

SERIES A FUNDING AGREEMENT

PREAMBLE

This Series A Funding Agreement (the "Agreement") is executed on January 1, 2023, by and between ControlSync Solutions, a Delaware corporation with principal offices at 1200 Innovation Park Drive, Austin, Texas 78758 (the "Company"), and Horizon Ventures Capital Partners, a Delaware limited partnership (the "Investor").

1.0 INTRODUCTION AND BACKGROUND

ControlSync Solutions is an innovative enterprise software company specializing in industrial automation and operational intelligence solutions. Founded in 2016, the company has developed a comprehensive cloud-based platform that provides real-time monitoring, predictive maintenance, and performance optimization for manufacturing and process control environments.

The Company has demonstrated significant market traction, achieving \$15.2 million in annual recurring revenue with a 42% year-over-year growth rate. With 127 enterprise customers and key integrations across Rockwell Automation PLC systems and Allen-Bradley control platforms, ControlSync Solutions has established itself as a critical technology partner in the industrial automation sector.

This Series A funding round represents a strategic opportunity to accelerate product development, expand market reach, and solidify the Company's position as a leader in industrial software solutions.

2.0 INVESTMENT TERMS

The Investor agrees to invest \$12 million in ControlSync Solutions, receiving 22% equity ownership in exchange. The pre-money valuation is set at \$42 million, with the following specific terms:

- Total Investment Amount: \$12,000,000
- Equity Percentage: 22%
- Share Class: Series A Preferred Stock
- Per Share Price: \$14.75
- Liquidation Preference: 1x non-participating

The investment will be funded in two tranches: 70% upon closing and 30% contingent upon achieving specific operational milestones to be mutually agreed upon.

3.0 REPRESENTATIONS AND WARRANTIES

The Company hereby represents and warrants:

1. Corporate Standing: ControlSync Solutions is a validly existing corporation in good standing under Delaware law.
2. Financial Accuracy: All financial statements provided are true, complete, and fairly represent the Company's financial condition.
3. Intellectual Property: The Company owns or has valid licensing rights to all critical technologies and software platforms.
4. Regulatory Compliance: The Company is in full compliance with all applicable federal, state, and local regulations.
5. No Material Adverse Changes: No events have occurred that would materially and adversely affect the Company's operations or financial condition.

4.0 INVESTOR RIGHTS AND PROTECTIONS

The Investor shall receive the following rights:

- Board Representation: One board seat with full voting rights
- Information Rights: Quarterly financial reports and annual audited statements
- Anti-Dilution Protection: Weighted average protection against future financing rounds
- Liquidation Preference: Priority return of invested capital before common stockholders

5.0 USE OF PROCEEDS

The Company will allocate the investment proceeds as follows:

- Product Development: 40% (\$4.8M)
- Market Expansion: 25% (\$3M)
- Talent Acquisition: 20% (\$2.4M)
- Infrastructure Investment: 15% (\$1.8M)

Specific initiatives include expanding the engineering team, developing advanced machine learning capabilities, and establishing international sales offices.

6.0 CONDITIONS PRECEDENT

Closing of the investment is contingent upon:

- Successful completion of comprehensive due diligence
- Execution of definitive legal documentation
- Verification of financial representations
- Obtaining necessary regulatory approvals

7.0 CONFIDENTIALITY AND INTELLECTUAL PROPERTY

Both parties agree to maintain strict confidentiality regarding proprietary information. The Company retains full ownership of all existing and future intellectual property developed during the investment period.

DEFINITIONS

- "Series A Preferred Stock": Special class of stock with specific rights and preferences
- "Tranche": Portion of investment released under specific conditions
- "Liquidation Preference": Priority return of invested capital

SIGNATURE BLOCK

Executed on January 1, 2023:

ControlSync Solutions By: _____ Marcus Reyes, CEO

Horizon Ventures Capital Partners By: _____ Elena Rodriguez, Managing Partner

EXHIBITS

- Exhibit A: Detailed Financial Projections
- Exhibit B: Technology Roadmap
- Exhibit C: Capitalization Table

GOVERNING PROVISIONS

This Agreement shall be governed by the laws of the State of Delaware. Any disputes shall be resolved through