GENERATIVE AI ALGORITHM LICENSING AGREEMENT

PARTIES

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

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

AND

[LICENSEE NAME], a [STATE] corporation with principal offices at [ADDRESS] ("Licensee")

RECITALS

WHEREAS, Licensor has developed proprietary generative AI algorithms with advanced predictive maintenance and machine learning capabilities (the "Licensed Technology");

WHEREAS, Licensee desires to obtain a limited license to utilize the Licensed Technology for specific enterprise applications;

WHEREAS, the parties wish to establish the terms and conditions governing the licensing of such technology;

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 Licensor's proprietary generative AI algorithms, source code, associated documentation, and derivative works, specifically designed for predictive maintenance and industrial diagnostic applications.

2 "Confidential Information" shall include all technical, financial, and operational information exchanged between parties, whether in written, electronic, or oral form.

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

2. LICENSE GRANT

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

2 Scope of Use. The license is restricted to:

a) Internal enterprise deployment

b) Use within Licensee's specified industrial sectors

c) Maximum of 250 concurrent user licenses

d) Deployment across up to five (5) distinct operational sites

3 Restrictions. Licensee shall not:

a) Reverse engineer the Licensed Technology

b) Sublicense or transfer licensing rights

c) Modify the core algorithmic structure

d) Attempt to derive source code mechanisms

3. INTELLECTUAL PROPERTY RIGHTS

1 Ownership. All intellectual property rights in the Licensed Technology remain exclusively with Licensor.

2 Improvements. Any improvements or derivative works developed by Licensee shall be immediately assigned to Licensor, with Licensor retaining full ownership and exploitation rights.

4. FINANCIAL TERMS

1 License Fees

a) Initial License Fee: $375,000 USD

b) Annual Maintenance Fee: $125,000 USD

c) Usage-Based Royalty: 3% of incremental operational efficiency gains attributable to Licensed Technology

2 Payment Terms. Fees shall be paid quarterly in advance, with detailed usage reports submitted simultaneously.

5. REPRESENTATIONS AND WARRANTIES

1 Licensor warrants that:

a) It possesses full right and authority to license the technology

b) The Licensed Technology does not infringe third-party intellectual property rights

c) The technology meets specified performance specifications

2 Licensee acknowledges the experimental nature of generative AI technologies and accepts inherent technological uncertainties.

6. CONFIDENTIALITY

1 Each party shall maintain strict confidentiality regarding the other's proprietary information.

2 Confidentiality obligations survive termination of this Agreement for a period of five (5) years.

7. TERM AND TERMINATION

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

2 Renewal. The Agreement may be renewed through mutual written consent, subject to renegotiated terms.

3 Termination Rights:

a) Material breach with thirty (30) days cure period

b) Immediate termination for fundamental breach of licensing restrictions

8. LIABILITY AND INDEMNIFICATION

1 Limitation of Liability. Neither party's total liability shall exceed the total fees paid under this Agreement.

2 Indemnification. Each party shall indemnify the other against third-party claims arising from their respective breaches.

9. MISCELLANEOUS

1 Governing Law. This Agreement shall be governed by California law.

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

County, California.

3 Force Majeure. Parties shall be excused for performance delays caused by unforeseeable circumstances.

SIGNATURE PAGE

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 SIGNATURE BLOCK]