

AI Algorithm Licensing Agreement

PREAMBLE

This AI Algorithm Licensing Agreement ("Agreement") is entered into as of January 22, 2024, by and between:

LICENSOR: Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134 ("Nexus")

and

LICENSEE: [Counterparty Name] ("Licensee")

1. DEFINITIONS

1 "Licensed Algorithm" shall mean the proprietary machine learning predictive maintenance algorithm developed by Nexus, specifically version 3.7.2, which enables real-time diagnostic analysis for industrial equipment performance optimization.

2 "Confidential Information" shall include all technical specifications, source code, performance metrics, and derivative works related to the Licensed Algorithm.

3 "Permitted Use" means the non-exclusive right to implement the Licensed Algorithm within Licensee's enterprise infrastructure for internal predictive maintenance and operational efficiency purposes.

2. LICENSE GRANT

1 Subject to the terms and conditions herein, Nexus grants Licensee a limited, non-transferable, non-sublicensable license to utilize the Licensed Algorithm.

2 The license is restricted to:

- Use within Licensee's designated industrial facilities
- Integration with existing enterprise technology infrastructure
- Performance monitoring and diagnostic applications

3 Licensee expressly acknowledges that no ownership rights are transferred, and all intellectual

property remains exclusively with Nexus.

3. LICENSING FEES

1 Licensee shall pay Nexus an initial licensing fee of \$275,000, payable within 30 days of execution.

2 Annual maintenance and support fees shall be \$85,000, adjusted annually based on the Consumer Price Index.

3 Additional usage-based fees will be calculated at \$12 per monitored industrial asset per month.

4. REPRESENTATIONS AND WARRANTIES

1 Nexus represents and warrants that:

- a) It possesses full legal right to license the Algorithm
- b) The Algorithm functions substantially as described in accompanying technical documentation
- c) No third-party claims of infringement are pending or anticipated

2 Licensee represents that it has the technical capability and infrastructure to properly implement the Licensed Algorithm.

5. CONFIDENTIALITY

1 Licensee shall maintain strict confidentiality regarding the Licensed Algorithm, implementing industry-standard protection protocols.

2 Unauthorized disclosure shall constitute a material breach, entitling Nexus to immediate injunctive relief and liquidated damages of \$500,000.

6. LIMITATION OF LIABILITY

1 Nexus's total liability shall not exceed the total fees paid by Licensee under this Agreement.

2 Neither party shall be liable for indirect, consequential, or punitive damages.

7. TERM AND TERMINATION

1 This Agreement shall remain in effect for an initial term of 36 months.

2 Nexus may terminate the Agreement immediately upon:

- a) Material breach by Licensee
- b) Failure to pay licensing or maintenance fees
- c) Unauthorized algorithm modification or distribution

8. GOVERNING LAW

1 This Agreement shall be governed by the laws of the State of California.

2 Any disputes shall be resolved through binding arbitration in Santa Clara County, California.

9. MISCELLANEOUS

1 This Agreement constitutes the entire understanding between the parties.

2 Amendments must be made in writing and executed by authorized representatives.

SIGNATURE BLOCK

EXECUTED as of the date first written above:

NEXUS INTELLIGENT SYSTEMS, INC.

By:

Dr. Elena Rodriguez

Chief Executive Officer

LICENSEE:

By:

[Authorized Signatory]

[Title]