

# Strategic Investment Memorandum of Understanding

**Confidential Document - Nexus Intelligent Systems, Inc.**

## PRELIMINARY RECITALS

THIS STRATEGIC INVESTMENT MEMORANDUM OF UNDERSTANDING (the "Agreement") is executed on January 22, 2024, by and between the following parties:

INVESTOR: [Redacted Venture Capital Partners], a Delaware limited partnership ("Investor")

TARGET COMPANY: Nexus Intelligent Systems, Inc., a Delaware corporation ("NIS" or the "Company")

## 1. DEFINITIONS AND INTERPRETIVE PROVISIONS

1 "Confidential Information" shall mean all proprietary technical, financial, and strategic data disclosed during the investment evaluation process, including but not limited to:

- Proprietary AI algorithm specifications
- Financial performance projections
- Customer acquisition and retention metrics
- Intellectual property portfolio details

2 "Strategic Investment" refers to the proposed capital infusion and strategic partnership framework outlined herein, targeting a minority equity position in NIS.

## 2. INVESTMENT OVERVIEW

### 1 Investment Parameters

- Proposed Investment Amount: \$7,500,000
- Equity Stake: 18.5% (Series B Preferred Shares)
- Pre-Money Valuation: \$38,500,000
- Liquidation Preference: 1x Participating Preferred

### 2 Strategic Objectives

The Investor seeks to:

- Acquire a significant minority position in a high-growth AI enterprise
- Gain strategic insights into enterprise predictive maintenance technologies

- c) Support NIS's continued technological development and market expansion

### **3. DUE DILIGENCE REPRESENTATIONS**

#### **1 Company Representations**

NIS hereby represents and warrants that:

- All financial statements provided are accurate and prepared in accordance with GAAP
- No material litigation is pending that could materially impact business operations
- Intellectual property portfolio is fully owned and unencumbered
- Current annual revenue is \$12,500,000 with a demonstrated 42% year-over-year growth trajectory

#### **2 Technology Validation**

- Proprietary AI platforms have been independently verified by third-party technology assessment firms
- Machine learning diagnostic tools demonstrate statistically significant predictive accuracy
- Current client base includes Fortune 500 manufacturing and energy enterprises

### **4. INVESTMENT CONDITIONS PRECEDENT**

#### **1 Investor shall complete comprehensive due diligence, including:**

- Comprehensive financial audit
- Technical product and IP assessment
- Management team background verification
- Customer contract and revenue validation

#### **2 Closing Conditions**

The investment is contingent upon:

- a) Execution of definitive investment documentation
- b) Satisfactory completion of due diligence
- c) No material adverse changes in company performance

### **5. CONFIDENTIALITY AND EXCLUSIVITY**

- 1 Both parties agree to maintain strict confidentiality regarding all disclosed information.

2 The Company grants the Investor a 45-day exclusive negotiation period during which no alternative investment discussions may be pursued.

## **6. GOVERNING LAW AND DISPUTE RESOLUTION**

1 This Memorandum shall be governed by Delaware law.

2 Any disputes shall be resolved through binding arbitration in Delaware, conducted by the American Arbitration Association.

## **7. SIGNATURES**

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

INVESTOR REPRESENTATIVE:

[Authorized Signatory]

[Venture Capital Partners]

NEXUS INTELLIGENT SYSTEMS, INC.:

Dr. Elena Rodriguez

Chief Executive Officer

## **CONFIDENTIALITY LEGEND**

THIS DOCUMENT CONTAINS CONFIDENTIAL AND PROPRIETARY INFORMATION. ANY UNAUTHORIZED REPRODUCTION OR DISTRIBUTION IS STRICTLY PROHIBITED.