AI Solution Prototype Development Agreement

PARTIES

This AI Solution Prototype Development Agreement (the "Agreement") is entered into as of January 22, 2024 (the "Effective Date") by and between:

NEXUS INTELLIGENT SYSTEMS, INC., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134 ("Nexus")

AND

[DEVELOPMENT PARTNER NAME], a [STATE] corporation with principal offices at [ADDRESS] (the "Developer")

RECITALS

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

WHEREAS, Nexus seeks to develop an advanced AI-powered predictive maintenance prototype for industrial applications;

WHEREAS, the Developer possesses specialized technical expertise in machine learning and prototype development;

WHEREAS, the parties desire to collaborate on the development of a specific AI solution prototype;

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

1. DEFINITIONS

1 "Prototype" shall mean the AI-powered predictive maintenance platform to be developed under this Agreement, specifically designed for industrial equipment diagnostics and maintenance optimization.

2 "Confidential Information" shall include all technical specifications, algorithms, source code, business strategies, and proprietary information exchanged during the prototype development process.

3 "Intellectual Property" shall mean all patents, copyrights, trade secrets, and other proprietary rights related to the Prototype.

2. SCOPE OF WORK

1 Project Objectives

The Developer shall design, develop, and deliver a fully functional AI solution prototype with the following core specifications:

a) Predictive maintenance capabilities for industrial equipment

b) Machine learning-driven diagnostic algorithms

c) Real-time performance monitoring and anomaly detection

d) Scalable architecture supporting multiple industrial sector applications

2 Development Milestones

The prototype development shall proceed through the following key milestones:

- Phase 1: Requirement Analysis and Technical Design (60 days)

- Phase 2: Initial Prototype Development (90 days)

- Phase 3: Testing and Validation (45 days)

- Phase 4: Final Prototype Delivery and Documentation (30 days)

3. COMPENSATION AND PAYMENT TERMS

1 Total Project Budget

The total project budget shall be $375,000, payable as follows:

- 25% upon contract execution

- 25% upon completion of Phase 2

- 25% upon successful testing completion

- 25% upon final prototype delivery and acceptance

2 Payment Method

Payments shall be made via wire transfer to the Developer's designated bank account within 15 business days of milestone completion and Nexus's written approval.

4. INTELLECTUAL PROPERTY RIGHTS

1 Ownership

All Intellectual Property developed during the prototype creation shall be exclusively owned by Nexus, including but not limited to source code, algorithms, and derivative works.

2 License Grant

The Developer grants Nexus a perpetual, worldwide, royalty-free license to use, modify, and distribute the Prototype.

5. CONFIDENTIALITY

1 Confidentiality Obligations

Both parties agree to maintain strict confidentiality regarding all shared information, using no less than reasonable commercial standards of protection.

2 Exclusions

Confidentiality obligations shall not apply to information:

a) Already publicly available

b) Independently developed without use of the other party's Confidential Information

c) Received from a third party without breach of confidentiality obligations

6. WARRANTY AND REPRESENTATIONS

1 Developer Warranties

The Developer represents and warrants that:

- The Prototype will meet agreed technical specifications

- All developed code will be original and free of third-party encumbrances

- The solution will not infringe upon any existing intellectual property rights

7. TERMINATION

1 Termination Rights

Either party may terminate this Agreement with 30 days written notice if the other party materially breaches its obligations.

2 Effects of Termination

Upon termination, the Developer shall:

- Deliver all completed work products

- Transfer all relevant documentation

- Cease using any Nexus Confidential Information

8. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California, with exclusive jurisdiction in Santa Clara County.

9. SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

NEXUS INTELLIGENT SYSTEMS, INC.

By:

Dr. Elena Rodriguez

Chief Executive Officer

DEVELOPER

By:

[Authorized Representative Name]

[Title]