



Sub-License Agreement

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This Sublicense Agreement ("Agreement") is made and entered into as of _____ ("Effective Date"), by and between iLamp Texas ("Sublicensor"), and iLamp Houston ("Sublicensee").

WHEREAS, Sublicensor has been granted an exclusive license by Conflow Power Group to manufacture, distribute, market, and sell certain technology and related products in the state of Texas, United States; and

WHEREAS, Sublicensee desires to obtain a sublicense from Sublicensor to manufacture, distribute, market, and sell the Licensed Products (as defined below) in the specified Territory (as defined below);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. GRANT OF LICENSE

1.1 Subject to the terms and conditions of this Agreement, Sublicensor hereby grants to Sublicensee a non-exclusive sublicense to manufacture, distribute, market, and sell the Licensed Products within the city of Houston, Texas ("Territory").

2. TERRITORY AND TECHNOLOGY

2.1 The sublicense granted herein is limited to the city of Houston, Texas, United States, defined by the list of zip codes and map in this documents appendix ("Territory"). Sublicensee agrees not to sell or otherwise distribute the Licensed Products outside the Territory.

2.2 "Technology" as defined herein shall mean core software developed for iLamp including Dimming and Brightness Control, Scheduling, Motion Detection, Power Consumption Monitoring, Battery Management, Fault Detection, Analytics and Reporting.

2.3 "Licensed Products" shall mean the iLamp and it's hardware and software modules including but not limited to: Control Panel, Light Control Module, Communications Module, Audio Video Module, BatteryWare Module, Weather Module, Air Quality Module, Advanced Processing Module, Display Module.

3. QUALITY CONTROL AND AUDITS

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- 3.1 Sublicensee agrees to maintain the quality of the products and installation of said products as per the written specifications provided by Sublicensor in the documents entitled "iLamp Specifications" and "Operating Manual." Sublicensor may conduct quality audits at its discretion to ensure compliance.
- 3.2 If Sublicensee intends to use a third-party manufacturer to produce the products, Sublicensee must notify Sublicensor in writing, providing the accurate name and complete address of the manufacturer and the products involved. The manufacturer must meet the standards set out in the document "Conflow Power Group Code of Conduct for Manufacturers." Sublicensor may also conduct compliance inspections of the manufacturer before production.
- 3.3 If any manufacturer fails to pass a compliance inspection, Sublicensor may terminate the agreement with the manufacturer, and Sublicensee shall not continue to use that manufacturer for production. Sublicensee shall promptly reimburse Sublicensor for the reasonable cost of the compliance inspection, as applicable.

4. REPORTING

- 4.1 Sublicensee will provide full and accurate quarterly reports, within 30 days after the end of each quarter, to Sublicensor detailing budget, spending, equity raises, debt raises, grants, soft loans, sales, revenues, and all pertinent market data, if any, obtained by Sublicensee. Sublicensee shall preserve these records for a period of two (2) years after the expiration or termination of this Agreement, or for a period of seven (7) years, whichever is less.
- 4.2 Sublicensee acknowledges and agrees that Sublicensor shall have the right, during Sublicensee's normal business hours and for the sole purpose of verifying Sublicensee's reports under this Agreement to audit Sublicensee's books, records, and accounts related to the sales and revenues of the licensed products for the purpose of verifying the accuracy of royalty calculations and ensuring compliance with this Agreement. Audits shall be conducted during reasonable business hours and with reasonable advance notice provided by the Sublicensor. Sublicensor must exercise its right to audit by notifying Sublicensee in writing within two (2) years following the end of any fiscal year and such audit must be conducted within six months thereafter.
- 4.3 In the event that any audit identifies an underpayment or miscalculation of royalties by Sublicensee exceeding a 5% difference in the amounts paid and the amount owed, Sublicensee shall promptly pay any outstanding amounts owed to Sublicensor, including any applicable interest or penalties as specified in this Agreement.
- 4.4 Sublicensee shall promptly resolve any errors or discrepancies identified during the audit process

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and take necessary corrective actions to ensure accurate royalty calculations going forward.

- 4.5 Sublicensor shall bear all costs associated with the audit, unless the audit reveals an underpayment or miscalculation by Sublicensee exceeding a 5% difference in the amounts paid and owed, in which case Sublicensee shall reimburse Sublicensor for the reasonable costs incurred in conducting the audit.
- 4.6 If Sublicensee fails to provide Sublicensor with any quarterly records as required in Section 4.1, Sublicensor shall notify Sublicensee in writing of such failure. If Sublicensee fails to deliver the required quarterly reports within sixty (60) days from such notice, Sublicensor will determine a reasonable amount of royalties owed based on the records maintained by Sublicensee and other reasonable assumptions deemed appropriate by Sublicensor.
- 4.7 The audit rights of Sublicensor shall continue for a period of two (2) years following the termination or expiration of this Agreement, with respect to royalties accrued and payable during such period.

