

MACHINE LEARNING ALGORITHM LICENSING AGREEMENT

AGREEMENT IDENTIFICATION

Document Number: NIS-ML-2023-001

Effective Date: January 22, 2024

PARTIES

THIS MACHINE LEARNING ALGORITHM LICENSING AGREEMENT (the "Agreement") is entered into by and between:

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

and

LICENSEE: [COUNTERPARTY NAME TO BE INSERTED]

RECITALS

WHEREAS, NIS is the owner of certain proprietary machine learning algorithms and associated intellectual property related to predictive maintenance and industrial diagnostics;

WHEREAS, the Licensee desires to obtain a limited license to utilize certain of NIS's machine learning technologies for specific enterprise applications;

WHEREAS, the parties wish to define the terms and conditions under which such licensing shall occur;

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

1. DEFINITIONS

1 "Licensed Technology" shall mean the specific machine learning algorithms, source code, and associated documentation more particularly described in Exhibit A, which relates to predictive maintenance diagnostics for industrial equipment.

2 "Confidential Information" shall mean all technical, financial, and operational information disclosed by NIS, whether in written, electronic, or oral form, that is marked confidential or reasonably understood to be proprietary.

3 "Permitted Use" shall mean the internal application of Licensed Technology solely for enterprise diagnostic and predictive maintenance purposes within the Licensee's operational environments.

2. LICENSE GRANT

1 Limited License. Subject to the terms and conditions of this Agreement, NIS hereby grants Licensee a non-exclusive, non-transferable license to utilize the Licensed Technology.

2 Scope of Use. The license is restricted to:

- a) Internal enterprise deployment
- b) Use within specified industrial sectors
- c) Maximum of 250 concurrent user licenses
- d) Geographic limitation to North American operations

3 Restrictions. Licensee shall not:

- a) Reverse engineer the Licensed Technology
- b) Sublicense or transfer rights
- c) Modify source code without explicit written consent
- d) Use technology for competitive analysis

3. FINANCIAL TERMS

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

2 Ongoing Royalties. A quarterly royalty of 3% of net revenue derived from applications utilizing Licensed Technology shall be remitted to NIS.

3 Payment Terms. All payments shall be made via wire transfer to NIS's designated financial institution, with detailed reporting requirements as outlined in Exhibit B.

4. INTELLECTUAL PROPERTY

1 Ownership. NIS retains all intellectual property rights, patents, and associated legal protections for

the Licensed Technology.

2 Improvements. Any modifications or derivative works shall be exclusively owned by NIS, with Licensee receiving no additional rights.

5. WARRANTY AND DISCLAIMER

1 NIS warrants that:

- a) It possesses full legal right to license the technology
- b) The technology functions substantially as described in documentation
- c) No known material defects exist at time of delivery

2 EXCEPT AS EXPLICITLY STATED, THE LICENSED TECHNOLOGY IS PROVIDED "AS IS" WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES.

6. INDEMNIFICATION

1 NIS shall indemnify Licensee against third-party claims of intellectual property infringement.

2 Licensee shall indemnify NIS against any claims arising from improper use of Licensed Technology.

7. TERM AND TERMINATION

1 Initial Term. This Agreement shall remain in effect for an initial period of 36 months from the Effective Date.

2 Renewal. Parties may negotiate renewal terms 90 days prior to expiration.

3 Termination Events:

- a) Material breach of agreement terms
- b) Failure to make required payments
- c) Bankruptcy or insolvency of either party

8. MISCELLANEOUS

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

2 Dispute Resolution. Any disputes shall be resolved through binding arbitration in Santa Clara

County, California.

3 Entire Agreement. This document constitutes the complete understanding between parties.

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

LICENSEE

By:

[Authorized Representative Name]

[Title]