

STRATEGIC ALLIANCE CONTRACT

PARTIES

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

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

AND

INNOVATENOW TECHNOLOGIES, INC., a California corporation with principal offices at 500 Innovation Way, Palo Alto, California 94304 ("InnovateNow")

(Individually referred to as "Party" and collectively as "Parties")

RECITALS

WHEREAS, Nexus Intelligent Systems, Inc. is a leading enterprise AI services provider specializing in predictive analytics and digital transformation solutions;

WHEREAS, InnovateNow Technologies, Inc. develops advanced machine learning infrastructure and cloud-native AI platforms;

WHEREAS, the Parties desire to establish a strategic technology partnership to co-develop integrated AI solutions for industrial predictive maintenance markets;

1. DEFINITIONS

1 "Collaborative IP" shall mean any intellectual property developed jointly by the Parties during the term of this Agreement.

2 "Background IP" shall mean pre-existing intellectual property owned by each respective Party prior to this Agreement.

3 "Joint Development Project" shall mean specific technology integration initiatives mutually agreed upon in writing.

2. STRATEGIC ALLIANCE OBJECTIVES

1 Technology Integration

The Parties shall collaborate to:

- a) Develop integrated predictive maintenance platforms
- b) Create joint go-to-market solutions for enterprise clients
- c) Share technical expertise and research capabilities

2 Scope of Collaboration

The strategic alliance will focus on:

- Machine learning algorithm development
- Cloud infrastructure optimization
- Enterprise AI solution design
- Market expansion in manufacturing and energy sectors

3. INTELLECTUAL PROPERTY PROVISIONS

1 Ownership

- Background IP remains exclusively owned by originating Party
- Collaborative IP shall be jointly owned with equal rights of use
- Each Party retains perpetual, royalty-free license to Collaborative IP

2 Licensing

The Parties grant each other a non-exclusive, worldwide license to use Collaborative IP for:

- Internal research and development
- Product enhancement
- Customer solution delivery

4. FINANCIAL ARRANGEMENTS

1 Cost Sharing

- Initial joint development budget: \$750,000
- Equal financial contribution from each Party
- Quarterly budget review and reallocation mechanism

2 Revenue Sharing

- Joint solution revenue split: 50/50
- Detailed revenue recognition protocols outlined in Exhibit A

5. GOVERNANCE

1 Joint Steering Committee

- Quarterly strategic alignment meetings
- Two senior executives from each organization
- Responsible for project oversight and strategic direction

2 Technical Working Groups

- Monthly technical coordination sessions
- Cross-functional teams from engineering and product departments
- Responsible for detailed project implementation

6. CONFIDENTIALITY

1 Confidential Information

Each Party agrees to:

- Maintain strict confidentiality of shared technical information
- Implement robust security protocols
- Limit access to authorized personnel only

2 Non-Disclosure

- Five-year confidentiality obligation
- Comprehensive data protection commitments
- Breach penalties up to \$500,000 per incident

7. TERM AND TERMINATION

1 Initial Term

- Three-year initial contract period
- Automatic renewal for successive two-year terms

2 Termination Conditions

Immediate termination possible upon:

- Material breach of agreement
- Fundamental misalignment of strategic objectives
- Regulatory or compliance violations

8. DISPUTE RESOLUTION

1 Mediation

- Mandatory mediation for all disputes
- Neutral third-party arbitration in Santa Clara County, California
- Binding arbitration with limited judicial review

9. MISCELLANEOUS PROVISIONS

1 Force Majeure

Standard industry provisions covering unforeseeable circumstances preventing contract performance

2 Entire Agreement

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

SIGNATURES

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Dr. Elena Rodriguez
CEO, Nexus Intelligent Systems, Inc.

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Michael Thompson
CEO, InnovateNow Technologies, Inc.

Date: January 22, 2024