Knowledge Assistant Licensing Agreement

As of Jan. 1 2026

Madison AI

AI knowledge assistants for government staff to complete requests in minutes, not hours.

www.MadisonAI.com

This Licensing Agreement ("Agreement") is made and entered into as <mark>of [DATE],</mark> by and between [the Office of the County Manager of Washoe County, Nevada] with its principal place of business at 1001 E. Ninth Street, Reno, NV 89512 ("Licensee" and "you"), and M3Planning, Inc. dba Madison AI, a corporation organized under the laws of Nevada, with its principal place of business at 527 Lander Street, Reno, NV 89509 ("Licensor").

WHEREAS, Licensor has developed Madison AI, an AI Assistant for local government LLM for elected officials and staff to access board decisions, agendas, and master codes in your library ("Madison AI"); and

WHEREAS, Licensee desires to license Madison AI from Licensor under the terms and conditions set forth herein and as consideration hereunder, Licensee agrees to provide certain product development, marketing, and sales services supporting the commercialization of Madison AI;

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

1. **LICENSE GRANT**

    1.1. **License:** Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee a non-exclusive, non-transferable, and royalty-free, license to use Madison AI Modules as selected in Appendix 1 during the Term (as defined below) for the purpose of generating reports based on governmental data for Licensee's internal use (and for no commercial purposes except as otherwise explicitly contemplated by Section 5.4 of this Agreement).

    1.2. **Ownership:** All intellectual property rights in the Madison AI, including but not limited to software, content, text, images, graphics, video, audio, and other materials, are owned by Madison AI or its licensors.

2. **TERM**

    2.1. **Term:** This Agreement shall commence on the Effective Date, month day year, and shall continue for ten (10) years, unless terminated earlier in accordance with the provisions of this Agreement ("Term").

3. **ADDITIONAL CHARGES AND SUPPORT**

    3.1. **Usage Tokens:** The License Fee includes usage tokens with a limit of $250 per month. Usage beyond this limit will incur additional fees as specified in Section 3.3. Tokens are priced at cost by Microsoft ($0.005/1,000 input and $0.015/1,000 output) here. *(Ex: Each search costs ~ $0.0676 using GTP-4o Regional.)*

    3.2. **Additional Usage Fees:** In the event Licensee exceeds the monthly usage limit of $250, Licensee agrees to pay additional fees at the rate of $250 a month for each subsequent level. Licensor shall invoice Licensee quarterly for any additional usage fees incurred, and Licensee shall pay such invoices within thirty (30) days of receipt.

3.3 **Service Support:** Service support beyond initial installation is available for issues and level one customer service support. Additional support can be provided as a service add-on if requested.

4. **DEPLOYMENT AND DATA INDEX UPDATING**

   4.1. **Initial Deployment:** Licensor will deploy the AI Knowledge Assistant in approximately (4) weeks and it will include approximately five (5) years of data from existing agendas, minutes, and staff reports.

   4.2. **Data Index Updates:** Throughout the Term, Licensor shall update the data pile once monthly to ensure the application has access to the most current governmental data to reference.

5. **LICENSEE OBLIGATIONS AND RESTRICTIONS**

   5.1. **Compliance with Laws:** Licensee agrees to use Madison AI in compliance with all applicable laws and regulations.

   5.2. **Restriction:** Licensee shall not and shall not permit any third party to: (a) reverse engineer, decompile, or disassemble Madison AI; (b) modify or create derivative works of Madison AI; (c) sublicense, lease, rent, or distribute Madison AI to any third party; or (d) use Madison AI for any purpose other than as expressly permitted under this Agreement.

   5.3 **Licensee Obligations**: During the Term, Licensee shall perform ongoing and continuing product development, marketing, and sales services supporting the commercialization of the Madison AI as set forth herein or otherwise requested by Licensor. Licensee shall perform such obligations in a professional and workmanlike manner.

   5.4 **Additional Terms**: Licensee's use of Madison AI shall also be governed by the Madison AI Privacy Policy (found at https://madisonai.com/privacy-policy/) and Madison AI Terms of Service (found at https://madisonai.com/terms-and-conditions/) (the "Madison AI Terms of Service"), both of which are hereby incorporated herein and made a part of this Agreement by this reference. The parties agree that Sections titled "Fees and Payment", "Termination", "Warranty Disclaimer", "Limitation of Liability", of the Madison AI Terms of Service shall not apply to this Agreement.

6. **SECURITY**

   6.1. **Data Security**: Madison AI is a Microsoft Azure Application that is compliant with Microsoft Data Protection. Your prompts (inputs), Output (defined below in Section 8.2), your embeddings, and your training data:

   - are NOT available to other customers.

