

LETTER OF INTENT

CONFIDENTIAL

Date: _____, 2025

To: Chris Paradise, CEO/Owner
Digital Dynamics AI
225 N Jefferson Ave
Canonsburg, PA 15317

From: [INVESTOR/BUYER NAME]
[ADDRESS]
[CONTACT INFORMATION]

Re: Letter of Intent - Investment in/Acquisition of Digital Dynamics AI

INTRODUCTION

This Letter of Intent ("LOI") sets forth the preliminary terms and conditions under which [INVESTOR/BUYER NAME] ("Investor/Buyer") would be willing to [invest in/acquire] Digital Dynamics AI, a Delaware corporation ("Company"), including its KARIOS AI technology and related assets.

This LOI is intended to facilitate negotiations and due diligence activities. Except for the provisions specifically designated as binding, this LOI is non-binding and does not constitute a commitment to proceed with any transaction.

PROPOSED TRANSACTION STRUCTURE

[FOR INVESTMENT TRANSACTIONS]

Transaction Type: Equity Investment

Investment Amount: \$[AMOUNT] Billion

Equity Stake: [X]% of outstanding shares

Security Type: Series A Preferred Stock

Pre-Money Valuation: \$[AMOUNT] Billion

Post-Money Valuation: \$[AMOUNT] Billion

[FOR ACQUISITION TRANSACTIONS]

Transaction Type: Asset Purchase / Stock Purchase / Merger

Purchase Price: \$[AMOUNT] Billion

Payment Structure: [Cash/Stock/Combination]

Closing Date: [TARGET DATE]

Due Diligence Period: [X] days

KEY TERMS AND CONDITIONS

Investment/Purchase Price

- **Total Consideration:** \$[AMOUNT] Billion
- **Payment Method:** [Cash/Wire Transfer/Stock/Combination]
- **Escrow Requirements:** [If applicable]
- **Earnout Provisions:** [If applicable]

Governance and Control [FOR INVESTMENTS]

- **Board Representation:** [X] seats out of [Y] total board seats
- **Voting Rights:** Pro rata voting on all matters
- **Protective Provisions:** Standard investor protective provisions

- **Information Rights:** [Monthly/Quarterly] reporting and access

Key Personnel [FOR ACQUISITIONS]

- **Chris Paradise:** [Employment agreement terms]
- **Key Technical Staff:** [Retention packages and terms]
- **Non-Compete Agreements:** [Duration and scope]

Conditions Precedent

- Satisfactory completion of legal, financial, and technical due diligence
 - Execution of definitive agreements acceptable to both parties
 - Regulatory approvals (if required)
 - Third-party consents for material contracts
 - [Other specific conditions]
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DUE DILIGENCE

Scope of Due Diligence

Investor/Buyer shall have the right to conduct comprehensive due diligence including:

Legal Due Diligence: - Corporate organization and good standing - Material agreements and commitments - Intellectual property portfolio and protection - Litigation and regulatory compliance - Employment and labor matters

Financial Due Diligence: - Audited financial statements - Management accounts and projections - Revenue recognition and accounting policies - Tax compliance and optimization - Insurance coverage and risk management

Technical Due Diligence: - KARIOS AI technology validation and performance verification - Intellectual property freedom to operate analysis - Cybersecurity and data protection compliance - Scalability and technical architecture review - Competitive analysis and market positioning

Business Due Diligence: - Market opportunity and competitive landscape - Customer relationships and contracts - Strategic partnerships and alliances - Management team and organizational capabilities - Operational procedures and business processes

Due Diligence Timeline

- **Due Diligence Period:** [X] days from execution of this LOI
- **Management Presentations:** Within [X] days
- **Site Visits and Technical Demonstrations:** As mutually agreed
- **Expert Consultations:** Subject to confidentiality agreements

Due Diligence Standards

All due diligence activities shall be conducted in accordance with: - Professional standards and best practices - Minimal disruption to Company operations - Respect for confidentiality and competitive sensitivity - Cooperation and good faith by both parties

USE OF PROCEEDS [FOR INVESTMENTS]

Total Investment: \$[AMOUNT] Billion

Category	Allocation	Amount
Market Expansion	[X]%	\$(AMOUNT)
Technology Enhancement	[X]%	\$(AMOUNT)
Strategic Partnerships	[X]%	\$(AMOUNT)
Infrastructure Scaling	[X]%	\$(AMOUNT)
Working Capital	[X]%	\$(AMOUNT)

INTEGRATION PLANNING [FOR ACQUISITIONS]

