

# STRATEGIC PARTNERSHIP OPERATIONAL CONTRACT

## PARTIES

This Strategic Partnership Operational Contract ("Agreement") is entered into on January 22, 2024, by and between:

NEXUS INTELLIGENT SYSTEMS, INC., a Delaware corporation with principal offices at 1200 Innovation Drive, San Francisco, CA 94105 ("Nexus")

AND

INNOVATENOW INC., a California corporation with principal offices at 500 Technology Boulevard, San Jose, CA 95134 ("InnovateNow")

## RECITALS

WHEREAS, Nexus is a leading enterprise AI services provider specializing in predictive analytics and intelligent automation solutions;

WHEREAS, InnovateNow possesses complementary technological capabilities in machine learning and enterprise digital transformation;

WHEREAS, both parties desire to establish a strategic partnership to enhance their respective market positions and technological capabilities;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

## 1. DEFINITIONS

1 "Confidential Information" shall mean all proprietary technical, financial, and strategic information exchanged between parties during the partnership.

2 "Joint Intellectual Property" shall mean any innovations, patents, or technological developments created collaboratively during the partnership term.

3 "Strategic Technologies" shall refer to the AI-powered predictive maintenance platforms and machine learning diagnostic tools developed by Nexus.

## **2. PARTNERSHIP SCOPE**

### **1 Partnership Objectives**

The parties shall collaborate to:

- a) Develop integrated AI-driven solutions for enterprise digital transformation
- b) Cross-market complementary technological offerings
- c) Share research and development insights
- d) Explore joint market expansion opportunities

### **2 Technology Integration**

Nexus and InnovateNow shall:

- Conduct quarterly technology integration workshops
- Share API access for seamless platform interoperability
- Develop joint proof-of-concept projects in target industries

## **3. FINANCIAL ARRANGEMENTS**

### **1 Revenue Sharing**

- Initial joint solution sales shall be split 60/40 in favor of the lead technology provider
- Collaborative project revenues will be distributed based on individual contribution percentages
- Annual revenue sharing reconciliation will occur within 30 days of fiscal year-end

### **2 Investment Commitments**

Each party commits:

- Minimum \$250,000 annual investment in joint R&D initiatives
- Dedicated technical resources for collaborative projects
- Quarterly financial reporting on partnership performance

## **4. INTELLECTUAL PROPERTY**

### **1 Ownership**

- Pre-existing intellectual property remains with the originating party
- Joint Intellectual Property will be co-owned with equal rights
- Derivative works must receive mutual written approval

## 2 Licensing

- Non-exclusive, worldwide license for jointly developed technologies
- Royalty-free internal use of collaborative innovations
- Third-party commercialization requires separate negotiated agreement

## 5. CONFIDENTIALITY

### 1 Protection Standards

Both parties shall:

- Maintain strictest confidentiality of shared information
- Implement enterprise-grade security protocols
- Restrict access to authorized personnel only
- Provide immediate breach notification

### 2 Duration

Confidentiality obligations persist for five (5) years post-contract termination.

## 6. TERM AND TERMINATION

### 1 Initial Term

This Agreement shall commence on execution date and continue for an initial period of three (3) years.

### 2 Renewal

Automatic one-year renewals unless either party provides 90-day written termination notice.

### 3 Termination Conditions

Immediate termination may occur upon:

- Material breach of contractual obligations
- Persistent failure to meet collaborative performance metrics
- Fundamental change in corporate strategy incompatible with partnership goals

## 7. DISPUTE RESOLUTION

### 1 Mediation

Any disputes shall first undergo mandatory mediation in San Francisco, California.

## 2 Arbitration

Unresolved conflicts will be settled through binding arbitration under American Arbitration Association rules.

## 8. MISCELLANEOUS PROVISIONS

### 1 Force Majeure

Neither party shall be liable for delays caused by extraordinary circumstances beyond reasonable control.

### 2 Entire Agreement

This document constitutes the complete understanding between parties, superseding all prior negotiations.

## SIGNATURES

IN WITNESS WHEREOF, the authorized representatives execute this Agreement:

For Nexus Intelligent Systems, Inc.

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Dr. Elena Rodriguez, CEO

Date: January 22, 2024

For InnovateNow Inc.

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Jonathan Reyes, President

Date: January 22, 2024