

**DRAFT**

# MANAGED AI SERVICES AGREEMENT

AI Workforce Intelligence Deployment — Default

Between: VeloXP LLC and Simplicity Media Group

Effective Date: 2026-04-24

Engagement Tier: Enterprise

## 1. Services

VeloXP LLC ("VeloXP" or "Provider") will deploy, operate, and manage the AI workforce described in the attached Statement of Work ("SOW") for Simplicity Media Group ("Client"). The Enterprise engagement includes up to 5 AI agents operating as an integrated workforce across Client's business operations.

VeloXP commits to deploying Phase 1 agents within thirty (30) calendar days of execution of this Agreement and receipt of all required onboarding materials, system access credentials, and client participation in initial configuration workshops.

The parties acknowledge that while the AI workforce is designed to improve operational efficiency, VeloXP does not guarantee specific financial outcomes, revenue increases, or cost savings. Performance depends on data quality, system access, and client engagement with the platform.

## 1A. Platform Architecture

The AI workforce deployed for Simplicity Media Group operates on VeloXP's proprietary three-layer architecture. This is not a chatbot, a plugin suite, or an automation tool. It is a vertically integrated intelligence platform purpose-built for operational execution.

### Layer 1: Industry World Model

VeloXP maintains a proprietary industry model trained on anonymized operational patterns from the default sector. This model encodes standard workflows, compliance requirements, regulatory patterns, common failure modes, and performance benchmarks specific to the industry. Every agent deployed for Simplicity Media Group inherits this baseline intelligence, meaning they arrive on Day 1 already understanding how a default business operates.

### Layer 2: Intelligence Layer

On top of the industry model sits Simplicity Media Group's firm-specific intelligence layer. This includes container-isolated memory systems that learn from every interaction, self-improving feedback loops that refine agent behavior based on corrections and approvals, and contextual understanding of Simplicity Media Group's specific processes, preferences, and operational patterns. Each agent's memory is isolated per client with zero cross-client data access.

### Layer 3: Human Interface Layer

The human interface layer ensures that AI agents operate within defined boundaries. This includes QA gates requiring human approval for all material actions, reporting chains that mirror Simplicity Media Group's organizational structure, escalation protocols for edge cases and exceptions, and audit trails for every agent action. No agent acts autonomously on decisions that carry financial, legal, or reputational risk.

### Competitive Moat

As Simplicity Media Group uses the platform, the Intelligence Layer compounds. Agent accuracy improves. Workflow efficiency increases. The gap between Simplicity Media Group's operational capability and competitors without AI infrastructure widens over time. This compounding effect is the core value proposition of the platform and the primary reason VeloXP structures engagements as long-term partnerships rather than project-based deployments.

## 2. Client Responsibilities

Simplicity Media Group agrees to the following responsibilities to ensure successful deployment and operation of the AI workforce:

- Provide system access and API credentials for all required platforms within the onboarding window (first 14 calendar days after execution)
- Designate qualified QA reviewers for each department or function covered by the AI workforce
- Respond to agent escalations and approval requests within two (2) business days
- Ensure accuracy and completeness of data in all connected systems

- Participate in onboarding workshops and agent training sessions as scheduled
- Provide constructive feedback to improve agent accuracy and operational alignment
- Notify VeloXP promptly of any changes to business processes, systems, or organizational structure that may affect agent operations

### 3. Fees and Payment

#### Fee Schedule

Item	Amount	Frequency
Platform Setup & Configuration	\$7,500	One-time
Managed AI Operations	\$5,000/month	Monthly
Per-Agent Rate	\$1,000/agent/month	Monthly
API & Model Usage (Pass-Through)	\$500-\$1,000/month (est.)	Monthly
CTO-as-a-Service	\$250/hour (4-10 hrs/month)	Monthly

#### Billing Terms

- The Platform Setup & Configuration fee of \$7,500 is due upon execution of this Agreement.
- The monthly retainer of \$5,000 is billed on the first (1st) of each month, payable within thirty (30) days of invoice date.
- API and model usage costs are billed monthly in arrears with a detailed usage report.
- Late payments accrue interest at a rate of one and one-half percent (1.5%) per month on the outstanding balance, beginning thirty (30) days after the invoice due date.
- All fees are in United States Dollars (USD).