   - are NOT available to OpenAI.

   - are NOT used to improve OpenAI models.

   - are NOT used to improve any Microsoft or 3rd party products or services.

- are NOT used for automatically improving Azure OpenAI models for your use in your resource (The models are stateless, unless you explicitly fine-tune models with your training data).

The Azure OpenAI Service is fully controlled by Microsoft; Microsoft hosts the OpenAI models in Microsoft's Azure environment and the Service does NOT interact with any services operated by OpenAI (e.g. ChatGPT, or the OpenAI API).

7. **FUTURE COLLABORATION**

7.1. **New Product Development:** Licensee and Licensor may collaborate to develop new products to improve operation efficiency and to benefit Washoe County and its employees. Licensee will provide employee time and data. Licensor will provide technical skill and product development.

7.2 **Endorsement:** Licensee may endorse Licensor's products through marketing materials or personal appearances. Should appearances for endorsement be necessary, Licensor will pay for any travel expenses.

7.3 **Costs:** Should Licensee assist with new product development, Licensee and Licensor will each record employee time spent working on projects. On June 1 of each year, Licensee and Licensor will compare time expended to mitigate any unreasonable discrepancies prior to close of Licensee's fiscal year via agreed upon rates. Licensee will be responsible for the hard costs as outlined in Appendix A for new projects not currently listed in this Agreement.

8. **TERMINATION**

8.1. **Termination for Breach:** Either party may terminate this Agreement immediately upon written notice if the other party breaches any material term or condition of this Agreement (including, without limitation, Licensee's breach of Section 5) and fails to cure such breach within thirty (30) days after receiving written notice thereof.

8.2. **Effect of Termination:** Upon termination of this Agreement, Licensee shall cease all use of Madison AI. Madison AI will delete all data related to the Licensee, to include chat history and backups.

9.   **DISCLAIMERS**

9.1.   TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MADISON AI AND ALL CONTENT IS PROVIDED TO CLIENT STRICTLY ON AN "AS IS" AND "AS AVAILABLE" BASIS AND "WITH ALL FAULTS"; AND ALL CONDITIONS, REPRESENTATIONS, AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR USAGE OF TRADE; ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY MADISON AI AND ITS LICENSORS. LICENSOR (AND ITS SUPPLIERS AND LICENSORS) MAKE NO WARRANTY THAT THE MADISON AI OR ANY COMPONENTS OR THE USE AND RESULTS THEREOF, INCLUDING OUTPUT, WILL MEET LICENSEE'S OR ANY THIRD PARTY'S REQUIREMENTS, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES, WILL BE AVAILABLE ON AN UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE BASIS, OR WILL BE ACCURATE, RELIABLE, FREE OF VIRUSES OR OTHER HARMFUL CODE, COMPLETE, LEGAL, OR SAFE. IF APPLICABLE LAW REQUIRES ANY WARRANTIES WITH RESPECT TO MADISON AI, ALL SUCH WARRANTIES ARE LIMITED IN DURATION TO NINETY (90) DAYS FROM THE DATE OF FIRST USE.

9.2   RELIANCE ON ANY OUTPUT, DATA, RESULTS, INFORMATION OR OTHER MATERIALS OBTAINED FROM THE MADISON AI IS STRICTLY AT LICENSOR'S OWN RISK. LICENSOR UNDERSTANDS, AGREES, AND ACKNOWLEDGES THAT: (I) USE OF MADISON AI DOES NOT RELIEVE LICENSOR OF RESPONSIBILITY FOR COMPLIANCE WITH APPLICABLE LAWS, RULES (INCLUDING ETHICAL RULES), AND REGULATIONS WHILE USING MADISON AI, ANY COMPONENTS THEREOF, OR ANY OUTPUT, DATA, RESULTS, INFORMATION OR OTHER MATERIALS LICENSEE GENERATES WHILE USING THE MADISON AI ("OUTPUT"); (II) LICENSOR IS FULLY AND SOLELY RESPONSIBLE FOR: (A) SELECTION OF ADEQUATE AND APPROPRIATE SERVICES AND SOFTWARE TO SATISFY LICENSOR'S BUSINESS NEEDS AND ACHIEVE LICENSOR'S INTENDED RESULTS; (B) USE OF THE MADISON AI AND ALL OUTPUT FROM THE MADISON AI OR THE USE THEREOF; (C) REVIEWING ALL OUTPUT FROM THE MADISON AI INCLUDING, WITHOUT LIMITATION, ANY DOCUMENTS LICENSEE GENERATES OR FILLS THROUGH THE MADISON AI TO ENSURE SUCH OUTPUT IS TRUTHFUL, ACCURATE, AND ERROR-FREE; (D) SELECTING, OBTAINING, AND MAINTAINING ALL HARDWARE, SOFTWARE, COMPUTER CAPACITY, INTERNET SERVICE, PROGRAM AND SYSTEM RESOURCES AND OTHER EQUIPMENT AND UTILITIES NEEDED FOR ACCESS TO AND USE OF MADISON AI AND FOR ALL COSTS ASSOCIATED THEREWITH; AND (E) SELECTION AND USE OF ALL DATA, RESULTS, INFORMATION, AND OTHER MATERIALS OBTAINED FROM ANY OTHER PROGRAMS AND ALL APPLICATIONS, COMPUTER EQUIPMENT, SOFTWARE, OR SERVICES USED WITH MADISON AI. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LICENSEE ACKNOWLEDGES THAT THE MADISON AI DOES NOT GUARANTEE LICENSEE'S COMPLIANCE WITH ANY APPLICABLE LAWS, RULES, REGULATIONS, POLICIES, OR ANY OBLIGATIONS OR DUTIES LICENSEE MAY HAVE TO

