosperity House, Westlands Road, Nairobi, Kenya ("Developer" or "Company").

**Client:** \_\_\_\_\_, a \_\_\_\_\_, with its principal place of business at \_\_\_\_\_ ("Client").

Developer and Client are collectively referred to as the "Parties" and individually as a "Party."

## **2. SCOPE OF WORK**

This Agreement governs the intellectual property rights in and to the software, applications, systems, and related deliverables ("Work Product") developed by Developer for Client pursuant to the Software Development Agreement dated \_\_\_\_\_ ("Development Agreement").

The Work Product includes, but is not limited to:

- Source code, object code, and compiled applications
- Documentation, technical specifications, and user manuals
- Database schemas, configurations, and data structures
- Custom algorithms, methodologies, and proprietary processes
- User interfaces, designs, and graphical elements
- Any modifications, enhancements, or derivative works

## **3. PAYMENT TERMS**

All payment terms and conditions are as specified in the Development Agreement. The intellectual property rights and licenses granted under this Agreement are contingent upon Client's full and timely payment of all amounts due under the Development Agreement.

In the event of non-payment or breach of payment obligations, Developer reserves the right to suspend or revoke the licenses granted herein until such time as all outstanding amounts are paid in full.

## 4. INTELLECTUAL PROPERTY OWNERSHIP

### 4.1 Default Ownership

Unless otherwise expressly agreed in writing, Developer retains all right, title, and interest in and to the Work Product, including all intellectual property rights, copyrights, patents, trade secrets, and proprietary information.

### 4.2 License Grant

Upon full payment of all amounts due under the Development Agreement, Developer hereby grants to Client a **non-exclusive, perpetual, worldwide, royalty-free license** to use, modify, and distribute the Work Product for Client's internal business purposes and for the purposes for which the Work Product was developed.

This license includes the right to:

- Use the Work Product in Client's business operations
- Make modifications and customizations for Client's use
- Create derivative works based on the Work Product
- Distribute the Work Product to Client's end users, customers, or affiliates

#### **Notwithstanding the foregoing, Client may not:**

- Resell, sublicense, or otherwise commercialize the Work Product as a standalone product
- Reverse engineer, decompile, or disassemble the Work Product except as permitted by applicable law
- Remove or alter any proprietary notices or markings

### 4.3 Intellectual Property Transfer

Any transfer of ownership of intellectual property rights from Developer to Client requires:

1. A written agreement explicitly stating the transfer of ownership
2. Additional compensation to Developer, to be negotiated and agreed upon separately
3. Full payment of all amounts due under the Development Agreement

In the absence of such written agreement and additional compensation, Developer retains all ownership rights as set forth in Section 4.1.

Developer retains all rights in and to any pre-existing intellectual property, tools, frameworks, libraries, methodologies, or know-how that Developer owned or developed prior to this Agreement or independently of this Agreement. Nothing in this Agreement shall be construed as transferring any rights in Developer's pre-existing intellectual property to Client.

## 5. CONFIDENTIALITY

Both Parties acknowledge that they may have access to confidential and proprietary information of the other Party. Each Party agrees to:

- Maintain the confidentiality of all confidential information received from the other Party
- Use such confidential information solely for the purposes of this Agreement
- Not disclose confidential information to any third party without prior written consent
- Return or destroy all confidential information upon termination of this Agreement

Confidential information includes, but is not limited to, source code, business plans, financial information, customer lists, technical specifications, and any information marked as confidential.

This obligation of confidentiality shall survive termination of this Agreement and shall continue for a period of five (5) years from the date of disclosure.

## **6. SOURCE CODE & REPOSITORY ACCESS**

### **6.1 Repository Access**

Developer may, at its discretion, provide Client with access to source code repositories, version control systems, or development environments. Such access is provided for review, collaboration, and quality assurance purposes only.

### **6.2 Source Code Delivery**

Upon full payment and completion of the project, Developer will deliver the source code to Client in a format and manner agreed upon by both Parties. Delivery may include:

- Access credentials to private repositories
- Compressed archives containing source code files
- Documentation and build instructions

### **6.3 Source Code Maintenance**

Unless otherwise agreed in a separate maintenance agreement, Developer is not obligated to maintain, update, or support the source code after delivery. Any ongoing maintenance, updates, or support shall be subject to a separate agreement and additional fees.

## **7. THIRD-PARTY SOFTWARE**

The Work Product may incorporate third-party software, libraries, frameworks, or components ("Third-Party Software"). Client acknowledges that:

- Third-Party Software is subject to its own license terms and conditions
- Client is responsible for compliance with all applicable third-party licenses
- Developer makes no representations or warranties regarding Third-Party Software
- Some Third-Party Software may require separate licensing or payment by Client

Developer will provide Client with a list of all Third-Party Software used in the Work Product, along with applicable license information, upon request.

## **8. WARRANTIES & LIMITATION OF LIABILITY**

### **8.1 Warranties**

Developer warrants that:

- The Work Product does not infringe upon any third-party intellectual property rights
- Developer has the right to grant the licenses set forth in this Agreement
- The Work Product will perform substantially in accordance with the specifications agreed upon in the Development Agreement

### **8.2 Limitation of Liability**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, DEVELOPER'S TOTAL LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CLIENT TO DEVELOPER UNDER THE DEVELOPMENT AGREEMENT.

IN NO EVENT SHALL DEVELOPER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, DATA, OR BUSINESS OPPORTUNITIES, REGARDLESS OF THE THEORY OF LIABILITY.

### **8.3 Disclaimer**

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE WORK PRODUCT IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.

## **9. TERMINATION**

This Agreement may be terminated:

- By mutual written consent of both Parties
- By either Party upon material breach by the other Party, provided that the breaching Party fails to cure such breach within thirty (30) days after written notice
- Immediately by Developer upon Client's failure to make payment as required under the Development Agreement

Upon termination:

- All licenses granted hereunder shall immediately cease, except as necessary for Client to use previously delivered Work Product
- Each Party shall return or destroy all confidential information of the other Party
- Sections 4 (Intellectual Property Ownership), 5 (Confidentiality), 8 (Warranties & Limitation of Liability), and 10 (Governing Law & Jurisdiction) shall survive termination

## **10. GOVERNING LAW & JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the Republic of Kenya, without regard to its conflict of law principles.

Any disputes arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of Nairobi, Kenya. The Parties agree to submit to the personal jurisdiction of such courts and waive any objection to venue in such courts.

In the event of any dispute, the Parties agree to first attempt to resolve the matter through good faith negotiation. If such negotiation fails, the Parties may agree to mediation before resorting to litigation.

## **11. SIGNATURES**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Electronic signatures and facsimile signatures shall be deemed valid and binding.

By signing below, each Party acknowledges that they have read, understood, and agree to be bound by the terms and conditions of this Agreement.

**DEVELOPER:**

Nocturnals Software Solutions

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Signature: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

**CLIENT:**

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Signature: \_\_\_\_\_

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

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

Date: \_\_\_\_\_