CTO-as-a-Service hours are billed monthly in arrears based on actual hours consumed. Unused hours do not roll over. Hours exceeding the estimated range require prior written approval.

### 4. Term and Termination

#### Term

This Agreement commences on the Effective Date and continues for an initial term of twelve (12) months (the "Initial Term"). Upon expiration of the Initial Term, this Agreement will automatically renew for successive twelve (12) month periods (each a "Renewal Term") unless either party provides written notice of non-renewal at least ninety (90) days before the end of the then-current term.

#### Termination for Convenience

Either party may terminate this Agreement for convenience by providing ninety (90) days' written notice to the other party.

#### Termination for Cause

Either party may terminate this Agreement for cause if the other party materially breaches any provision and fails to cure such breach within thirty (30) days after receiving written notice specifying the breach.

## Immediate Termination

Either party may terminate this Agreement immediately upon written notice if the other party:

- Commits a material breach involving data security, confidentiality, or privacy obligations
- Becomes insolvent, files for bankruptcy, or has a receiver appointed for its assets
- Is subject to a confirmed data breach affecting the other party's data

## Effect of Termination

Upon termination, VeloXP will: (a) provide Simplicity Media Group with an export of all client data within thirty (30) days, (b) revoke all system credentials and access, (c) issue a final invoice for any outstanding fees through the termination date, and (d) delete all client data from VeloXP systems within thirty (30) days unless retention is required by law.

## 5. Intellectual Property

### VeloXP Ownership

VeloXP retains all right, title, and interest in the VeloXP platform, agent framework, industry models, proprietary algorithms, and all related intellectual property. Nothing in this Agreement transfers ownership of VeloXP's pre-existing or independently developed intellectual property.

### Client Ownership

Simplicity Media Group retains all right, title, and interest in: (a) all client data provided to or generated through the platform, (b) client-specific configurations and customizations, and (c) client brand assets and proprietary business information.

### Trained Models and Outputs

VeloXP owns all model weights, training methodologies, and algorithmic improvements. Simplicity Media Group receives a perpetual, non-exclusive license to all outputs generated by the AI workforce during the term of this Agreement.

## 6. Confidentiality

Each party ("Receiving Party") agrees to hold in confidence all non-public information disclosed by the other party ("Disclosing Party") in connection with this Agreement ("Confidential Information"). The Receiving Party will: (a) use Confidential Information only for purposes of this Agreement, (b) restrict access to personnel with a need to know, and (c) protect Confidential Information with at least the same degree of care used for its own confidential information, but no less than reasonable care.

### Exclusions

Confidential Information does not include information that:

- Is or becomes publicly available through no fault of the Receiving Party
- Was independently developed by the Receiving Party without use of Confidential Information
- Was rightfully received from a third party without restriction
- Is required to be disclosed by law, regulation, or court order, provided the Receiving Party gives prompt notice

Confidentiality obligations survive for two (2) years after termination of this Agreement. Upon termination, each party will return or destroy all Confidential Information of the other party.

## 7. Data Protection

VeloXP implements the following security measures to protect Client data:

- SOC 2 Type II alignment for all operational controls and processes
- Container isolation: Simplicity Media Group's data is partitioned in dedicated containers with zero cross-client access
- Encryption at rest (AES-256) and in transit (TLS 1.2+) for all data
- Role-based access controls (RBAC) with multi-factor authentication (MFA) required for all administrative access
- Comprehensive audit trail logging all agent actions, data access, and system changes
- Data deletion: all Simplicity Media Group data purged within thirty (30) days of termination unless retention is required by applicable law
- Incident response: notification to Client within forty-eight (48) hours of any confirmed security breach affecting Client data
- Subprocessor list provided upon request; thirty (30) days' advance notice before any changes to subprocessors handling Client data

## 8. Limitation of Liability

EXCEPT FOR OBLIGATIONS ARISING FROM INTELLECTUAL PROPERTY INFRINGEMENT, BREACH OF CONFIDENTIALITY, OR WILLFUL MISCONDUCT, NEITHER PARTY'S AGGREGATE LIABILITY UNDER THIS AGREEMENT SHALL EXCEED THE TOTAL FEES PAID BY CLIENT IN THE TWELVE (12) MONTHS PRECEDING THE CLAIM.