ANY THIRD PARTIES. LICENSEE MUST DETERMINE FOR ITSELF WHETHER THE MADISON AI AND ITS USE OF THE MADISON AI AND ANY OUTPUT, DATA, RESULTS, INFORMATION, ADVICE, RECOMMENDATIONS, OR OTHER MATERIALS OBTAINED OR CREATED THEREFROM COMPLY WITH LICENSEE'S OBLIGATIONS OR REQUIREMENTS.

9.3.   LICENSEE ACCEPTS AND AGREES THAT ANY USE OF OUTPUTS FROM THE MADISON AI IS AT LICENSEE'S SOLE RISK AND LICENSEE WILL NOT RELY ON OUTPUT AS A SOLE SOURCE OF TRUTH OR FACTUAL INFORMATION, OR AS A SUBSTITUTE FOR PROFESSIONAL ADVICE. LICENSEE ACKNOWLEDGES THAT THE MADISON AI.

10.   **LIMITATION OF LIABILITY**

To the maximum extent permitted by law, in no event shall Licensor (and its suppliers and licensors) be liable for any indirect, incidental, special, punitive, exemplary, enhanced, or consequential damages, or damages for loss of profits, revenue, data, operational use or data use, incurred by licensee or any third party, whether in an action in contract or tort, even if Licensor has been advised of the possibility of such damages. Licensor's liability for damages hereunder shall in no event exceed five thousand dollars (USD $5,000).

11. **GENERAL**

11.1. **Governing Law and Dispute Resolution:** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to its conflict of law principles. By entering into this Agreement, you agree that any disputes, claims, or controversies arising out of or relating to the use of the Software, including but not limited to performance, data use, or service-related issues (collectively referred to as "Disputes"), will be resolved exclusively through mediation as the initial step in the dispute resolution process, in accordance with the laws of the State of Nevada.

11.2. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter.

11.3. **Amendments:** No amendment or modification of this Agreement shall be binding unless in writing and signed by both parties.

11.4. **Waiver:** No waiver of any term or condition of this Agreement shall be deemed a continuing waiver or a waiver of any other term or condition.

11.5. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

11.6. **Assignment:** Licensee may not assign or transfer its rights or obligations under this Agreement without the prior written consent of Licensor.

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

M3 Planning, Inc. dba Madison, AI

dd

By: _____

Name: _____

Title: _____

Date: _____

CLIENT

By: _____

Name: _____

Title: _____

Date: _____

Appendix 1 – Fee and Payment Schedule

SETUP FEE & DEPLOYMENT Custom LLM setup and configuration including prompt fine-tuning.

- Data processing and metadata extraction.
- Up to 3 custom developed reports/outputs.
- Rollout & Training – 2-3 team training sessions, to be recorded for future use

MADISON AI MODELS

All models include 1) Unlimited staff use, 2) Auto-indexing weekly, 3) AI Tokens for search and OpenAI with a limit of $250 per month. Usage beyond this limit will incur additional fees, to be trued up on the year renewal based on actual utilization.

Selected	Modules	
☒	**Policy & Governance Model**	$6,000
☒	**Planning & Zoning Model**	$6,000
☒	**Capital Projects Model**	$6,000
☒	**Public Guardian Model**	$6,000
☒	**Public Records Request Models**	$6,000
☐	**Additional as Needed***	$6,000

* All modules are a fixed fee of $6,000 annual.