

# **DEBT FINANCING TERMS DOCUMENT**

## **CONFIDENTIAL DOCUMENT**

Nexus Intelligent Systems, Inc.

Delaware Corporation

Series B Financing

## **1. PRELIMINARY TERMS**

### **1.1 Parties**

This Debt Financing Terms Document ("Agreement") is entered into by and between:

- Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, CA 95134 (hereinafter "Borrower")
- Silicon Valley Credit Partners, LP, a California limited partnership (hereinafter "Lender")

### **1.2 Recitals**

WHEREAS, Borrower seeks to secure strategic debt financing to support continued technological development and market expansion;

WHEREAS, Lender is prepared to provide senior secured debt facilities to support Borrower's growth objectives;

NOW, THEREFORE, the parties agree to the following terms:

## **2. FINANCING STRUCTURE**

### **2.1 Facility Details**

- Total Facility Amount: \$15,000,000
- Facility Type: Senior Secured Term Loan
- Interest Rate: 10.5% per annum, fixed
- Maturity Date: 36 months from closing

### **2.2 Use of Proceeds**

Proceeds shall be exclusively utilized for:

- a) Research and development of AI predictive maintenance platforms

- b) Working capital and operational expansion
- c) Strategic technology infrastructure investments

### **3. SECURITY AND COLLATERAL**

#### **3.1 Collateral Specification**

Borrower shall provide the following as security:

- All intellectual property related to AI diagnostic tools
- Corporate equipment and technology assets
- Accounts receivable from enterprise contracts
- Secondary pledge of company equity (not to exceed 15%)

#### **3.2 Perfection of Security Interest**

Lender shall have first-priority perfected security interest in all pledged collateral, documented via UCC-1 filing.

### **4. FINANCIAL COVENANTS**

#### **4.1 Reporting Requirements**

Borrower shall provide:

- Quarterly unaudited financial statements
- Annual audited financial statements
- Monthly revenue and customer acquisition reports
- Immediate disclosure of material adverse changes

#### **4.2 Financial Metrics**

Borrower must maintain:

- Minimum quarterly revenue: \$3,500,000
- Debt service coverage ratio: Minimum 1.25x
- Maximum leverage ratio: 2.5x

### **5. EVENTS OF DEFAULT**

#### **5.1 Default Triggers**

Events constituting default include:

- Failure to make scheduled principal/interest payments
- Breach of financial covenants
- Material misrepresentation of financial condition
- Bankruptcy or insolvency proceedings
- Unauthorized change in corporate control

## **5.2 Remedies**

Upon default, Lender may:

- Accelerate loan maturity
- Enforce security interests
- Assume control of specified collateral
- Pursue legal and equitable remedies

## **6. MISCELLANEOUS PROVISIONS**

### **6.1 Confidentiality**

All terms herein shall remain strictly confidential, with limited disclosure permitted to professional advisors under non-disclosure agreements.

### **6.2 Governing Law**

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

## **7. EXECUTION**

IN WITNESS WHEREOF, the parties have executed this Debt Financing Terms Document as of the date first written above.

### **SIGNATURES**

NEXUS INTELLIGENT SYSTEMS, INC.

**By:**

Dr. Elena Rodriguez

Chief Executive Officer

SILICON VALLEY CREDIT PARTNERS, LP

**By:**

Jonathan Stern

Managing Partner

Date: January 22, 2024