

PREFERRED STOCK ISSUANCE TERMS

PREAMBLE

THIS PREFERRED STOCK ISSUANCE AGREEMENT (the "Agreement") is executed this 22nd day of January, 2024, by and between Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), and the undersigned investors (collectively, the "Investors").

1. DEFINITIONS

1 "Preferred Stock" shall mean the Series B Convertible Preferred Stock of the Company, par value \$0.0001 per share, with the rights, preferences, and privileges set forth herein.

2 "Original Issue Price" means \$12.50 per share, representing the per share purchase price for the Preferred Stock.

3 "Liquidation Preference" means the right of Preferred Stock holders to receive \$12.50 per share plus any declared but unpaid dividends prior to any distribution to common stockholders.

2. STOCK ISSUANCE TERMS

1 Authorized Shares

The Company is authorized to issue up to 2,000,000 shares of Series B Preferred Stock, of which 1,250,000 shares are being issued in this transaction.

2 Conversion Rights

(a) Each share of Preferred Stock shall be convertible, at the option of the holder, into one (1) share of Common Stock.

(b) Conversion shall be automatic upon:

- i. A Qualified Public Offering exceeding \$75,000,000
- ii. Written consent of holders representing 66.67% of outstanding Preferred Shares

3 Voting Rights

Each share of Preferred Stock shall be entitled to vote on an as-converted basis, with voting power proportional to the number of common shares into which the Preferred Stock may be converted.

3. PROTECTIVE PROVISIONS

1 The Company shall not, without the affirmative vote of at least 66.67% of the outstanding Preferred Stock:

- (a) Alter or change the rights, preferences, or privileges of the Preferred Stock
- (b) Create or authorize any class of stock ranking senior to the Preferred Stock
- (c) Redeem or repurchase any junior stock
- (d) Consummate a merger, sale, or substantial asset transfer

4. DIVIDEND PROVISIONS

1 Dividend Rate

Preferred Stock shall accrue a cumulative dividend of 8% per annum, payable when and if declared by the Board of Directors.

2 Dividend Payment

Dividends shall be paid pro rata to Preferred Stock holders before any distribution to common stockholders.

5. ANTI-DILUTION PROTECTION

1 Weighted Average Adjustment

In the event of any subsequent equity issuance at a price lower than the Original Issue Price, the conversion price shall be proportionally adjusted to protect Investors from dilution.

6. REGISTRATION RIGHTS

1 Demand Registration

Investors holding at least 35% of the outstanding Preferred Shares may demand up to two (2) registration events for their shares.

2 Piggyback Registration

Investors shall have customary piggyback registration rights on any future public offering of the Company's securities.

7. REPRESENTATIONS AND WARRANTIES

1 The Company represents and warrants that:

- (a) It is duly organized and in good standing

(b) The Preferred Stock, when issued, will be validly issued and fully paid

(c) No additional authorization is required to complete this issuance

8. MISCELLANEOUS

1 Governing Law

This Agreement shall be governed by the laws of the State of Delaware.

2 Entire Agreement

This document constitutes the entire understanding between the parties regarding the Preferred Stock issuance.

SIGNATURE BLOCK

EXECUTED as of the date first above written:

NEXUS INTELLIGENT SYSTEMS, INC.

By:

Dr. Elena Rodriguez

Chief Executive Officer

INVESTOR REPRESENTATIVE

By:

[Investor Name]

[Title]