

PREFERRED STOCK AND INVESTMENT TERMS

ARTICLE I: DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

"Company" means Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134.

"Investor" means any institutional or accredited investor purchasing Preferred Stock pursuant to this Agreement.

"Preferred Stock" means the Series B Convertible Preferred Stock of the Company, par value \$0.0001 per share.

"Purchase Price" means \$12.75 per share of Preferred Stock.

1.2 Interpretation

All references herein to sections, articles, and exhibits shall be deemed references to sections, articles, and exhibits of this Agreement, unless the context requires otherwise.

ARTICLE II: ISSUANCE OF PREFERRED STOCK

2.1 Authorization

The Company is authorized to issue up to 2,500,000 shares of Series B Convertible Preferred Stock, with a stated value of \$12.75 per share.

2.2 Subscription Rights

Each Investor shall have the right to purchase Preferred Stock in proportion to their committed investment, subject to the terms and conditions outlined herein.

ARTICLE III: ECONOMIC RIGHTS

3.1 Dividend Preferences

(a) Preferred Stock shall be entitled to receive non-cumulative dividends at a rate of 8% per annum, payable when and if declared by the Board of Directors.

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

3.2 Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company:

(a) Each Preferred Stock holder shall be entitled to receive \$12.75 per share, plus any declared but unpaid dividends.

(b) After payment of liquidation preferences, remaining assets shall be distributed to common stockholders.

ARTICLE IV: CONVERSION AND VOTING RIGHTS

4.1 Conversion to Common Stock

(a) Each share of Preferred Stock shall be convertible to common stock at the holder's option at a 1:1 ratio.

(b) Conversion shall be automatic upon:

- Closing of a Qualified Public Offering
- Written consent of holders of a majority of outstanding Preferred Stock

4.2 Voting Rights

(a) Each share of Preferred Stock shall be entitled to votes equal to the number of common shares into which it could be converted.

(b) Preferred Stock holders shall vote together with common stockholders as a single class.

ARTICLE V: REPRESENTATIONS AND WARRANTIES

5.1 Company Representations

The Company represents and warrants that:

(a) It is a validly existing corporation under Delaware law

- (b) It has full corporate power to execute this Agreement
- (c) No conflicts exist with existing agreements or obligations

5.2 Investor Representations

Each Investor represents:

- (a) Accredited investor status
- (b) Independent evaluation of investment risks
- (c) Compliance with applicable securities laws

ARTICLE VI: MISCELLANEOUS

6.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

6.2 Entire Agreement

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

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as of January 22, 2024.

NEXUS INTELLIGENT SYSTEMS, INC.

By:

Dr. Elena Rodriguez

Chief Executive Officer

INVESTOR SIGNATURE BLOCK

By:

Authorized Representative

[Investor Name]