Integration Approach

- **Integration Timeline:** [X] months post-closing
- **Organizational Structure:** [Subsidiary/Division/Full Integration]
- **Technology Integration:** [Standalone/Integrated Platform]
- **Brand Strategy:** [Maintain/Integrate/Rebrand]

Key Personnel Retention

- **Chris Paradise:** [Role and compensation in combined entity]
- **Technical Team:** [Retention incentives and career paths]
- **Sales and Business Development:** [Integration with existing teams]

Cultural Integration

- **Company Culture:** Preservation of innovation and entrepreneurial culture
 - **Decision Making:** [Autonomy levels and approval processes]
 - **Communication:** Regular updates and transparent integration process
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EXCLUSIVITY AND STANDSTILL

Exclusivity Period

For a period of [X] days from execution of this LOI ("Exclusivity Period"), Company agrees not to: - Solicit, encourage, or negotiate with other potential investors/buyers - Provide confidential information to other parties for similar purposes - Enter into discussions regarding competing transactions - Accept or consider alternative proposals

Standstill Provisions

During the Exclusivity Period, Investor/Buyer agrees not to: - Acquire Company securities except as contemplated herein - Solicit Company employees or business relationships - Make public announcements regarding potential transaction - Take any action that could disrupt Company operations

CONFIDENTIALITY

Confidentiality Obligations

This LOI and all related discussions are strictly confidential. Neither party may disclose: - Existence or terms of potential transaction - Confidential information received during due diligence - Financial or strategic information about the other party - Any non-public information without prior written consent

Public Announcements

No public announcements regarding potential transaction shall be made without mutual written consent, except as required by law or regulation.

BINDING PROVISIONS

The following provisions of this LOI are legally binding: - Confidentiality obligations - Exclusivity and standstill provisions - Expense reimbursement obligations - Governing law and dispute resolution - Termination provisions

All other provisions are non-binding expressions of intent subject to execution of definitive agreements.

EXPENSES AND FEES

Transaction Expenses

- Each party bears its own legal, accounting, and advisory fees
- [Company/Investor/Buyer] reimburses other party's expenses up to \$[AMOUNT] if transaction closes
- [Specify any break-up fees or expense reimbursement obligations]

Due Diligence Costs

- Each party bears costs of its own due diligence activities
 - Company provides reasonable cooperation at no additional cost
 - Extraordinary expenses subject to mutual agreement
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TERMINATION

Termination Events

This LOI may be terminated: - By mutual written consent - By either party if definitive agreements not executed within [X] days - By either party for material breach with [X] days cure period - Automatically upon expiration of Exclusivity Period

Effect of Termination

Upon termination: - Binding provisions continue in effect - All confidential information must be returned or destroyed - Parties released from non-binding obligations - No liability except for binding provision breaches

NEXT STEPS

Immediate Actions

1. **Execute this LOI** and begin exclusivity period
2. **Commence due diligence** activities within [X] days
3. **Schedule management presentations** and site visits
4. **Engage legal counsel** for definitive agreement drafting

Timeline Milestones

- **Due Diligence Completion:** [DATE]
- **Definitive Agreements:** [DATE]
- **Regulatory Filings:** [DATE] (if applicable)
- **Closing:** [DATE]

Key Contacts

Company: Chris Paradise, CEO/Owner Phone: +1 724 350 1688 Email: chris@ddiai.io

Investor/Buyer: [NAME AND CONTACT INFORMATION]

GOVERNING LAW

This LOI shall be governed by the laws of the State of Delaware, without regard to conflict of law principles. Any disputes shall be resolved through binding arbitration in Delaware under JAMS rules.

SIGNATURES

By signing below, the parties acknowledge that they have read, understood, and agree to be bound by the binding provisions of this Letter of Intent.

DIGITAL DYNAMICS AI

By: _____

Name: *Chris Paradise*

Title: *CEO/Owner*

Date: _____

[INVESTOR/BUYER NAME]

By: _____

Name: _____

Title: _____

Date: _____

IMPORTANT NOTICE

This Letter of Intent contains both binding and non-binding provisions. The binding provisions include confidentiality, exclusivity, and expense obligations that create legal obligations with potential financial consequences. Each party should consult with qualified legal counsel before execution.

The non-binding provisions represent preliminary terms subject to due diligence, negotiation of definitive agreements, and satisfaction of closing conditions. No party should rely on non-binding provisions as commitments to proceed with any transaction.

This document contains confidential and proprietary information. Unauthorized disclosure is prohibited and may result in legal action.

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