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, REVENUE, DATA, OR BUSINESS OPPORTUNITY, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE.

## 9. Indemnification

### VeloXP Indemnification

VeloXP will defend, indemnify, and hold harmless Simplicity Media Group from third-party claims arising from: (a) infringement of intellectual property rights by the VeloXP platform, or (b) VeloXP's breach of confidentiality obligations under this Agreement.

### Client Indemnification

Simplicity Media Group will defend, indemnify, and hold harmless VeloXP from third-party claims arising from: (a) Client data provided by Simplicity Media Group, (b) Client's use of the platform outside the scope permitted under this Agreement, or (c) Client's breach of confidentiality obligations.

### Procedure

The indemnified party must: (a) provide prompt written notice of any claim, (b) grant the indemnifying party sole control of the defense and settlement, and (c) provide reasonable cooperation at the indemnifying party's expense.

## 10. Force Majeure

Neither party shall be liable for failure or delay in performance caused by events beyond its reasonable control, including but not limited to natural disasters, pandemic, government action, war, terrorism, or critical infrastructure failure ("Force Majeure Event").

The affected party must provide prompt notice and undertake reasonable mitigation efforts. If a Force Majeure Event continues for more than ninety (90) days, either party may terminate this Agreement without penalty upon written notice.

## 12. Founding Partner Program

As a founding member of VeloXP's managed AI platform, Simplicity Media Group receives the following partnership benefits in recognition of its early adoption and contribution to platform development:

### Rate Lock

The monthly retainer rate is locked for twenty-four (24) months from the Effective Date. No rate increases will apply during this period regardless of expanded agent capabilities, model upgrades, or additional features deployed to the platform.

### Industry Advisory Council

Simplicity Media Group receives a seat on VeloXP's Industry Advisory Council for its vertical. Council members participate in quarterly product roadmap reviews, provide feedback on new features and capabilities, and have priority access to beta deployments.

### Subsidiary Equity

Simplicity Media Group will receive an equity stake in VeloXP's vertical-specific subsidiary. Equity vests over a twenty-four (24) month schedule with monthly vesting. Specific percentage and terms to be documented in a separate equity agreement executed concurrently.

### Co-Development Rights

Simplicity Media Group has right of first refusal on new features, capabilities, or agent types developed from Simplicity Media Group's operational data and usage patterns.

### Revenue Sharing

Simplicity Media Group will receive a percentage of revenue generated from anonymized pattern licensing derived from its operational data. Specific percentage and terms to be documented in a separate revenue sharing agreement executed concurrently.

### Advisory Council Obligations

In consideration of partnership benefits, Simplicity Media Group agrees to: (a) participate in quarterly advisory council meetings, (b) provide candid feedback on product roadmap and agent performance, and (c) participate as a case study for VeloXP marketing materials (subject to approval of specific content).

## 12. General Provisions

### Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles.

### Dispute Resolution

Any dispute arising under this Agreement shall be resolved first through good faith negotiation for a period of thirty (30) days, then through mediation, and if mediation fails, through binding arbitration administered by JAMS in Orange County, California.

### Entire Agreement

This Agreement, together with the attached SOW, constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, representations, and warranties, whether written or oral.

### Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

### Amendment

This Agreement may only be amended by a written instrument signed by authorized representatives of both parties.

### Assignment

Neither party may assign this Agreement without the prior written consent of the other party, except in connection with a merger, acquisition, or sale of substantially all of its assets.

### Notices

All notices under this Agreement must be in writing and delivered to the addresses set forth in this Agreement. Notices are effective upon receipt.

### Waiver

The failure of either party to enforce any provision of this Agreement shall not constitute a waiver of its right to enforce such provision in the future.

### Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original. Electronic signatures shall have the same legal effect as original signatures.

## Signature Block

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

### **VeloXP LLC**

### **Simplicity Media Group**

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

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

Printed Name: Max Koby

Printed Name: Authorized Representative

Title: Chief Executive Officer

Title: Authorized Signatory

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