

STATE AND FEDERAL TAX CORRESPONDENCE LOG

Confidential Document - Nexus Intelligent Systems, Inc.

1. PURPOSE AND SCOPE

1 This State and Federal Tax Correspondence Log ("Log") serves as an official record of all material tax-related communications, inquiries, audits, and correspondence between Nexus Intelligent Systems, Inc. (the "Company") and federal, state, and local tax authorities from January 1, 2020 through December 31, 2023.

2 The purpose of this Log is to provide a comprehensive and chronological documentation of all significant tax interactions, ensuring transparency, accountability, and complete disclosure for due diligence purposes.

2. DOCUMENT CLASSIFICATION

1 Classification: Confidential - Internal Use Only

2 Access Level: Restricted to Executive Leadership, Legal Counsel, and Authorized Financial Personnel

3 Preparation Date: January 22, 2024

3. FEDERAL TAX CORRESPONDENCE SUMMARY

3.1 Internal Revenue Service (IRS) Communications

1.1 2020 Tax Year Audit

- Date of Initial Contact: September 15, 2021
- Audit Type: Comprehensive Corporate Income Tax Examination
- Examining Agent: Revenue Agent Sarah Thompson
- Audit Findings: No material adjustments required
- Resolution Date: December 3, 2021
- Documentation Reference: IRS Form 4564, Audit Report #2021-CA-87632

1.2 R&D Tax Credit Verification

- Date of Correspondence: March 22, 2022
- Nature: Verification of Research and Development Tax Credit Claims

- Submitted Documentation: Detailed technical documentation for AI platform development
- Outcome: Full tax credit certification approved
- Documentation Reference: IRS Form 6765, Credit #RD-2022-45291

3.2 Federal Employment Tax Verification

2.1 Payroll Tax Compliance Review

- Date of Review: July 14, 2022
- Reviewing Agency: IRS Employment Tax Division
- Scope: Verification of payroll tax withholdings and reporting
- Outcome: Full compliance, no discrepancies identified
- Documentation Reference: IRS Letter 2257-A

4. STATE TAX CORRESPONDENCE

4.1 California Franchise Tax Board

1.1 State Nexus and Apportionment Review

- Date of Correspondence: November 5, 2022
- Nature: Evaluation of Corporate Nexus and Income Apportionment
- Submitted Documentation: Detailed state income allocation worksheets
- Outcome: Approved state tax filing methodology
- Documentation Reference: CA FTB Correspondence #ST-2022-9876

4.2 Delaware Secretary of State Tax Division

2.1 Annual Franchise Tax Compliance

- Filing Dates: January 15, 2021, January 15, 2022, January 15, 2023
- Status: Timely filed and paid in full
- Total Franchise Tax Paid: \$5,750 annually
- Documentation Reference: Delaware Franchise Tax Receipts

5. MATERIAL TAX RISK DISCLOSURES

1 No Outstanding Tax Liabilities

2 No Pending Tax Litigation

3 No Unresolved Tax Disputes

4 Full Compliance with All Federal and State Tax Regulations

6. DOCUMENT AUTHENTICATION

1 Prepared By: Michael Chen, Chief Financial Officer

2 Reviewed By: Sarah Williamson, Chief Strategy Officer

3 Legal Counsel Verification: Corporate Legal Department

7. DISCLAIMER

This Tax Correspondence Log represents a true and accurate record of tax-related communications as of the preparation date. The Company maintains all supporting documentation and reserves the right to update this log as necessary.

8. SIGNATURE BLOCK

Michael Chen, CFO

Nexus Intelligent Systems, Inc.

Date: January 22, 2024