5. COMPENSATION AND ROYALTIES

- 5.1 In consideration of the sublicense granted herein, Sublicensee shall pay Sublicensor an upfront sublicense fee of \$1,700,000 USD ("Sublicense Fee") payable as stated in Section 5.2.
- 5.2 Sublicensee shall pay the Sublicense Fee within thirty (30) days following the Effective Date of this Agreement.
- 5.3 Sublicensee shall pay the following royalties: (i) \$200 on the sale of each iLamp and (ii) 10% on all revenues derived from Power as a Service (PaaS) related to the licensed products.
- 5.4 Payment of royalties must occur within thirty (30) days following Sublicensee's receipt of payment from third parties for the sale of the Licensed Products.
- 5.5 Royalties or any other payments received by Sublicensor after the due date shall bear interest at the rate of 18% per annum from the due date or the maximum rate permitted by law, if less than 18%.

6. DEFAULT

- 6.1 Definition of Default: For the purposes of this Agreement, "Default" shall occur if the Sublicensee fails to pay the Sublicensor the agreed-upon royalties required by Section 5 (Compensation and Royalties) of this Agreement within the specified payment period. A Default shall be considered to have occurred if such payment has not been made within 30 days following the due date for any reason.

- 6.2 Notice of Default: In the event of a Default, the Sublicensor shall provide the Sublicensee with a written notice of Default. The Sublicensee will then have a period of 15 days from the receipt of the notice of Default to either (a) cure the Default by making all due payments in full, including any applicable interest and penalties, or (b) reach an agreement with the Sublicensor on alternative terms for the repayment of the due amounts.
- 6.3 Rights and Remedies: The rights and remedies provided in this section are in addition to any other rights and remedies available to the Sublicensor under this Agreement or under applicable law. The election by the Sublicensor to pursue any one right or remedy does not preclude the pursuit of any other right or remedy.
- 6.4 Amicable Settlement: The parties agree to attempt to resolve any disputes arising from or related to the provisions of this section amicably before resorting to litigation.

7. COMPLIANCE AND APPROVALS

- 7.1 All products, modifications, modules, marketing and advertising materials, websites, and related content used by the Sublicensee must be approved by the Sublicensor before use by the Sublicensee. Sublicensor shall provide its approval or request modifications within a reasonable time not exceeding five (5) business days.
- 7.2 Sublicensee represents and warrants that all advertising and promotional materials shall comply with all applicable laws and regulations. Sublicensee acknowledges that Sublicensor's approval of materials for such advertising does not constitute or imply a representation or belief by Sublicensor that such materials comply with any applicable laws. Ensuring compliance with all applicable laws and regulations shall be the sole responsibility of the Sublicensee.

8. TERM

- 8.1 This Agreement will commence on the Effective Date and continue for a term of 25 years, unless terminated earlier in accordance with the terms of this Agreement.

9. INDEMNIFICATION

- 9.1 Sublicensee shall indemnify, defend, and hold harmless Sublicensor from any claim, damage, liability, or expense arising out of Sublicensee's use, sale, marketing, or distribution of the licensed products.

10. INSURANCE

10.1 Sublicensee shall maintain adequate insurance coverage, including general liability and product liability insurance, with reputable insurance carriers. Sublicensee shall provide Sublicensor with proof of such coverage upon request.

11. PRODUCT COMPLIANCE

11.1 Sublicensee shall ensure that all products sold are in compliance with all applicable laws and local regulations.

11.2 Sublicensee shall also ensure that the products conform to any specified requirements or specifications communicated by Sublicensor, such as iLamp's applicable design standards or specifications.

11.3 Sublicensee shall permit Sublicensor's designated representatives to inspect testing and quality control records and procedures and to conduct product compliance tests, as deemed necessary by Sublicensor. However, Sublicensor is not obligated to conduct such testing and inspection. Such testing shall be at Sublicensor's sole cost and expense.

12. PRODUCT RECALL

12.1 In the event of a product recall, Sublicensee will cooperate fully with Sublicensor.

13. CONFIDENTIALITY

13.1 Each party agrees to keep confidential all non-public information obtained from the other party during the term of this Agreement, unless required by law to disclose such information.

14. GOVERNING LAW

14.1 This Agreement shall be governed by and interpreted in accordance with the laws of Texas, USA.

15. INTELLECTUAL PROPERTY RIGHTS

15.1 The Sublicensor retains all rights, title, and interest in the intellectual property related to the licensed

products. The Sublicensee is granted a sublicense to use such intellectual property only to the extent necessary to manufacture, distribute, market, and sell the licensed products in the Territory.

