

AI Solution Implementation Contract

PARTIES

This Artificial Intelligence Solution Implementation Contract (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 ("Provider")

AND

[CLIENT NAME], a [STATE] corporation with principal offices at [ADDRESS] ("Client")

RECITALS

WHEREAS, Provider specializes in advanced artificial intelligence solutions for enterprise digital transformation;

WHEREAS, Client desires to implement a comprehensive AI-powered predictive maintenance platform;

WHEREAS, the parties wish to define their respective rights and obligations in connection with the implementation of said AI solution;

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

1. DEFINITIONS

1 "AI Solution" shall mean the proprietary machine learning diagnostic platform developed by Provider, specifically configured for Client's operational requirements.

2 "Confidential Information" shall include all technical specifications, algorithmic designs, performance metrics, and implementation strategies disclosed during the project.

3 "Implementation Period" shall be the twelve (12) month period commencing upon contract execution.

2. SCOPE OF SERVICES

1 Platform Deployment

Provider shall:

- Configure custom AI predictive maintenance algorithms
- Integrate solution with Client's existing technological infrastructure
- Provide comprehensive system documentation
- Deliver training for Client's technical personnel

2 Performance Specifications

The AI Solution shall:

- Achieve minimum 92% predictive accuracy for equipment failure scenarios
- Support real-time data processing across minimum three (3) concurrent industrial domains
- Demonstrate machine learning adaptation capabilities within six (6) months of initial deployment

3. FINANCIAL TERMS

1 Compensation

- Initial Implementation Fee: \$475,000
- Annual Maintenance and Support: \$185,000
- Performance Bonus: Up to \$250,000 based on achieved predictive accuracy metrics

2 Payment Schedule

- 30% upon contract execution
- 40% upon successful initial system configuration
- 30% upon final acceptance testing

4. INTELLECTUAL PROPERTY

1 Ownership

- Provider retains all underlying algorithmic intellectual property
- Client receives perpetual, non-exclusive license for implemented solution

2 Derivative Works

Any modifications or enhancements developed specifically for Client shall be jointly owned, with Provider retaining primary development rights.

5. WARRANTY AND PERFORMANCE GUARANTEES

1 Technical Warranty

Provider warrants the AI Solution will:

- Meet specified performance metrics
- Operate without material defects
- Comply with industry standard security protocols

2 Remedy Provisions

In event of non-performance, Provider shall:

- Provide immediate diagnostic support
- Implement corrective modifications
- Offer service credits up to 25% of annual contract value

6. CONFIDENTIALITY

1 Mutual Non-Disclosure

Both parties agree to:

- Protect all exchanged proprietary information
- Limit disclosure to essential personnel
- Maintain confidentiality for five (5) years post-contract termination

7. LIMITATION OF LIABILITY

1 Maximum Liability

Total aggregate liability shall not exceed the total contract value of \$910,000.

2 Exclusions

Provider shall not be liable for:

- Damages resulting from Client's improper system usage
- Consequential or indirect economic losses
- Performance issues arising from unauthorized system modifications

8. TERMINATION

1 Termination Rights

Either party may terminate for:

- Material breach with thirty (30) day cure period
- Persistent performance failures
- Mutual written agreement

9. GOVERNING LAW

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

10. 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

[CLIENT SIGNATURE BLOCK]

Dated: January 22, 2024