

STATE SALES AND USE TAX EXEMPTION DOCUMENTATION

PRELIMINARY STATEMENT

This State Sales and Use Tax Exemption Documentation ("Document") is executed by Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, Austin, Texas 78758 (hereinafter referred to as the "Company").

1. DEFINITIONS

1 "Applicable Jurisdictions" shall mean the states in which the Company conducts business and seeks sales and use tax exemption.

2 "Qualifying Tangible Personal Property" means equipment, machinery, and technological infrastructure directly utilized in the Company's enterprise AI services and predictive analytics operations.

3 "Exemption Certificate" refers to the official documentation submitted to state tax authorities certifying the Company's eligibility for sales and use tax exemptions.

2. EXEMPTION QUALIFICATION

1 Corporate Classification

The Company qualifies for potential sales and use tax exemptions based on the following characteristics:

- a) Incorporated in Delaware
- b) Engaged in advanced technology services
- c) Primarily serving enterprise-level industrial and infrastructure clients
- d) Maintaining substantial investment in research and development

2 Exemption Basis

Sales and use tax exemptions are sought under the following legal foundations:

- Technology investment incentives
- Research and development equipment provisions
- Enterprise-level technology infrastructure acquisitions

3. QUALIFYING PROPERTY CATEGORIES

1 Exempt Property Classifications

The following property categories are identified as potentially exempt from sales and use taxation:

a) Research and Development Equipment

- Advanced computing infrastructure
- Machine learning hardware
- Prototype development systems
- Specialized diagnostic and testing equipment

b) Enterprise Technology Infrastructure

- Server systems
- Network communication equipment
- Cybersecurity hardware
- Cloud computing integration hardware

c) Specialized Analytical Instruments

- Predictive maintenance diagnostic tools
- AI training computational resources
- Advanced sensor and telemetry equipment

4. DOCUMENTATION REQUIREMENTS

1 Supporting Documentation

The Company shall maintain the following documentation to substantiate tax exemption claims:

- Detailed equipment purchase records
- Manufacturer specifications
- Intended use documentation
- Technological purpose justification statements

2 Compliance Obligations

The Company acknowledges its responsibility to:

- Accurately report qualifying property

- Maintain comprehensive records
- Respond promptly to any state tax authority inquiries
- Recertify exemption status annually

5. JURISDICTIONAL LIMITATIONS

1 State-Specific Variations

The Company recognizes that sales and use tax exemptions vary by jurisdiction and may be subject to:

- Specific state legislative requirements
- Annual renewal processes
- Quantitative and qualitative property restrictions

6. LEGAL REPRESENTATIONS

1 Corporate Representations

The Company hereby represents that:

- All statements are true and accurate
- Exemption claims are made in good faith
- Documentation reflects genuine business purposes
- No intentional misrepresentation is made

7. DISCLAIMER

1 This document represents the Company's good faith interpretation of potential sales and use tax exemption qualifications. Nothing herein shall be construed as a guaranteed exemption or binding determination by state tax authorities.

8. EXECUTION

Executed this 22nd day of January, 2024.

AUTHORIZED SIGNATURE

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.