- 15.2 Neither Sublicensee nor any of Sublicensee's affiliates shall register or attempt to register copyrights in, or register as a trademark, service mark, design patent or industrial design, or business designation, any of the Intellectual Property or derivatives or adaptations thereof, or any word, symbol, or design that is so similar as to suggest association with or sponsorship by Sublicensor or any of Sublicensor's affiliates.
- 15.3 In the event of a breach of the above provision, Sublicensee agrees, at Sublicensee's expense and at Sublicensor's request, to immediately terminate any unauthorized registration activity. Sublicensee shall promptly execute and deliver, or cause to be delivered, to Sublicensor such assignments and other documents as Sublicensor may require to terminate all rights to the registrations, patents, or applications involved.

16. REPRESENTATIONS AND WARRANTIES

- 16.1 Each party represents and warrants to the other that it has the full right, power, and authority to enter into this Agreement, to grant the rights granted herein, and to perform fully all of its obligations in this Agreement.

17. TERMINATION

- 17.1 This Agreement may be terminated by either party upon written notice if the other party materially breaches this Agreement and fails to cure such breach within 30 days of receipt of the notice.

18. DISPUTE RESOLUTION

- 18.1 If a dispute cannot be resolved by the parties within 7 days of the dispute arising, the dispute may be referred by either party to the process of dispute mediation or online commercial arbitration administered by JAMS, Inc. pursuant to its Streamlined Arbitration Rules and Procedures (the "Rules") or any other online dispute resolution (ODR) center agreed upon between the parties. The mediation or arbitration rules shall be nominated by the mediator or the arbitrator.

19. ASSIGNMENT AND SUB-LICENSING

- 19.1 The Sublicensee may assign or sub-sublicense its rights and obligations under this Agreement with

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the prior written consent of the Sublicensor.

- 19.2 Notwithstanding the above, any sub-sublicenses granted by the Sublicensee shall contain the same terms and protections afforded to Sublicensor and the iLamp product and brand as this license agreement. Sublicensor's approval of sub-sublicenses is required only to ensure that the sub-sublicenses provide equitable and reasonable protection, without the authority to adjust the terms regarding payments, or royalties, which remain solely within the discretion of the Sublicensee.
- 19.3 Sublicensor may provide sample sub-sublicenses for reference purposes, but it expressly disclaims any liability or responsibility for the use or effectiveness of such samples. The Sublicensee shall be solely responsible for its own sub-sublicenses in compliance with the terms of this Agreement.

20. NON-COMPETE AGREEMENT

- 20.1 The Sublicensee agrees that during the term of this Agreement and for a period of 5 years following the expiration or termination of this Agreement, the Sublicensee shall not, directly or indirectly, engage in any business activity that competes with the Sublicensor's iLamp products within the Territory. This includes, but is not limited to, the manufacturing, marketing, or distribution of products or services that are similar to or compete with the Sublicensor's iLamp products.
- 20.2 The non-compete obligation is strictly limited to the Territory defined in Section 2.1 of this Agreement and any additional territories agreed upon in writing by the parties. The intention of this limitation is to protect the Sublicensor's legitimate business interests while not unduly restricting the Sublicensee's ability to conduct business.
- 20.3 The non-compete restriction applies to the Sublicensee's direct activities as well as the activities conducted through agents, affiliates, or any third party acting on behalf of the Sublicensee.
- 20.4 Notwithstanding any other text contained herein, this non-compete clause shall not be construed to prohibit the Sublicensee from engaging in any business activity that is not competitive with the Sublicensor's business or from making investments in any competitive business as a passive investor where the Sublicensee holds less than a 5% interest in such business.
- 20.5 The obligations under this Section 20 shall survive the expiration or termination of this Agreement and shall be binding upon the Sublicensee, its successors, and assigns.
- 20.6 In the event of a breach or threatened breach by the Sublicensee of this Section 18, the Sublicensor shall be entitled to seek equitable relief, including injunctive relief and specific performance, in addition to all other remedies available at law or in equity.

20.7 If any portion of this non-compete clause is held to be invalid or unenforceable under the law of any jurisdiction, such portion shall be deemed modified to the minimum extent necessary to make it enforceable, and the remaining portions of this clause shall remain in full force and effect.

21. FORCE MAJEURE

21.1 Neither party will be liable for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control.

22. ENTIRE AGREEMENT

22.1 This Agreement constitutes the entire understanding between the parties and supersedes all prior agreements or understandings.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

iLamp Texas

iLamp Houston

Names:

Names:

Signed :

Signed :

Position :

Position :

Dated :

Dated :